HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Monday, April 21, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions numbers 331-44 and 331-195.

[*English*]

PRICE OF GASOLINE

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I have two petitions. The first petition is from constituents of my riding of Okanagan North who request that the federal Government withdraw the separate excise taxes on gasoline and to call a federal-provincial First Ministers' Conference at an early date to discuss ways and means by which taxes on fuel may be reduced.

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Vince Dantzer (Okanagan North): My second petition is also from residents of Okanagan North who request that the full indexation of universal family allowance be reinstated.

[*Translation*]

PENITENTIARY EMPLOYEES—RETIREMENT AFTER 25 YEARS SERVICE

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I have the honour and the privilege of presenting a petition, duly signed by federal penitentiary employees in the riding of Duvernay, who humbly pray Parliament to intervene in obtaining their request for early retirement after twenty-five years continuous employment with Correctional Service Canada.

[*English*]

REQUEST TO RESCIND BUDGETARY TAX INCREASES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a petition signed by a number of people from the Hamilton area who lament the Government continuing to increase income taxes, sales taxes and excise taxes, particularly as they affect lower and middle-income families. The petitioners ask that Parliament rescind these budgetary tax changes.

CONTINUATION OF MAIL SERVICE—STE. ROSE DU LAC

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I have the honour to present to the House two petitions from my constituents. The first petition is from 97 residents of Ste. Rose du Lac who request that the mail services on Rural Route No. 1 of Ste. Rose du Lac be continued and that no changes be made to the present service.

REQUEST FOR BAN ON PORNOGRAPHY

Mr. Brian White (Dauphin-Swan River): The second petition is from 66 citizens of the Swan River Valley and Roblin, Manitoba, who are concerned with the many problems created by pornography. They ask that the Government ban all pornography from Canada.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 538.

[*Text*]

ST. CLAIR RIVER POLLUTION INVESTIGATION REPORT

Question No. 538—**Mr. Caccia:**

1. With reference to the "St. Clair River Pollution Investigation (Sarnia Area) Report", which recommendations listed on pages 25 to 29, will the Department of the Environment be acting on independently and which recommendations will the Department be acting on in concert with the Ontario Ministry of the Environment?

2. How long will it take to implement each recommendation that the Department is acting on, either independently or jointly?

Hon. Tom McMillan (Minister of the Environment): 1. The recommendations listed in the "St. Clair River Pollution Investigation Report" are divided into three categories: General Direction, Ambient Conditions and Pollution Sources. They are being acted upon as follows:

Recommendation Number	General Direction
1.	Upper Great Lakes Connecting Channels Study; a Canada-U.S. Study which includes the Department of the Environment and the Ontario Ministry of the Environment
2.	Ontario Ministry of the Environment with some input from the Department of the Environment

3.	Ontario Ministry of the Environment with some input from the Department of the Environment
4.	The Department of the Environment and the Ontario Ministry of the Environment
	Ambient Conditions
1.	Department of the Environment and Ontario Ministry of the Environment
2.	Ontario Ministry of the Environment with some input from the Department of the Environment
3.	The Department of the Environment and the Ontario Ministry of the Environment
4.	The Department of the Environment and the Ontario Ministry of the Environment
5.	The Upper Great Lakes Connecting Channels Study, a Canada-U.S. Study which includes the Department of the Environment and the Ontario Ministry of the Environment
6.	The Department of the Environment and the Ontario Ministry of the Environment
7.	The Ontario Ministry of the Environment
8.	The Ontario Ministry of the Environment with some input from the Department of the Environment
9.	The Ontario Ministry of the Environment
10.	The Department of the Environment and the Ontario Ministry of the Environment
11.	The Ontario Ministry of the Environment
12.	The Ontario Ministry of the Environment
	Sources of Pollution
1.	The Ontario Ministry of the Environment with some input from the Department of the Environment
2.	The Ontario Ministry of the Environment with some input from the Department of the Environment
3.	The Ontario Ministry of the Environment
4.	The Ontario Ministry of the Environment
5.	The Ontario Ministry of the Environment
6.	The Ontario Ministry of the Environment
7.	The Department of the Environment and the Ontario Ministry of the Environment
8.	The Department of the Environment and the Ontario Ministry of the Environment

2. Action is ongoing on each of the recommendations. Full implementation will depend on the schedules of the Upper Great Lakes Connecting Channels Study (to be completed by Fall, 1987) and the Municipal and Industrial Strategy for Abatement, a program implemented by the Ontario Ministry of the Environment.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker if question No. 436 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 436 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CONTRACTING OUT OF MAILING SERVICES

Question No. 436—**Mrs. Cossitt:**

1. From February 28, 1980 to September 1, 1984, did any departments contract out mailings and, if so, in each case (*a*) what was the amount of the contract (*b*) what was the name of (i) the department (ii) the firm awarded the contract (*c*) was the contract tendered (i) publicly (ii) by invitation (*d*) what are all the reasons for awarding the contract?

2. In the same period, what was the total cost to the taxpayer for all contracts awarded by the government for mailing services?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Employment and Immigration) moved that Bill C-62, an Act respecting employment equity, be read the third time and passed.

She said: Mr. Speaker, it is with genuine pleasure and, indeed, pride that I stand to move third and final reading of Bill C-62, an Act respecting employment equity. The phrase "employment equity" is new. It has only entered our common vocabulary in the last 18 months with the presentation of the Royal Commission report by Judge Rosalie Abella. However, the issue with which that report and this piece of legislation deals is not new. The barriers to equality in the workplace for too long have hindered women, native people, disabled persons and visible minorities. Indeed, during the 14 years I have been in this House the issue has not been new. It has been raised in questions and in committees throughout the whole of that time. I can say quite frankly that in the years before this Government came to power I heard a lot of talk about fairness and equality but I saw no action. What we are seeing here today is a Government committed to action in this field.

The House is being asked not simply to talk about an issue. The House is being asked to take action. Employment equity is more than just a problem to be solved. It is an essential part of the fabric of our nation. Like bilingualism, multiculturalism

and regional diversity, employment equity is part of our heritage, a heritage in which all Canadians must be able to share equal opportunities.

[*Translation*]

The tabling of this Bill in the House today represents the outcome of a useful process whereby facts and information were examined and collected. First of all, we held exhaustive consultations with over 120 groups and agencies across the country; second, all aspects of the Bill were considered in the Legislative Committee, and third, the Bill was debated in the House. The time for talk is over. It is now time to act.

• (1110)

[*English*]

Bill C-62 is the key step in a multi-step operation by the Government to ensure a fully representative workplace. This Bill, as we know, requires federally-regulated businesses to implement and report on employment equity. But it is an overall operation that also includes a federal contractors' policy that ensures that companies doing business with the Government implement employment equity; the inclusion of employment equity measures in the six programs of the Canadian Jobs Strategy; and the Mandatory Employment Equity Program which has been instituted by the Public Service of Canada. Together, these initiatives, including the Bill before us today, are a concrete demonstration of the Government's strong commitment to creating a better and, indeed, more equitable future for all Canadians.

We are not content just to talk. We are committed to action. Bill C-62 is designed to remove discrimination from the workplace, to eliminate obvious cases of discrimination and to root out less obvious cases—systemtic discrimination which has unconsciously become all too frequently part of traditional employment practices.

Under Bill C-62, employers must identify barriers to target groups and they must remove them. They must adopt special measures that will involve senior level commitment and management authority. They must begin immediately hiring and training target group members in all levels of the organization, for example, by moving women into occupations from which they had previously been excluded. They must show the progress that they are making.

This legislation will cover federally-regulated companies in such fields as banking, communications and transportation. Because of the intiatives that we are taking with this Bill I am very pleased to report that a number of companies, including those which are beyond the jurisdiction of this Bill, have already come forward with employment equity plans—before this Bill is even passed. I refer to companies such as IBM Canada, Xerox Canada and Ontario Hydro, which have expressed their support and are already implementing employment equity. Many other companies are now working with officials in my Department to implement employment equity. This shows that the idea behind employmnt equity is taking hold and that people are realizing that employment equity makes good social sense, as well as making good economic and business sense.

What about the effect of this Bill on members of the target groups? Bill C-62 is a major step forward in creating equal opportunity for women, native people, disabled persons and visible minorities. In fact, the key word that could be used in conjunction with Bill C-62 is "opportunity". This Bill provides an instrument for groups to use in the pursuit of equality. We are not pretending that by merely passing a Bill we have solved the problem. What we are saying is that we have created a new set of conditions—a new environment in which equality will become a reality.

Bill C-62 presents a challenge to women, to native people, to disabled persons and to visible minorities—a challenge which was, perhaps, best expressed by Judge Rosalie Abella in her report when she used these words:

> Equality is a process of constant and flexible examination, of vigilant introspection, and of agressive open-mindedness.

Bill C-62 is enabling legislation, a catalyst for change and progress, not a set of rigid limitations and guidelines. It does not dictate the exact steps that each and every Canadian should take. Instead, it sets forth a framework within which interest groups, employers and Governments can work together to achieve solid social and economic equality. In order to do this, as Judge Abella has said, we must be agressive, vigilant and open-minded if we are to remove the barriers which currently exist in our society. This is why data and information is so critical to the success of Bill C-62—data and information which will be open to public scrutiny, data and information which we presently do not have. It is impossible to be vigilant, as Judge Abella admonishes us, when employment practices are hidden under layers of legal procedure and bureaucratic building.

We have heard a great deal during the debate on this Bill in committee and in the House from individuals and groups about systemic discrimination, discrimination that is caused not just by individual decisions but discrimination which results from barriers and from blockages that the systems themselves have thrown up—systemic discrimination. In the past, this form of discrimination has been more difficult to deal with, largely because it is hidden. Our goal in this Bill is to remove these obstructions, to open up the processes so that we can all see the exact nature of business practices and so that we can take action where these practices are not satisfactory.

Public disclosure, on which I lay such emphasis, is but one-half of a two-tiered system for enforcing employment equity. Beginning in January of 1987, about eight months from now, employers will be required to establish explicit goals and timetables for accomplishing employment equity. At the end of that year they will be required to report on the progress that they have made toward achieving these goals. These reports will be made public, open to media and public scrutiny—and this is the second half of the two-tiered system for enforcing

employment equity. The data will also be made available to the Canadian Human Rights Commission. For the first time the Canadian Human Rights Commission will have the data that it needs to initiate an investigation under the Canadian Human Rights Act.

Some Hon. Members: Hear, hear!

Miss MacDonald: That data has not been available to the Commission in the past. This is a key area in which we are moving. It is a major change. As for the Government's willingness to provide this data, and as for the Commission's willingness to act, let me just quote what Gordon Fairweather, the Chief Commissioner of the Canadian Human Rights Commission, said recently to a group of senior executives in Ottawa. He said:

I hope it's well understood that we intend to use this power.

These reports will provide a profile of where target-group members stand in individual companies. Data from other sources, notably the census, will give us a clear picture of how many target-group members live in a particular area. Once we have this information, we will be able to see how well a company is doing in a particular labour market and we will be able to compare the reports of similar companies in the same geographic area as they implement employment equity. We will be able to hold a company's record in employment equity up against the availability of individuals in the local labour market to see whether or not the companies are drawing on the total human resources available to them. As I say, these reports will be made public. They will be open to the media and to public scrutiny.

• (1120)

The Government is committed to ensuring that employment equity becomes a reality. We intend to knock on the doors of employers who do not meet their responsibilities. I can tell you, Mr. Speaker, that we will be knocking with a firm fist.

Bill C-62 is based on results, not on procedures or processes. It is based on results in the way Judge Abella admonished us to put the emphasis on results. It is results that count. For that reason, we rejected the notion of instituting an artificial system of quotas. We looked at the system in the United States in which quotas are used and concluded that quotas tend to easily become ceilings that employers find very comfortable. Once a ceiling is reached, they feel that they can stop and do not need to go any further.

The value and benefit of our system is its flexibilities. We are telling employers that that is not all they have to do, that they have to look further. We are saying that employment equity requires constant vigilance. Employers must think about employment equity in all their staffing actions.

We also rejected quotas for another reason. Bill C-62 is designed to work in a Canadian context. It recognizes the reality of this country which is that it is a country of regional diversity with widely varying resources and needs. By relying on goals rather than on quotas, we provide a degree of flexibility that suits the Canadian economic picture. To quote Gordon Fairweather again, when he was speaking in committee on this Bill he said the following:

It is one of the strengths of the employment equity Act that it lets managers manage. Each corporation can take the steps that make sense in its own unique circumstances.

[*Translation*]

Mr. Speaker, employment equity is more than just a matter of social justice: it is a viable concept. Employment equity is a part of our present social and economic reality. Women and members of minority groups are entering the labour market in increasing numbers. These people need employment. They need an income.

[*English*]

We live in a world of very rapid and complex change, change that is driven by new technologies, by shifting trade arrangements and by increasing interdependence among nations. With this change comes increased competition and the need to draw on all of our human resources. In the words of the President of Xerox Canada, Mr. David McCamus:

If we discriminate against women, we are limiting our options, which is something we can't do in today's competitive environment. To compete, we have to draw on the best pool of people available.

Bill C-62 is designed to convince all employers of the wisdom of Mr. McCamus' words. It is designed to show them that it is in their own best interests as well as the interests of society to implement employment equity.

In closing, I would just like to reiterate the essence, the purpose and the goal of this Bill. Bill C-62 provides target groups with an opportunity they have never had before in this country. Bill C-62 is a springboard for public action, and for aggressive, vigilant, open-minded action by the groups themselves. It is an opportunity for employers as well to re-examine their business practices, to eliminate systemic discrimination where it exists and to begin drawing on the full range of talent that is available across Canada. It is an opportunity for Government to work with target groups and employers to achieve employment equity. In this endeavour, the Government is fully committed. We will use the vigilance and authority of the Canadian Human Rights Commission to ensure employment equity. We will back the commission with the full weight of Government.

As I said at the outset, the time for talk is over. It is now time to act. I urge all Members of the House to ensure speedy passage of this Bill so that we can begin the important work of ensuring fair opportunities for target-group members throughout the country in all aspects of the workforce. Canadians need this Bill. It is already long overdue.

Some Hon. Members: Hear hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, despite the Minister's rhetoric, Bill C-62 will not enforce employment equity and it will not implement

employment equity. It is merely a sham that is being perpetrated on the four target groups it is supposed to help.

If the Minister does not want to believe what we in the Opposition have been saying, let me read to her part of the press release that was issued this morning by the Coalition on Employment Equity for Persons with Disabilities. The Co-chairman, Beryl Potter, in a statement released this morning, said the following:

"This Bill will do nothing more than provide the Government with employment information. It will in no way implement employment equity as there are no penalties for failing to comply with employment equity plans,"—

She goes on to say:

"We have tried everything. We have consulted with CEIC staff, appeared as witnesses before the parliamentary committee on the Bill, made pleas to the Prime Minister directly and rallied on Parliament Hill. We have demanded that the Bill be amended to include the Government's own departments and agencies and to include a penalty for failing to comply with employment equity plans. The Government has not responded to any of our demands," adds Potter. When the Prime Minister's letter was finally received on Thursday, April 17, it in no way answered the Coalition's concerns.

That is what one of the target groups that is supposed to be helped by this legislation says about the legislation. The other target groups, the visible minorities, the women's groups and the native peoples' groups, are saying the same thing as well.

• (1130)

Because there is much confusion, not only out there in the public but also here in the Parliament, we must be clear on what is employment equity. As the Minister said, it is a new expression. Employment equity is not the absence of discrimination. Employment equity is a new term developed by Judge Abella to include affirmative action. We all understood affirmative action, that terminology. It goes much further than simply forbidding discrimination. In fact, affirmative action says that we must discriminate in favour of certain groups to ensure that they are fairly represented in workplaces where they were not represented before. Affirmative action requires a new type of discrimination, a discrimination of which we approve, because we feel it is necessary to make certain workplaces more representative of women, of visible minorities, of native people, and of disabled people. That is what we are talking about.

I should like to refer to Clause 4 of the Bill. It is a good clause; it sets out certain obligations for employers in respect to affirmative action and employment equity. The only problem is that if employers do not live up to their obligations under Clause 4, no penalty will be imposed against them. Penalties could be imposed against them for discriminating against employees under the Canadian Human Rights Act, that is, discrimination against people trying to find employment. However, under Clause 4 of the Bill we are supposed to go beyond that and introduce affirmative action programs. There is no penalty in the Bill or anywhere else if employers do not proceed with those types of programs.

I will summarize Clause 4 where it indicates that an employer shall implement employment equity by instituting such positive policies and practices as will ensure that persons in designated groups achieve a degree of representation, and so on. We could support that; that is very good legislation. However, if employers do not do what the clause indicates they must do, there is no penalty in the Bill. That is one area about which most of the target groups are concerned.

Let me indicate some other reasons for the Bill not being adequate. In addition to the fact that there is no enforcement or penalty clause dealing with the key parts of the Bill, it only applies to employers under federal jurisdiction. Of course that is essential because we cannot legislate for employers under provincial jurisdiction. By the way, employers under federal jurisdiction are only a small percentage of the total of employers in the Canadian labour market. In any case, the Bill only applies to employers with 100 or more employees. In the Canada Labour Code employers are defined as those with five or more employees.

In the affirmative action legislation in the United States employers are defined as those with 15 or more employees. We felt that 100 was too high. We listened to the evidence and introduced an amendment which indicated that in Canada it should be applicable to employers with a workforce of 25 or more employees. We wanted to reduce the qualifying clause from 100 or more to 25 or more, which is more than the 15 in the United States and more than the 5 in our other labour legislation. Some of the witnesses had recommended 25 or more, and we thought that was reasonable. The Bill is not adequate on that ground. It eliminates many employers from the purview of the Bill by making the floor too high, by setting it at 100 rather than 15 or 25.

Also, the Bill is wanting to the extent that it does not cover federal Government Departments and agencies. The Parliamentary Secretary said during the debate that it was not necessary for the legislation to cover federal Departments because they were already covered by guidelines introduced under the Treasury Board. Those regulations were introduced by the previous Liberal Government. However, we never said at that time that it would be the last word. As a matter of fact, they were introduced at a time when we were still dealing with the implementation of the Charter of Rights and Freedoms and we had not yet received the advice of Judge Abella in respect to these matters. The former Liberal Government appointed the Abella Commission to seek out information and advice on how best to introduce affirmative action programs. Nevertheless, we introduced for the federal Public Service affirmative action programs which are still in effect. However, they are not adequate now that we are in receipt of the Abella Report which recommends that all employers, both those within and those outside the Government, be covered by legislation with mandatory enforceable rules.

The problem with simply relying upon regulations under the Treasury Board for the Public Service is that regulations can be changed at any time by Order in Council or by a small group of Ministers meeting together in private. They will announce it later, but they do not have to go to Parliament to

seek changes, to withdraw those rules, or to strengthen those rules. Those rules can be changed simply by Order in Council in the back room of the cabinet process. That is not good enough.

An even more important argument is that if we are to say to the private sector that it must have legislation passed by the Parliament of Canada which can only be changed within the Parliament of Canada, why is the same thing not at least done for the public sector? Why should a heavier burden or a more entrenched version of employment equity be placed upon the private sector but not upon the public sector? In many respects we are making the process much tougher in the fact that the legislation will be entrenched. We are making it more firmly entrenched and more difficult to change for the private sector than for the public sector. As Judge Abella pointed out in her report, the legislation should apply to federal Government Departments and agencies as well as to private sector firms.

It is also important if we are to give a good example to the provinces. As I mentioned a few minutes ago, the federal Government has only limited jurisdiction in respect to labour matters in Canada. Most firms and their employment equity programs will come under provincial jurisdiction. If we pass an inadequate Bill at the federal level, a Bill which is not properly enforceable and does not apply to the public sector as it applies to the private sector, a poor example is given to the provinces which we hope will follow our example in Ottawa. Over the years, going back to the thirties, the federal Government has set the trend in advanced labour legislation to protect employees. Sooner or later the provinces came onside and did more or less the same thing.

• (1140)

I have mentioned certain items where this Bill falls short. There are no adequate penalties for federal employers, or for employers in private sector companies with less than 100 employees. Second, the definition in Clause 4, to which I referred for affirmative action, is also inadequate. Not only is it inadequate, it will not do the job. It starts off being a very good definition. I read part of it a second ago, but let me refer to it again. It says that an employer shall implement employment equity by instituting such positive policies and practices as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment with the employer that is at least proportionate to their representation in the workforce.

The problem is that many of these groups are not in the workforce. The number of disabled people in the workforce is very small because they cannot get jobs. The number of visible minorities is small because they cannot get jobs. If you look at the representation in the workforce and use it as a standard, as this Bill does, it will be very poor. The Bill will amount to nothing. To introduce an affirmative action program and to look for a standard, you cannot look at the representation, especially for disabled and visible minorities and native people in the workforce.

Certain Members read out the rate of unemployment for blacks in Canada. It is extremely high. In some parts of Montreal 60 per cent to 70 per cent of young blacks are unemployed. We have the same situation in many parts of the country. The situation is the same for natives. We all know that. In Regina, Winnipeg and places where there are many native people, both on the reserves and near the reserves, there are very high rates of unemployment. The definition of being in the workplace is that you must have been for an interview for a job within the last four weeks of being interviewed. Many people have given up hope. They have tried and tried again and again without success. That definition is wanting. We tried to amend that definition both in the committee and in the House. The proposed amendments were turned down.

We were successful, and I give credit to the Minister and to the Parliamentary Secretary, in having an amendment accepted in committee that the employer in introducing employment equity must consult with bargaining agents and with employee representatives. That was a step forward. I congratulate the Minister. It is a good move. We also tried to get an amendment which would oblige the employer to consult with the representatives of the target groups. Very often the target groups are not very well represented in the employees' associations or unions. It is unfortunate.

I met a young woman working in Kingston in the correctional service. She told me, for example, that if I went to speak to the unions in the correctional services I would not get a very sound opinion of what women think in the correctional service because they are such a small group. The unions do not represent their point of view. I think it is good that we consult with the unions and with the employee associations, but if we want to know how employment equity should be implemented we should also have consultations with the designated groups or their representatives, such as women, native people, visible minorities and so on. We introduced an amendment in the House and in committee to do that but it was turned down. It seems strange to me because the same logic applied there as with the other amendment. In one case the Government accepted it and in the other case it turned it down. In any case, there is still an inadequacy in the Bill in that respect.

Again I give credit to the Government, to the Minister and to the Parliamentary Secretary for agreeing that there had to be action plans. When the Bill was first presented to the House there was no requirement on the employer to prepare action plans setting out goals and timetables. Many witnesses argued that that must be done. In response to those representations, the Minister agreed. We now have Clause 5 in the Bill which reads:

> An employer shall, in respect of each year, prepare a plan setting out
>
> (a) the goals that the employer intends to achieve in implementing employment equity in the year or years to which the plan relates; and
>
> (b) the timetable for the implementation of those goals.

Very good, Mr. Speaker. But when we get to Subsection (2) of Clause 5 it reads:

> A copy of a plan—

meaning the action plan.

—prepared under subsection (1) shall be retained by the employer at the employer's principal place of business in Canada for a period of at least three years—

What good is there in having an action plan with goals and timetables if it is kept at the head office of the company and is not made known to the employees, to the target groups or to the Canadian Human Rights Commission?

In the committee and in the House, the Parliamentary Secretary said: "well, the Canadian Human Rights Commission may be able to get the action plan if there is some sort of complaint and it is following up on the complaint." That, however, is too late, Mr. Speaker. The purpose of the action plan is to make public what employers intend to do about employment equity, about affirmative action. The action plan, which is a good thing, should be made available to the target groups, to the employers and to the Canadian Human Rights Commission. While Subsection (1) of Clause 5 is very good, Subsection (2) is extremely wanting and is not good. As a matter of fact, it is ridiculous that after requiring these action plans to be made they are kept secret at the employer's principal place of business in Canada.

These are the principal grounds on which we are opposing this Bill and why we are saying the Bill is not adequate, but there are other specific reasons. We tried to put in the Bill the principle of equal pay for work of equal value as one of the standards for employment equity. That amendment was turned down. We tried to introduce a definition for reasonable accommodation, a definition that was very strongly supported and wanted by the associations of disabled people, women and others, but that also was turned down. We wanted a definition of disabled in the Bill. That proposal was turned down.

We have heard it over and over again in the House, the Minister, the Parliamentary Secretary and other Conservative Members have said that this is the first time that any Bill has been implemented with respect to employment equity. That is correct. This is the first time there has been a Bill dealing with what might be called affirmative action, but to suggest that this question has not been touched on before is completely false and misleading.

The Canadian Human Rights Act was passed by this House in 1977. It was introduced by a Liberal Government. The Canadian Human Rights Act applies to discrimination in many areas, not just employment. It applies to discrimination in accommodation, in service at public facilities and so on. Section 7 reads that it is a discriminatory practice directly or indirectly (a) to refuse to employ or continue to employ any individual or (b) in the course of employment to differentiate adversely in relation to an employee on a prohibited ground of discrimination. The prohibited grounds of discrimination are national or ethnic origin, colour, religion, age, sex, marital status, family status, disability and conviction for which a pardon has been granted.

Since 1977 we have had a law which outlaws discrimination in employment in accordance with the section to which I have just referred on a wide, wide basis. The problem is that the section deals with discrimination in employment. It does not deal with affirmative action. We all know of the Bakke case in the United States. Under the American affirmative action programs and legislation, the Supreme Court ruled those out of order because they were a sort of reverse discrimination. The Supreme Court says that if the law says you cannot discriminate, you cannot even discriminate when you want to help people. The Charter of Rights and Freedoms in Section 15(1) states:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

We then said in Subsection (2):

Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

• (1150)

It was necessary to entrench in the Constitution the capacity of the federal and provincial Governments to pass laws on affirmative action so they would not be ruled out of order on the basis that they were discriminating. As soon as the Charter was enacted, the Minister of Employment and Immigration at the time, who I believe was the Member for Winnipeg—Fort Garry (Mr. Axworthy), set up the Abella Commission to recommend how affirmative action could be introduced. For the Minister and members of the Conservative Party to say that for years and years they requested action on employment equity and nothing was done is, at the best, misleading, and a lot of rhetoric. In fact, in 1977 the Canadian Human Rights Act was passed. In 1981 the Charter of Rights was passed with Section 15, against much opposition from certain Conservative Members. The Hon. Minister supported it, but certain members of her Party did not.

A process has been ongoing for several years which should have led, by this time, to enforceable affirmative action as was recommended by Judge Abella, but that unfortunately is not being done. The Abella Commission was set up in June, 1983, as soon as possible after the passage of the Charter. The Commission reported to a Conservative Government in October, 1984, after being set up by a liberal Government. After a study of more than one year Judge Abella said very clearly that mandatory employment equity was necessary and essential. She said that voluntary affirmative action did not work in the United States, is not working elsewhere, and will not work here. She said that we need an enforcement agency with penalties and sanctions. This Bill does not provide those. It would be the simplest thing in the world for the Minister to put forward an enforceable Bill. Clause 7 now says:

An employer who fails to comply with section 6 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

Clause 6 simply requires employers to produce information with respect to their workplace. Clause 7, which applies the

penalty, does not apply to Clause 4, which lays out the obligation to implement employment equity, and it does not cover Clause 5 which obliges employers to prepare action plans setting out goals and timetables. Everyone is asking why the penalty clause only applies to Clause 6, the reporting clause, and not to Clauses 4 and 5 which are the real guts of the Bill. If the Government and the Minister really believed in enforceable affimative action and employment equity, they would need only amend Clause 7 to read: "An employer who fails to comply with Sections 4, 5, and 6, is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars".

We tried to increase the $50,000 to $500,000 because to many of the large companies under federal jurisdiction $50,000 is like a price to steal. It would be cheaper for large companies like Bell telephone or the Royal Bank of Canada to pay the $50,000 every year than to implement employment equity. In committee we supported an amendment put forward by the Hon. Member for Yorkton—Melville (Mr. Nystrom) which would subject employers to a fine if they did not comply with Sections 4, 5, and 6. That would have made this a very good Bill. I also moved an amendment to increase the fine to a maximum of $500,000, but that was rejected by the Government as well.

I have referred briefly to what other groups have said about this Bill. I referred to the press release issued today by the disabled people. I also have a press release with respect to this legislation which was issued by the Canadian Ethnocultural Council. It says in part:

> The legislation to cover visible minorities, as well as women, natives and the disabled, does not require federally regulated employers to have employment equity programs, nor does it provide them with any sort of guidelines which they ought to follow. In addition, the absence of any employment mechanism or agency means that voluntary organizations with minimal budgets will have to do the real monitoring."

That has been taken care of to a certain extent, and I will talk about that in a moment. The press release goes on to say that this Bill is not acceptable.

The Urban Alliance on Race Relations did a survey in the Toronto area and found, as reported in an article in *The Globe and Mail*, that bigotry, prejudice, and discrimination against visible minorities are widespread and entrenched in policies and practices of small and large employers in the metropolitan Toronto labour market. They said that slightly more than half of management participants in the study had negative things to say about racial minorities. Only 9 per cent of the 199 large employers, all with more than 50 employees, stated a firm belief in racial equality. For example, 28 per cent of the employers said they believed that non-whites in general do not have the ability to meet job performance criteria compared with whites. That is part of the problem.

If you look at the evidence presented to the legislative committee which studied this Bill you will see that not one of the witnesses or groups appearing before the committee representing those who are supposed to be helped by this Bill approved of it. If the Minister and the Parliamentary Secretary do not want to believe members of the Opposition because they think we might be partisan, although we are trying not to be, we ask them to please listen to the disabled people, the native people, and the visible minorities. Listen to them, rather than us. We are simply voicing their views because there are not enough of them in this House. If the Government will listen to them, it may produce a worth-while piece of legislation.

This Bill simply requires that information on employment equity be reported to the Minister and the Canadian Human Rights Commission. There will be a penalty if that information is not reported, but no penalty whatsoever if they do not move ahead with the implementation of employment equity as set out in Clause 4 of the Bill. For example, an employer with 100 employees might report in year one that he has 100 employees including one woman, five from the visible minorities, and no natives. The company does not want to be fined $50,000 under Clause 7, so it makes that report. The next year it reports again that it has 100 employees, including one woman, five from the visible minorities, and no disabled people or natives. It makes the same report year after year and is never penalized because it is reporting as required. However, it is, unfortunately, making no progress on employment equity. It is not introducing affirmative action plans, nor are there any penalties.

• (1200)

The information that is gathered pursuant to this Bill is referred to the Canadian Human Rights Commission which will be able to enforce the provisions of the Canadian Human Rights Act against those firms in which it believes there is discrimination. However, the Commission will not be able to enforce Clause 4 of the Bill which requires affirmative action programs and action to redress the imbalance in a particular labour force.

Last December, the Federal Court of Canada ruled that the Canadian Human Rights Act authorizes prevention but not cures, like the 25 per cent female hiring quota imposed on CN Rail the year before. The Federal Court was saying that the Canadian Human Rights Act can be enforced where there is discrimination but cannot be used to enforce cures to discrimination, such as affirmative action plans. This Bill was supposed to deal with that very issue but does not because the enforcement provisions are not there.

The legal officers for the Canadian Human Rights Commission argued before the committee that he and she thought they could enforce this Bill through certain sections in the Canadian Human Rights Act. They referred me to various sections. I am a lawyer and I attempted to follow their argument but was not convinced that they had any way of enforcing the Employment Equity Bill through their legislation. It seems that the Federal Court of Canada agrees with that suggestion.

The Minister of Employment and Immigration (Miss MacDonald) has rejected the amendments that both opposition Parties put forward. If she really believes in an enforceable Employment Equity Bill that is understood by Canadians and the target groups, why did she not agree to an amendment in Clause 7 which would stipulate that an employer who fails to comply with Clauses 4, 5 and 6 is guilty of an offence? She can use all the rhetoric in the world and make the best speeches to say how good this legislation is, but she is not convincing the employees in the target groups.

This legislation could have been a great achievement for the Government. Unfortunately, it is not. As the disabled people pointed out when they were here last week, this is a black day for Canada and employment equity.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we have now reached third reading stage of a Bill that deals with employment equity, a very important issue in this country. This whole discussion began about a year ago last March or February with the report of Judge Rosalie Abella. Legislation was tabled before the House, followed by second reading debate and lengthy legislative committee hearings at which many witnesses appeared. We have had report stage debate and we are now at third and final reading.

There is still a major difference between the Government on one side and the Opposition and four target groups on the other about the purpose of this Bill. I want to talk about those differences today, because I for one am disappointed that the Minister and the Government did not accept more amendments from the four target groups for whom this Bill was drafted, the women of Canada, Indian people, visible minorities and the disabled. All four of those groups appeared before our legislative committee to suggest many amendments because they believe this Bill is not strong enough and will not reflect what is needed to solve their problems.

The Minister and the Government have been very obtuse and have refused to accept major amendments, despite the fact that they were elected on a promise that they would listen to the Canadian people and reflect their wishes. However, this Bill does not do that.

The difference is that the government's Bill calls for voluntary employment equity with mandatory reporting while the four groups want mandatory employment equity in this country. The enforcement of that equity is not being provided with this legislation.

I believe it is worth while to remind the House of the election promise made by the Prime Minister (Mr. Mulroney) in August, 1984, when many people thought there would be much tougher legislation. He said at that time:

> Our Party will ensure that companies providing services to the federal Government hire increasing numbers of women to perform such services. When seeking government business, these companies will be required to detail their action plans, timetables, and programs for attracting, training and advancing women within their operations . . . We support the need for human resources planning within the federal bureaucracy, which includes goals and objectives to achieve parity for women, at all levels of Government operations, commensurate with their skills and expectations. Numerical goals are one of several goals required: training and retaining are others.

That is what the Prime Minister said during the election campaign in 1984.

I believe you were in the House last Monday, Mr. Speaker, when over 100 disabled Canadians gathered on the Hill to protest that the Prime Minister has not kept his word. Beryl Potter is one of the leaders of the disabled groups in Canada. She stated on the CBC national news last Monday night:

> Like the Bill—it's not even worth the paper it's written on . . . I've never been so disillusioned in my life as I am with Prime Minister Mulroney. I was a supporter of him. I worked for him in his campaign and I am totally, totally disillusioned.

Beryl Potter of the Coalition on Employment Equity for Persons with Disabilities is a leader of the disabled in our country. She campaigned actively for the Prime Minister and the Conservative Party of Canada because she believed in the Prime Minister and that Party. She believed that that Party would do something useful for her as a disabled person and the people she represented. Yet, she said: "I am totally, totally disillusioned". She was so disillusioned that we all saw her in the gallery shouting things about the Government and the Minister of Employment and Immigration (Miss MacDonald) that I cannot repeat here because they are unparliamentary. When will they begin to listen to the people of this country?

One of the great tragedies of a Government with an overwhelming majority is that it becomes insensitive to public opinion. I recall talking to a veteran Conservative Member of Parliament about a week after the federal election in September, 1984. I will not repeat his name because he would not want it stated publicly, but I suggested that he must be happy with the result of the election, with 211 seats for his Party. He said: "Not really. We won 50 seats too many."

When we look at parliamentary tradition in this country and around the world where there have been large majorities, we see that those majority governments became insensitive to the will of the people and were often defeated after one term in office. We saw the problems with the Diefenbaker Government from 1958 to 1964 and what happened to the Trudeau Government from 1968 to 1972. Time and time again, governments with large majorities—

An Hon. Member: Like the present Government.

Mr. Nystrom: —have become insensitive. Like the present Government, as one of the Conservative Members is saying.

One only need ask Beryl Potter to see that the same problem is happening again. Beryl Potter and some disabled people came to this Parliament on March 26 and met the Prime Minister just before he walked into the Conservative caucus. She told the Prime Minister that the Bill should be strengthened in two or three areas, including the definition of reasonable accommodation to disabled people and a stronger penalty clause to make employment equity more enforceable and mandatory. The Prime Minister talked to Beryl Potter for five or six minutes and suggested that she accompany his Policy

Advisor, Geoff Norquay, to his office to discuss her suggestions in detail. The Prime Minister said that he would give a reply as to what could be done. They went to the Prime Minister's Office and had a meeting with Mr. Norquay in the PMO. They came back and were quite ecstatic about this because they had a promise from Mr. Norquay and the Prime Minister's Office that they would get back to them before this Bill comes again before the House for report stage. They were happy about that. You know what happened? There was no reply at all from the Prime Minister, and no reply at all from the Minister of Employment and Immigration (Miss MacDonald) before this Bill came back from the House ten days ago for report stage. What happened was that the Prime Minister broke a commitment that he would, once again, get back to the disabled Canadians before report stage.

• (1210)

I ask now why a simple courtesy like that was not extended to Beryl Potter and disabled Canadians? That is why they were so angry in the gallery of the House of Commons last Monday. You know what they did in the Prime Minister's Office? They sent a reply the day disabled Canadians came before Parliament to demonstrate, the day disabled Canadians in the gallery spoke out against this Bill, and the very day they were here in Ottawa. They did not do it seven or eight days sooner, as they promised, before this Bill came back for report stage. When the Government treats Canadians in that way it does not deserve to be around very long. That is why you have people like Beryl Potter—a Conservative Party supporter for, I assume, many years, certainly in support of this Prime Minister—saying in public that she was never, never so disillusioned in her life.

This Bill has a noble purpose, and the Minister of Employment has stated many times that it is to promote equity in the workplace so we have a chance to correct the discrimination made against the four target groups in this country; the four target groups being the women, native people, visible minorities, and of course the handicapped in our country. That is the purpose of the Bill. There is nothing in the Bill that is going to make it mandatory. The Minister of Employment quoted Judge Rosalie Abella a couple of times earlier this morning. She did not quote some of the important passages that Judge Rosalie Abella referred to when it came to mandatory affirmative action. I quote from page 195 of her report where she talks about mandatory measures versus voluntary measures that the Government has introduced in this Bill. This is what Rosalie Abella is saying:

> A voluntary program with a mandatory reporting requirement is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported.

In other words, we need mandatory action.

Second, she says, and I quote:

> A requirement of public reporting may result in public pressure on a company to revise its systems, but is unrealistic to rely on public opinion as an effective monitoring agency. It results in a speculative and scattered approach and creates the perception, in the absence of enforcement, that the issue is deserving of only casual attention.

In other words, she is saying we need mandatory affirmative action. One last quote from her report on page 197:

> Given the seriousness and apparent intractability of employment discrimination, it is unrealistic and somewhat ingenious to rely on there being sufficient public goodwill to fuel a voluntary program.

We have a Minister and a Government saying that the court of public opinion will prevail. Public opinion will force the Bank of Montreal, the Royal Bank, Bell Telephone and all others to make sure there is employment equity in this country. I do not believe that, and the four target groups do not believe that, and that is why they want changes.

I referred to Beryl Potter on disabled Canadians, and my friend from Notre-Dame-de-Grace referred to a statement made this morning once again saying that this Bill is not going to help them very much at all in this country. I also want to refer to other groups.

We have here a statement from the Inuit people of Canada saying that Bill C-62 is of limited value. We have a quotation here from the National Association of Women in Law, Suzanne Boivin, who says:

> Nothing will change, unfortunately it is simply wishful thinking.

We have example after example of target groups before the committee that have said exactly the same thing, that this Bill is not good enough and it does not go far enough. What we called for in the committee were five different principles to be enshrined in this particular piece of legislation. One is, in the absence of real enforcement, adequate penalties under mandatory equity schemes where necessary. Second, we want to have some reference in the Bill to the whole principle of equal pay for work of equal value. We want reference in the Bill to contract compliance, and we want an obligation in the Bill to negotiate employment equity with a bargaining agent when there is a union present in the workforce. Finally, we want federal Departments included in this legislation.

Those points of view were also supported by the vast majority of witnesses that came before our committee, and in particular all the witnesses who came from the four different target groups covered by this legislation.

In summary, this legislation is voluntary equity with a mandatory reporting process. It is not going to enforce anything unless there is rank and blatant discrimination that can be picked up by the Canadian Human Rights Commission under the Human Rights Act. The only part of this Bill that is mandatory is the failure to report, which is Clause 6, Then all we have is a $50,000 fine. I ask you what is a $50,000 fine for Bell Canada? What is a $50,000 fine for the Royal Bank? What is a $50,000 fine for the Bank of Montreal? It is peanuts. Now there may not be many big companies like that, as a Member for Ontario said.

But it is important, as the four target groups said to have adequate penalties so we do have some kind of punishment if the law is broken. What we suggest in our Party is that you

make the penalty clause apply also to employment equity so it is enforced. But, of course, that is not part of the Bill.

The other aspect of this Bill is that when there are reports the reports are not made public. But if there is a report, that is the only part of the Bill where there can be a penalty or a sanction. The only penalty, as I said before, is through the Human Rights Act. The Human Rights Commission does not enforce employment equity. The Human Rights Act cannot enforce the employment equity Bill; it is not part of the mandate. The Human Rights Commission will be enforcing provisions of the Human Rights Act as they may apply to the workplace based upon the data contained in the annual report. They cannot force the Bank of Montreal or the Royal Bank to hire more women in the middle management or senior management positions. What we are hearing from women across the country is that this Bill should have within it a clause which will make sure it is enforced.

Another part of the Bill you would find interesting is the provision for what is called an action plan. When this Bill was first presented to the House there was no provision for an action plan at all. We had group after group coming before us saying that there has to be an action plan. The Minister, to her credit, introduced an amendment which will provide for an action plan. Ultimately, as the Government responded, they introduced an amendment for an action plan which included, of course, goals and timetables. Ultimately, they made sure that this action plan remain confidential. We have an action plan now which is confidential. The employees of the Bank of Montreal, or the employees of Bell Canada cannot have access to the action plan. The Human Rights Commission does not automatically have access to the action plan.

It is worth repeating that Gordon Fairweather, the Chief Commissioner of the Human Rights Commission of Canada, said in a February speech, and he repeatedly urged management that, though not required by Bill C-62, it would be in their interests to make, upon request, a copy of the action plan available to the Human Rights Commission. Here is Gordon Fairweather saying, "You do not have to give us that action plan, but I think it would be in your interests if you do so." If the Human Rights Commission is going to have any way of interpreting whether there is employment equity or discrimination in this country, surely its job would be a lot easier if it had access to action plans whenever it wanted. If we are going to have any kind of industrial or economic democracy, surely the employees should also have access to action plans.

• (1220)

I am not sure what the Conservative Party is afraid of. The Conservatives campaigned with very prestigious people like Jed Baldwin for freedom of information for many years. I have a great deal of admiration for Jed Baldwin. I remember his Private Members' Bills in this House. I also remember the former Prime Minister; I forget his riding but his first name is "Joe". I remember that he also took considerable action during his short nine months as Prime Minister in 1979 with respect to better freedom of information law. But we now have a Prime Minister who seems to ignore the root beliefs of his Party. Perhaps it is because he was not here all those years with the former Prime Minister, Jed Baldwin and Walter Baker, who was such a distinguished man, when they talked about the need for freedom of information, because we now have an Employment Equity Bill which says there must be an action plan but the action plan must be confidential even from the employees. I wonder once again why the Minister did not make the appropriate amendment on behalf of the people of Canada.

Another part of the Bill about which we heard a lot of criticism is its failure to include equal pay for work of equal value. We put a number of amendments in committee which would have made that a part of the Bill. They would have made equal pay for work of equal value a reality in terms of this legislation.

The National Action Committee on the Status of Women urged that Bill C-62 contain a reference to Section 11 of the Human Rights Act so that equal pay matters would be addressed by employees. I believe that is very important. We moved that amendment without success in committee. Judge Rosalie Abella said that equal pay is an integral element in the implementation of employment equity and that it must be included in any undertaking by employers to make the practices in the workplace more equitable. This was something which was called for by the women of this country, but which is not in the Bill.

Something else which is missing in the Bill is contract compliance. Back in August, 1984 the Prime Minister talked about the need to have contract compliance, to have some kind of equity laws which would make it impossible for companies which do business with the federal Government to discriminate against women and other minorities. Rosalie Abella said the same thing. Recommendation No. 27 states: "Contract compliance should be imposed by legislation". We might ask, is that not a radical thing to do? Is that not too radical for Canadian Conservatives? It is not.

In the United States where Ronald Reagan is President, and I consider Ronald Reagan, to a fair degree more Conservative than many Conservatives in the House, has contract compliance, and Ronald Reagan's United States finds that contract compliance has been an effective tool in changing discriminatory practices by some employers in firms which deal with the U.S. Government. If it can be done in the U.S. why can it not be done in Canada? I believe it is reflective of the fact that we have a majority Government which is too large and insensitive to the opinions of the people of Canada.

In 1980 the Canadian Government had contracts with some 25,000 to 30,000 firms with $6.5 billion worth of contracts going to the private sector and some $5.5 billion going to Crown corporations. Supply and Services alone in 1982-1983 signed 333,928 contracts worth $5 billion on behalf of the federal Government. So I believe we must have contract

compliance. I believe this is exactly what the people of Canada want.

The Acting Speaker (Mr. Paproski): I am sorry. I regret that the Hon. Member's time has expired. However, he does have a period for questions and comments. I am sure, being such a very popular Hon. Member, he will have a question or comment.

Mr. Keeper: Mr. Speaker, I listened with a great deal of interest to my colleague's speech. I wonder if he could elaborate a little further on the last point he made with regard to the inadequacies of the legislation before the House. I wanted to hear more fully what he had to say on that point.

Mr. Nystrom: A very wise question from a very thoughtful Hon. Member. It reminds me of some of the questions Members of the Conservative Party ask during Question Period from time to time. In any event, I want to make one last point. It was a point made by disabled Canadians and several other groups. What they ask is that we include federal Government Departments in this legislation because federal Government Departments are not included. I ask why not? We should practice what we preach. If we are making a law for the private sector which deals with the federal Government, a law which is going to pertain to federal Crown corporations, then why should we not include federal Government Departments within the purview and scope of this particular Bill?

I make one argument as to why it is important. Beryl Potter on behalf of disabled Canadians came here last week and told us that some 75 per cent of disabled Canadians who work for our federal Government work on contract. They are term employees. I am sure the Minister of Veterans Affairs (Mr. Hees) would agree that when we have restrictions of funds and cut-backs in Government Departments it is often the people on term contracts who are the first to be laid off. It is the 75 per cent of disabled Canadians who work for the federal Government on contract who are laid off. So I think it is very important to include federal Goverment Departments in this legislation.

The Minister can say that the Government has its own affirmative action program, but that is accepting the old Liberal argument which this Government often does. The policies of the federal Public Service are totally management controlled. I think the Conservative Party should be interested in making sure there is some participation by the Public Service itself. Second, many basics of an equity program are not subject to a bargaining process under the Public Service Staff Relations Act. I think they should be. Third, in the past, priorities have been placed on promoting women to higher management levels while ignoring the vast majority of women workers in the Public Service and we received that information from the National Action Committee on the Status of Women and others. Fourth, there have been no initiatives taken to identify and eliminate systemic discrimination in all aspects of Public Service employment practices. Fifth, and most important, in my opinion, these policies which are called "Treasury Board Guidelines" lack the force and commitment of law. In other words, we may have Treasury Board guidelines that we should have more women, more visible minorities or more disabled people in the Public Service, but these are Treasury Board guidelines. Treasury Boards and their Ministers come and go and the guidelines can change from one Government to the next. Our Party is urging that this be made law now. We should have the force of law behind employment equity.

In conclusion, I want to say that this Bill is not good enough. It was drafted for four target groups. All four target groups are saying to the Conservative Government that the Bill is not good enough. All this Bill will do is call for employment equity in a voluntary sense. That is not good enough.

[*Translation*]

Mr. Speaker, in a democratic society it is very important to have a democratic process. And in this case, the women of Canada, who are in the majority in this country, are opposed to this Bill. The other groups are opposed as well: native people, visible minorities and the disabled, all are against this Bill.

Mr. Speaker, these four groups are disappointed, because the Prime Minister (Mr. Mulroney) made a political commitment during the last election campaign eighteen months ago, and it is now time to act on that commitment.

• (1230)

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister has described Bill C-62 as a springboard—a springboard for miniorities across the country. I prefer to liken it to a gangplank, a gangplank which will allow all of the minorities cited, by both the spokesman for the Liberal Party, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), as well as by the spokesman for the New Democratic Party, the Hon. Member for Yorkton—Melville (Mr. Nystrom), to sink again into the abyss of despair instead of the hope which was rendered by the Minister of Employment and Immigration (Miss MacDonald).

It is fair to say that a great many people felt that when the Hon. Member for Kingston and the Islands was appointed by the Prime Minister (Mr. Mulroney) to the position of Minister of Employment and Immigration we would see action on this important issue. Such action was promised by the Prime Minister in his speech during the women's debate and throughout the course of his campaign. Unfortunately, instead of seeing the Minister pull forward the Conservative caucus, dragging them kicking and screaming into the 20th century, we see that the Minister has been pulled back. She has replaced action with rhetoric. She has replaced promises made by the Prime Minister, as well as by the Conservative Party, with mere words. As we have seen in this Bill, words have fallen on deaf ears and I refer to the words of women's groups which have decried the Bill as a sham and a phoney. I refer to the minorities who feel that this legislation does not respond to

the employment hopes and aspirations which they have developed over the last number of years. It does not reply to the concerns of the visible minorities or to native groups.

To whom does this legislation reply? It replies to the real bosses of the Conservative Party—the large corporations which have now been called upon by the federal government to report. Once they make their reports they can devise their action plans. However, they can keep these action plans private and secret in the confines of their own corporate boardrooms. They can deny, even to the target groups cited by the Minister, an opportunity to examine these plans to determine whether, in fact, they are delivering on their promises of employment equity.

[*Translation*]

The Minister (Ms. MacDonald) and the Prime Minister (Mr.Mulroney) said they preferred to use the voluntary approach when dealing with equality matters and employment equity. However, Mr. Speaker, we all know that the voluntary approach does not work with companies, especially the big companies which see making a profit as their primary responsibility. We know that in a period of economic recession such as we have known between 1981 and 1983, all these companies got rid of those identified as belonging to minority groups such as women and visible minorities. All the jobs held by these people were cut during this period, and now the same companies are being asked to change the rules of the game on a voluntary basis.

Mr. Speaker, I don't think we can seriously believe that this is what these big companies are going to do, especially when we see that even the Government is not willing to play according to the rules.

[*English*]

The Equality for All Report put forward some fairly significant recommendations. It was an all-Party unanimous report which specifically cited Bill C-62, the legislation which we are discussing today, as being discriminatory. The report stated that the Bill goes against the spirit of the Charter. It was cited as being discriminatory because of the fact it exempts the federal Government. Here we have the federal Government reaching out to companies which employ 100 or more people and saying: "We are asking you to launch an action plan on a voluntary basis and to table it. We are also asking you to launch affirmative action programs within your companies. However, we are not prepared, in a substantive way, through law as opposed to legislation, to submit ourselves to the same type of public scrutiny". On the one hand the Government is saying: "Yes, we are calling upon private sector companies on the federal scene to come across with affirmative action plans; but we are not prepared to make the same requirement of ourselves in legislation".

The Minister will say that the Treasury Board is handling this matter through regulation. However, as has already been pointed out, any regulation can be abolished as quickly as it can be written. If the federal Government is really serious about showing the lead in this particular area, then it is extremely important, as was cited by the committee on equality rights, that at the very least the federal Government be covered by all aspects of Bill C-62.

The second point—

[*Translation*]

Mr. Speaker, the major drawback of this Bill is that it applies only to companies with at least 100 employees. We know that most companies will not be affected by this legislation because the majority of Canadian companies are small businesses with fewer than 100 employees.

What happens to those companies with only 25, 30 or 40 employees? As the Hon. member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has suggested, we might at least follow the example of the United States where all companies with more than 15 employees are included.

All such companies in the United States are governed by federal employment equity regulations. Very reasonable and dedicated as he is, the Hon. Member for Notre-Dame-de-Grâce—Lachine East recommended that the Bill might be made applicable only to companies with more than 25 employees. He did not suggest that all small businesses should be affected. There is nothing extraordinary about that, Mr. Speaker, considering that the Canada Labour Code applies to all companies with at least five employees. We are being quite reasonable when we urge the Government to amend that part of the Bill under which all companies with fewer than 100 employees are exempted.

[*English*]

The Hon. Member for Notre-Dame-de-Grâce—Lachine East put forth a number of extremely reasonable amendments—in fact, almost three dozen amendments —which dealt with the sum and substance of the Bill. They attempted to redress some of the inequitities which had already been outlined by the all-Party committee studying equality rights. Unfortunately, notwithstanding the rhetoric of the Minister and the Government, and notwithstanding the support for these amendments by every single group which the Bill claims to represent, the Minister and the Government refused to endorse most of them. In fact, only two or three amendments, which were certainly not the meat of the matter, were accepted by the Government.

It is disappointing, particularly when one considers that one of the major promises made by the Prime Minister—oh, how I remember his words—was that he would apply contract compliance immediately upon being elected to Government. He said that not only would the Government come in line with employment equity where it deals with all federal Government employees, but any company which wanted to do business with the federal Government must, of necessity, develop a plan of affirmative action so that the contract compliance principle which has been well-tested in the United States could be applied here in Canada. That is what the Prime Minister said when he was the Leader of the Opposition when he was going

head-to-head with the then Prime Minister, the Hon. Member for Vancouver Quadra (Mr. Turner), during the debate on women's issues. All of us from every political Party were thrilled to hear that promise made to the women of Canada.

Unfortunately, as with so many of the other promises of the Government, and as with so many other promises of the Prime Minister, he says one thing to the women of Canada and another to the companies of Canada. When it comes time to see which interest group wins out in the struggle for rights and equality it is quite clear that the companies, the multinationals—the Imasco's of this world—have won out. The little people, the women of Canada, do not have a chance.

A report released today states that poverty is increasing in Canada. The major groups hurt by poverty include groups of women and children. If we are to address in real terms the question of poverty and the feminization of poverty, the only real way to do it is to implement specific recommendations to deal with the wage gap. For every dollar earned by a man, a woman earns 58 cents, 60 cents or 62 cents depending upon the province. Employment equity legislation with real teeth would not solve that problem today but would send out a message, not only to companies—

• (1240)

Mr. Turner (Ottawa—Carleton): Louder.

Ms. Copps: The Hon. Member for Ottawa—Carleton (Mr. Turner) has told me to speak louder. I will speak louder because I am speaking on behalf of the women of Canada, women who are sick and tired of hearing promises from the Government and sick and tired of hearing the Government say how it is going to do its best to improve the economic lot of women. The statistics which came out today show that women and children are sinking deeper an deeper into poverty. The Government cannot even come to grips with the simple questions of early childhood education and daycare.

A report came across the Table to the Government calling for massive structural changes in the way we deal with early childhood education. The response of the Government was to set up another study group and to name as the chairman of that study group the Hon. Member for Lincoln (Mrs. Martin). When the Hon. Member for Lincoln was first elected, her office was quoted as saying that she was not interested in women's issues because women only made up 1.5 per cent of her riding in any event. This is the person the Government has appointed to chair a new task force on early childhood education.

The Government does not believe in daycare. The Government does not believe that there is a consensus among young men and women that if we are to allow women the opportunity to compete equally, we have to give them the social infrastructure that will permit them to get out into the market-place. Employment equity is just one tool to be used in trying to achieve equality.

No one on either side of the House has ever suggested that a good, strong employment equity Bill would close the wage gap between men and women immediately. That is simply not so. There are many other factors involved, including the education and socialization process and the question of the availability of daycare and support systems for men and women.

It is also fair to say that a strong employment equity Bill which called upon companies to implement mandatory affirmative action and contract compliance would, using the most conservative estimates, close the wage gap by 10 per cent to 15 per cent. This would not mean that the days of equal salaries for work of equal value across the board would be here. But if I were a woman working for a minimum wage in the Province of Ontario and trying to support a child and I were presented with a possibility of having my wages increased by 10 per cent to 15 per cent, I would hail the Government that had the guts to introduce such legislation. I would hail the Government that had the guts to tell companies not only that they will have to prepare plans but that they will not be able to keep those plans a secret in the vaults of their inner sanctums, that they are going to have to expose their plans to public scrutiny and to the scrutiny of the very target groups the Government is trying to address.

Unfortunately, the situation is that the Government showered promises upon the women of Canada during the election campaign. Now when the time comes to deliver on those promises, the Government is unprepared to do anything as simple as having this legislation cover the Government's own Departments. It is hard to imagine saying to private-sector employers that they have an obligation to report and that if they do not report they are subject to a fine of $50,000, but the Government is exempted and federal Departments are not covered by the same legislation. If you were in business, Mr. Speaker, would you be able to market that concept? Would you be able to tell your customers that you want certain laws to apply to your customers but you want to make sure that you are not covered by them?

What does the federal Government have to hide? What do Conservative Members have to hide? Is it simply that with the Nielsen cut-backs, those who are being moved out of the Public Service are primarily the women who have been the last hired and the first fired? The federal Government's plan to cut back includes the abolition of person-years, but most of the people who are going to be hurt by the Nielsen cut-backs and the so-called attrition or reduction in person-years in the federal civil service are in fact women. Therefore, Conservative Members are not prepared to subject themselves to the same scrutiny that they are prepared to impose upon companies with over 100 employees.

Those people who do not spend their days examining all federal legislation, and I suspect most Canadians fall into that category, have heard the Minister expound on what a wonderful thing this will be for the women of Canada, and they think that the Minister might be honest in her attempt to try to redress the imbalance that exists. However, there are four

elements to this Bill at which we need to take a closer look. First, the Bill does not apply to federal Government employees. Second, it applies to companies on the federal scene with only 100 or more employees. Third, there is absolutely no enforcement mechanism for the action plans, and fourth, the action plans are on a voluntary basis, kept secret within the confines of the companies involved. Do we really believe that a secret action plan which is not subject to public scrutiny will mean a change in the employment situation for visible minorities, natives, the handicapped and women? I do not think so.

As was pointed out by the Hon. Member for Notre-Dame-de-Grâce—Lachine East, the actual wording of the legislation is faulty. In a sense, current discriminatory practices with respect to employment will be institutionalized. I am referring to Clause 4(b) which calls upon companies to institute such positive practices that are at least proportionate to representation in the workforce. However, the practices these companies are required to activate as set out in the secret plans that will be kept in company vaults should be targeted not to the workforce but to the population.

For example, let us say that the visible minority portion of the workforce of Toronto is 10 per cent. It may be that 60 per cent or 70 per cent of visible minorities have totally dropped out and are no longer attached to the workforce. Those people will be ignored. The Bill calls upon the companies to set targets based upon the number of people currently in the workforce instead of setting targets based on the number of people in the population at large.

The native community is a good example of a group for which targets must be set, not based on the population that is currently attached to the labour force but on the population of the community at large. If we ignore those who have dropped out because they have lost hope and have gotten fed up with the system, then we are in a sense institutionalizing through targets the very discriminatory practices which have led thousands and indeed hundreds of thousands of peole to leave the workforce and find themselves on family benefits. All disabled persons in the country who currently receive benefits are not included in this program because they are not a part of the workforce. At the very least, the Government should include a clause which sets targets based on the number of people in the population at large and not specifically restricted to the number of people attached to the labour force.

[*Translation*]

In my opinion, the Government has decided not to proceed with the very good amendments introduced by my colleague from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) because it does not really believe in them. Mr. Speaker, if we really have independent Members in the House, in keeping with the new Government style advocated by the Government House Leader, I would like to give them an opportunity to vote independently and reject the Bill as it stands now, so I propose—

[*English*]

I would like to give private Members on all sides of the House an opportunity to vote on this issue. Therefore, I move, seconded by the Hon. Member for Bourassa (Mr. Rossi):

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

"Bill C-62, An Act respecting employment equity, be not now read a third time, but that the Bill be referred back to a legislative committee for reconsideration of Clauses 3, 5 and 7 thereof."

• (1250)

The Acting Speaker (Mr. Paproski): I see no problem with the proposed motion moved by the Hon. Member for Hamilton East (Ms. Copps) and seconded by the Hon. Member for Bourassa (Mr. Rossi).

Mr. Allmand: Mr. Speaker, I was about to put questions to the Hon. Member as part of the 10-minute question period. Is that in order now?

The Acting Speaker (Mr. Paproski): I will allow questions and comments.

Mr. Allmand: Mr. Speaker, the amendment which the Hon. Member put before the House would send the Bill back to committee for reconsideration of Clauses Nos. 3, 5 and 7.

Clause No. 3 is the interpretation clause which deals with, for example, whether or not federal Government Departments should be included in the Bill. I presume the reason she included Clause 3 is that she wants to proceed with an attempt to include federal Government Departments and, as she pointed out in her speech, to lower the floor for companies covered from 100 employees to 25 employees.

Clause 5 deals with action plans. Is it the Hon. Member's intention, in sending the Bill back to committee, to strike out that clause which indicates that the action plans should be kept secret in the vaults of the head offices of the companies?

Clause 7 deals with the sanction. In my remarks I argued that Clause 7 could be strengthened if the $50,000 fine for not moving ahead was applied to Clauses Nos. 4, 5 and 6. Would she elucidate, since she made her amendment near the end of her remarks, on whether that is what she hopes to do in committee?

Ms. Copps: Mr. Speaker, I should like to take those questions in reverse order. Quite clearly Clause 7 refers to a fine only if the employer does not comply with Clause 6, that is, the obligation to report to the federal Government. It is the only obligation which is subject to a fine. Therefore, in a sense an employer could report as follows: "I have not done anything and 1986 has passed. I have reported and therefore I am not subject to a fine". We feel that that is wrong. By extending the sanction or the offence to Clauses Nos. 4, 5 and 6, we would place an obligation upon an employer, not only to report but also to develop an affirmative action plan within the context of the company which would hopefully be an open and accessible plan and, if not implemented, would be subject to some kind of

enforcement. At the moment there is no enforcement except wherein it deals with the obligation to report.

Likewise, my concerns about Clause 5 deal not only with the fact that no fines are levied against companies which fail to comply with the clause, but also with the fact that the clause itself calls for an action plan which is to be kept secret. An action plan which is to be kept secret is in fact no action plan at all. Obviously we want it to be open and accessible so that it can be examined by committees of the House of Commons and examined by the involved target groups to see whether it is being carried out.

In respect to Clause 4, the employment practices at the moment are such that the Government is asking employers to set up plans in companies with only 100 or more employees and the federal Government is exempted. Obviously we feel that is wrong. My particular motion would permit the committee to re-examine the issue of the exemption of the federal Government to ensure that it is involved and to ensure that companies with fewer employees, for example 25 or more, might be covered by the legislation.

Mr. McCurdy: Mr. Speaker, First of all I have a question of clarification. Do I understand correctly that the amendment would apply to Clauses Nos. 3, 5 and 7 only?

Ms. Copps: Mr. Speaker, one could make it broader, but the amendment before the House at the moment would call for a re-examination of Clauses Nos. 4, 5 and 7 by the committee. Clause 4 restricts application to companies with 100 or more employees and exempts the federal Government. If the committee decided in its wisdom that it wanted to examine other issues, that would possibly be within the mandate of the committee. However, we specified those three areas because they were cited as the most heinous areas in the Bill.

Mr. McCurdy: I have a supplementary question.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Gander—Twillingate (Mr. Baker) on a point of order, and then the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. Baker: Yes, Mr. Speaker, I rise on a point of order. Since the motion before the House now will direct debate, would Your Honour rule on whether or not the motion applies to the entire Bill? I know certain people wish to restrict it to Clauses Nos. 3, 5 and 7, but I would argue that we are now examining the entire Bill—

The Acting Speaker (Mr. Paproski): Order, please. I appreciate the Hon. Member's point of order. It is a very strict motion which deals with particular clauses only. I believe that clears up the matter.

Mr. McCurdy: Mr. Speaker, my understanding of the motion is that indeed it applies to Clauses Nos. 3, 5 and 7. The Hon. Member for Hamilton East (Ms. Copps) indicated her concern in respect to Clause 5, which does not relate to an action plan in its totality but only to goals, and that it was objectionable because the plan was secret. If she is concerned about the fact that the report on Clause 5 is secret, that the goals will be secret except in so far as they will be retained and under certain circumstances made available to the Minister, why does her amendment not also apply to Clause 4? If the secrecy of Clause 5 is objectionable, clearly the fact that the action plan set out in Clause 4 is available to no one is just as important, if not more important than the secrecy attached to the report on Clause 5.

Ms. Copps: Mr. Speaker, at some point in the future I would be most happy to introduce another amendment dealing specifically with Clause 4. We discussed which clauses should be included with our procedural expert. We were advised that if we included a straight, blanket hoist motion, it might be ruled not in order. It is our intention to proceed at this moment with those particular clauses because they were cited by most of the involved groups as the areas within the Bill which were most despised. We would certainly be prepared to proceed with Clauses Nos. 4 and/or 2 and/or other clauses at another time. Obviously we want to give the Government every opportunity to change the thrust of the Bill.

Mr. Hawkes: Mr. Speaker, I sat on the legislative committee. We sat for many hours and I believe we heard all the witnesses who wanted to testify before us. I guess what is bothering me here is the knowledge that the Hon. Member who moved the amendment was not present during those committee hearings and may not be aware of the reality that every idea she is placing on the table at this point was very carefully examined by the committee and was clearly rejected. When it reported to the House, the committee said that it had looked at those ideas. The testimony which is now before the House would indicate that the committee gave very thorough consideration to every one of those ideas and found them wanting. The committee was chaired by a member of the Hon. Member's Party. Is she saying that the chairmanship was not in order or was not good chairmanship? Is she saying that the composition of the committee was not good? Is she saying that the witnesses were inappropriate? What complaint does she have in terms of how the committee functioned?

• (1300)

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Hamilton East (Ms. Copps) to reply, if she will do so quickly.

Ms. Copps: Mr. Speaker, obviously I have some concerns about the composition of the committee. It was made up of a majority of Tories who chose to ignore the representations of every single target group cited: women, visible minorities, native Canadians as well as the handicapped. They have all been ignored in this Bill. They are the ones who came forth with these recommendations. Had the membership of the committee been made up of a majority of Liberals and New

Democrats, no doubt the amendments would have passed. Yes, I would like to throw most of the Tories off the committee.

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

At 1.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENERGY

CRITICISM OF GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government's energy policy is on the rocks. We have the worst of all worlds—low crude oil prices for producers, and high retail prices for consumers. Last year the Government promised hundreds of thousands of jobs and that energy would be the engine of growth for the Canadian economy. Today we see low oil prices for exploration and development in western Canada. Cut-backs of $3 billion to $4 billion are expected this year in exploration and development, a loss of 100,000 jobs to the Canadian economy. The loss is not only in western Canada but in communities like Sault Ste. Marie at Algoma Steel where 1,500 jobs will be lost due to the Government's policy on energy.

At the same time retail prices have dropped slowly, and much less than in the U.S.A. The ultimate insult to Canadians is that Petro-Canada is selling its gasoline to distributors in the U.S. for 7.5 cents per litre less than in Canada. Tory energy policy is the worst of all worlds.

* * *

MINES AND MINING

COMINCO LAY-OFFS IN TRAIL, B.C.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the West Kootenay region of British Columbia, especially the community of Trail, is staggering under an unemployment rate of more than 20 per cent. The major regional employer, Cominco, has laid off 500 employees this year alone in Trail and at its lead mine in Kimberley. The future of the area has been thrown into jeopardy by slumping would metal prices and by the inaction of both the provincial and federal Governments over the years. So great is the uncertainty surrounding the future of the Cominco operation and the future of the Trail region that home mortgages are unavailable in some instances.

While the federal Government has indicated a willingness to assist in modernizing Cominco's antiquated smelter, it has been unable to work out a co-operative arrangement with the provincial Government. The Prime Minister (Mr. Mulroney) promised better federal-provincial co-operation. However, on this critical issue there has been very little co-operation in developing a strategy and rescue package. The people of the West Kootenays are calling for action by senior levels of Government, not simply promises of action.

* * *

AGRICULTURE

WORLD COMMODITY SITUATION—FARMERS' NEED FOR ASSISTANCE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, the Canadian farmer makes a tremendous contribution to Canada's balance of trade and its economic well-being. There are approximately 500,000 Canadians employed directly in agriculture, and approximately 2 million employed directly or indirectly in agriculture and food. Including the processing, wholesale, and retail sectors, food and agriculture account for more than a quarter of all the economic activity in Canada, and Canadian farmers are among the most efficient in the world.

This high productivity of our agri-food system means that Canadians, on average, spend less than 16 per cent of their income on food, the second lowest percentage in the world. However, Canadian farmers face an uncertain future because of the world agricultural commodity situation. The federal Government has done a great deal for agriculture, but there is still much to be done in light of the current crisis. For the sake of Canada, our farmers need and deserve the immediate attention and assistance of Government at all levels and, indeed, the support of all Canadians, rural and urban.

* * *

SCIENCE AND TECHNOLOGY

BENEFITS DERIVED FROM INVESTMENT

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, Larkin Kerwin, President of the National Research Council, recently highlighted the neglect of two generations on the status of science and technology in Canada. The result is that revenue and jobs that could have been available have gone to countries more technologically oriented than Canada. In 1985 Canada imported $12 billion more worth of high technology goods than we exported. We import 80 per cent of our machinery, 70 per cent of our transport equipment, 80 per cent of our scientific equipment, 80 per cent of our health equipment, and almost all our mining equipment. In the U.S. there are 19 technical

persons per 1,000 manufacturing employees, in Japan there are 12, and in Canada there are only 4.

Investment in research and development will pay tremendous dividends. Last year's $70 million IRAP program will result in $1.5 billion in new sales, of which $420 million will be paid in federal and provincial taxes, and will result in 12,000 full-time jobs.

Mr. Speaker: Order, please. Sixty seconds.

* * *

• (1405)

POULTRY INDUSTRY

KENTVILLE, N.S.—REBUILDING OF RESEARCH FACILITY ADVOCATED

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to bring to the attention of the House the request for Government assistance from the Chicken Producers' Association of Nova Scotia. In June, 1985, a research building used to house a facility that developed better strains of poultry was destroyed by fire.

The $350,000 cost of reconstruction of a broiler breeder research facility at Kentville, Nova Scotia, is a minuscule amount when one considers that the wholesale value of the Canadian poultry meat sector is over $1 billion. Furthermore, the advances in feed efficiency, embryo survival rates, and increases in egg size have all led to annual revenue increases of many tens of millions of dollars for the Canadian poultry industry.

Quite simply, reconstruction of this particular facility would pay for itself many times over through increased efficiency and by assuring that Nova Scotia will continue to make its contribution to the billion dollar Canadian poultry industry.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, while there are continuing signs of the successful impact of our Government's policies, such as lower interest rates, less unemployment and increasing economic activity, our Government is pursuing its efforts to smooth the way for the private sector so that manufacturing and business can expand. A review has started of the excessive, obsolete, omnipresent, crushing and demoralizing body of regulations that business has to cope with.

On the basis of the Nielsen Report, the Standing Committees of the House will soon be making recommendations to the Parliament of Canada to rid business of the burden imposed by a Liberal bureaucracy.

Implementing the recommendations of the Nielsen Report will have a salutary effect on the $110 billion federal Budget, and our proposals for amendments to legislation will help business be more competitive on world markets.

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[*English*]

TRADE

CANADIAN LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, a crucial vote may be taken in the U.S. Senate Finance Committee tomorrow on fast track free trade negotiations with Canada.

The forces of protectionism in the U.S. Congress have produced some 300 Bills in the past year, and there is a widely held view that the Reagan administration has dropped the ball on trade matters.

Canada's forestry industry contributed $26 billion to our economy last year, employed directly over 300,000 workers, and generated a net trade surplus in excess of $11 billion. We hold 35 per cent of the U.S. market in softwood lumber which is 72 per cent of our export, with a further 12 per cent to Europe and 6 per cent to Japan.

In the British Columbia Northwest we have a unique opportunity to retool our mills for markets outside the United States.

Spruce pine fir from British Columbia is recognized as the price-setting carburetor for North America. With respect to our largest freely traded commodity we hear screams from Congress for quotas, tariffs, about cartels, orderly marketing procedures, and so on.

We should do all we can to diversify into the Pacific Rim, European, and other markets, due to our vulnerability to growing U.S. protectionism.

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THE MONARCHY

SIXTIETH BIRTHDAY OF HER MAJESTY THE QUEEN

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I rise today to pay special homage to a truly vibrant and magnificent lady on her sixtieth birthday. She has always had a reputation for congeniality and fairness toward all mankind.

This charming and forthright individual has set foot on Canadian soil 15 times in the past 35 years. She knows more about Canada than many of our own inhabitants, having been the special guest at a myriad of events from coast to coast.

This mother of four famous children, and grandmother of four, drives her own Land Rover, and can fire a gun with skill and precision. She is Commander-in-Chief of Britain's armed forces and Head of the Church of England.

As the ruler of 49 Commonwealth countries, she attends 400 engagements a year before the eyes of many thousands of grateful admirers.

She is the world's greatest and most beloved diplomat. On this, her sixtieth birthday, we send best wishes for a long and fruitful life.

God save the Queen! Long may she reign!

Some Hon. Members: Hear, hear!

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[*Translation*]

THE ECONOMY

REDUCTION IN BANK RATE

Mr. Guy Ricard (Laval): Mr. Speaker, last Friday the U.S. Federal Reserve announced a one-half point drop in the bank rate, from 7 to 6.5 per cent, its lowest level since May 1978.

This development will bring about further reductions in Canada, where the bank rate has been declining in the last few weeks.

The reduction in the bank rate in the U.S. will certainly have an impact, since last Friday, the Bank of Canada already announced a further reduction in the bank rate, from 9.33 per cent to 9.23 per cent.

Furthermore, the Bank of Montreal has announced a one-quarter point reduction in all mortgage rates.

We have good reason to be optimistic, Mr. Speaker, and to believe that confidence is growing again in Canada after so many years of confrontation and provocation under the previous Liberal Government.

* * *

• (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

BIG RIDEAU LAKE—OPPOSITION TO HOUSEBOAT FLEET PROPOSAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Minister of the Environment (Mr. McMillan) should reject the application by Three Buoys Limited to put a fleet of 57 houseboats on Big Rideau Lake. At a time when development along the shore of Big Rideau Lake is carefully regulated because of a growing pollution problem, it is not acceptable to approve such an operation.

Residents and users of Big Rideau Lake do not want this development. Canadians in general reject overdevelopment in national parks. Whether mountains or waterways the same principles apply: overcrowding means less enjoyment of the amenities, and the likelihood that irreversible damage will be done to the environment. The Minister of the Environment has the authority in this case. He should listen to the people affected by this proposal and put an end to the uncertainty by rejecting the proposal itself.

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[*Translation*]

NATIONAL VOLUNTEER WEEK

IMPORTANCE OF VOLUNTARY ORGANIZATIONS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, today is the first day of National Volunteer Week. Across Canada, special events and announcements will reflect the economic and social impact the volunteer sector has on our daily lives.

Mr. Speaker, hundreds of volunteers are working in various fields of social, cultural, economic and sports activity, helping the needy and supporting local groups.

Mr. Speaker, the volunteer concept is so important and so widespread that our society could not function normally were it to disappear.

I fervently hope that our Government will set up a special committee, to determine how to provide effective assistance and support for our volunteer organizations and to identify their special needs.

Finally, I want to offer my sincere thanks to all volunteers, and especially to those in my riding of Argenteuil—Papineau for their tireless dedication in our 53 municipalities.

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ENERGY

INQUIRY WHY PRICE OF GAS IN MONTREAL IS NOT THE SAME AS PRICE IN BOSTON

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in February the regular price of gas in Montreal was 58.9 cents a litre, which represents an increase of one-half cent since January. In Boston, however, the price of gas over the same period was 40.2 cents a litre, representing a drop of 1.2 cents a litre since January.

Mr. Speaker, this means there is a 50 per cent difference between Boston and Montreal. In Boston, 40 cents a litre and in Montreal nearly 60 cents a litre.

S.O. 21

Mr. Speaker, Quebecers want to know why the price can be reasonable in the United States, in Boston, but not in Montreal.

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[*English*]

CONSUMER AFFAIRS

CREDIT CARD INTEREST RATE INCREASES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, when consumers who use MasterCards issued by Royal Trust receive their April 28 bills, it is reported they will find their interest charges increased a full three-quarters of a percentage point. It is reported on May 1 the charges on Visa cards issued by the Royal Bank of Canada will rise to 18.6 per cent—this at a time when not only Canada, but the United States, France, and Japan have cut their interest rates.

If these companies have a good explanation for raising interest charges now when bank and prime rates are falling, let them tell Parliament and the people the reason for that. When the cost of institutional money is coming down why is the cost of consumer credit going up? When inflation has stabilized, why do credit costs have to soar?

* * *

INSURANCE

LIABILITY COVERAGE—INCREASED PREMIUMS

Mr. Gordon Taylor (Bow River): Mr. Speaker, liability insurance is not a luxury, it is a necessity, and yet municipalities, businesses, and individuals, after carrying liability insurance for years, are now "taking a chance" because of the ridiculously exorbitant premiums.

One reason is the trend in Canada toward the high court judgments in the U.S.A., like the one awarded a thief for several thousand dollars when he broke his back committing a felony. Another is the greed of the overseas reinsurers who have made plenty through the years and are now insisting on sky-high premiums. The Canadian insurance industry, including the local agents, is caught in the squeeze.

I know the law of Tort places this matter under provincial jurisdiction, but it is so essential that I believe the federal Government can show leadership by co-ordinating the provincial efforts to provide liability insurance at sensible prices and to endeavour to secure more Canadian owned reinsurers.

• (1415)

THE ECONOMY

FREE ENTERPRISE SYSTEM RESULTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the last two speakers have given good examples of what happens to people in a capitalist free enterprise Conservative system. Perhaps the people of Canada should understand that what is happening to them, with respect to high interest charges and the problems about which the Hon. Member for Bow River (Mr. Taylor) spoke, could be changed if only they understood what the Conservative Party really stands for.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FORTHCOMING U.S. SENATE COMMITTEE VOTE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Deputy Prime Minister. It arises out of the U.S. Senate vote tomorrow on the free trade issue.

An Hon. Member: Here he is.

Mr. Turner (Vancouver Quadra): I will then direct my question to the Prime Minister. It seems quite clear that the American administration is negotiating feverishly with key Members of the U.S. Senate prior to the vote tomorrow, if it takes place, on the free trade issue between Canada and the United States. Has the Prime Minister been on the telephone recently with the President of the United States about this issue? What concessions is the U.S. administration planning in order to entice those Senators to vote in favour of the fast track? And would the Prime Minister be good enough to inform the House what those concessions might be?

Right Hon. Brian Mulroney (Prime Minister): There have been no conversations, Mr. Speaker.

Mr. Turner (Vancouver Quadra): There have been no conversations with the President.

[*Translation*]

REQUEST THAT PRIME MINISTER MEET PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): I will change the subject. There have been no conversations between the President of the United States and our Prime Minister. Will the Prime Minister be having conversations with his provincial counterparts to establish their position in the talks? Last week, he attacked the provincial premiers on the subject of trade barriers. Does he intend to meet his

provincial counterparts personally, and fairly soon, to clarify their situation in the trade talks with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not attack the provincial premiers last week. I invited them to eliminate trade barriers at the national and interprovincial levels.

In fact, I was more or less going back to what Premier Peterson said at the First Ministers' Conference in Halifax, where he stated, and rightly so, that the provinces had an obligation to take the initiative in eliminating trade barriers between the provinces and between individuals here in Canada.

I therefore insisted on this phrase when I asked the provinces to make this unilateral gesture before trade talks with the Americans or at the GATT level. And I think it would be a good thing for the Canadian people.

[*English*]

REQUEST FOR PARLIAMENTARY DEBATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, because these negotiations are going on behind closed doors between our Government and the United States and the federal Government *vis-à-vis* the provinces, would the Prime Minister consult with his colleague, the Government House Leader, so that we could have an early full parliamentary debate on the whole state of play with respect to these negotiations with the United States?

Some Hon. Members: Hear, hear!

Mr. Mulroney: I will wait for the applause to die down.

An Hon. Member: The scattered applause.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will talk to the Government House Leader as soon as I see him and put in a word for an Opposition Day on this important subject.

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IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of Employment and Immigration I will direct my question to the Minister of State for External Affairs. It concerns the fate of six Soviets who defected and who are now prisoners of war in Afghanistan. In October, 1984, the Conservative Government agreed to and authorized a rescue mission which was shamefully bungled and then subsequently cancelled, thus placing their lives in greater jeopardy. Why was this mission allowed to be so mismanaged? And who in the Government, after granting the approval, called the shot to abort the mission?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me thank the Hon. Member for his welcome back to the House of Commons. I have seen the news reports in the *Montreal Gazette*. I will not comment on all of them. I will just talk about the facts. The facts are that the Government of Canada has been working very vigorously, using every national and international instrument at our disposal, to try to come to the aid of those individuals.

If the people cited in the article in the *Montreal Gazette* have a line of contact we do not have, I would be most pleased to meet with them and see if, in collaboration, we can help those individuals whom they have met to come to freedom.

• (1420)

REQUEST FOR ADMISSION TO CANADA

Mr. Sergio Marchi (York West): Mr. Speaker, it is amazing that in the delay of almost two years in this life and death situation humanitarian concerns have not predominated.

Will the Secretary of State for External Affairs give us an assurance today, without further delay, that he will send his officials to Afghanistan armed with ministerial permits, and lift these six courageous men out of that country immediately? A team of reporters has established contact with them; they seek political refugee status in Canada.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, like most Members of the House—and I am sure like the Right Hon. Leader of the Opposition—I wish the world were that simple. It is not. In light of the fact that there appears to have been a contact made by some Canadians, something we were not able to make following all national and international channels, I have said that I would be most pleased, as would my colleague, the Minister of Employment and Immigration, to meet with those Canadians to see if there is some practical way in which we can act together in the humanitarian cause of bringing them to freedom.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FORTHCOMING U.S. SENATE COMMITTEE VOTE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, Canadians are deeply concerned about reports from Washington that President Reagan may promise concessions to the U.S. Senate committee to win his free trade vote tomorrow. My question is for the Prime Minister. In these circumstances of concern why has the Prime Minister not communicated directly with the President to discuss this urgent issue? Why has he not been prepared to put very clearly to the President a message that no concessions must be given that will harm our country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will take the last part of the Hon. Member's question first. That view was put forward many times and accepted by the President of the United States which is why, as my hon. friend will no doubt acknowledge, the President of the United States said in late March that, as far as his administration was concerned, any talks with Canada would begin without conditions precedent and as a free and clear launch.

With regard to the other question raised by the Hon. Member, for the moment this is an internal American matter. Our position has been made abundantly clear. We will not trade lumber, potatoes or fish against any advantage to secure a vote tomorrow. We are a sovereign nation, and not a bunch of mendicants as the NDP would suggest.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we have never made a suggestion of that kind. We have suggested the contrary.

My supplementary question is the following. If we face such a crucial potential vote in the Senate, as we clearly do, why has the Prime Minister not seen fit to get in touch with his American friend, President Reagan, to discuss this issue and to try to reach some conclusion which will satisfy Canadians and avoid concessions which the President himself seems to be talking about, according to reports?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member has this thing backwards. Our responsibility is to deal with the administration of the United States which was elected by the people of the United States. That is the one that is in place. We have dealt with it. Beginning on September 26, in this House, we received a response on behalf of the administration by the President of the United States in which he enthusiastically endorsed the notion of negotiations between our two peoples without preconditions, without conditions precedent of any kind—a clean launch. That is clear. That is our responsibility.

It now falls into the domain of the United States and its internal parliamentary system for the President of the United States to secure the appropriate approvals of congressional committees. He is charged, under the Constitution and by custom, with doing that, and that is his responsibility. The administration has responded. We have responded. Now we will see if the United States Senate or members thereof view this trade matter with the same degree of importance as we do.

• (1425)

COMMUNICATIONS WITH U.S. ADMINISTRATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, surely the Prime Minister cannot simply sit back and let this process go on as if it were some kind of merry-go-round that is unimportant to him, given his commitment to this policy in the past. Why has he not communicated directly with the American administration and made it very clear that concessions that will harm this country cannot be given? Why has there been no direct communication at such a crucial time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a shadow must have a very difficult time in a fight with my hon. friend. The fact of the matter is that we are not sitting back. We have not done anything that we view as unimportant. We have already made the case. That case was accepted by the President of the United States and the Secretary—

Mr. Orlikow: But not by the Congress.

Mr. Mulroney: If my hon. friend from Winnipeg would allow me to finish, I would be happy to try. Our obligation is not to form a queue in Senators' offices. Members of the NDP are used to that but we will not do that. We are a sovereign nation. We made a deal with the President of the United States and we expect the United States to live up to it.

Some Hon. Members: Hear, hear!

CANADIAN EMBASSY ACTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I too would like to ask a question of the Prime Minister who has just given his own interesting version of the way the U.S. Constitution works. Does the Prime Minister now say that no Canadian officials representing our Government at the Embassy in Washington are to make contact with U.S. Senators or Congressmen? Has he given explicit orders that should be no contact whatsoever between embassy officials and officials of the Congress? Is that what the Prime Minister is now saying?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I doubt if you would see a more blatant illustration of distortion and dishonesty than that which has been put forward. I said no such thing. I said that I had not spoken to the President of the United States, but I did not in any way utter any of the distortions mentioned by my hon. friend.

DIPLOMATIC CONTACTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I think the Prime Minister has just added a second distortion to his first one. In response to previous questions he said that he did not see any interference by this Government in the affairs of the United States Government. Does that statement that he made in answer to the Leader of the Official Opposition and the New Democratic Party spokesman mean that there has been no contact whatsoever by Canadian officials or embassy representatives with Members of Congress, or has he once again contradicted himself like he does on a daily basis?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this gets progressively more pathetic. The Hon. Member was in Washington last week with his senior colleague, the Hon. Member for Saint-Henri—Westmount, in regard to this matter. He knows full well that there is an ongoing operation, occurring every day—

Mr. Axworthy: So you're interefering in their affairs then? You said you weren't.

Mr. Mulroney: If my hon. friend believes that the ongoing operations of the Canadian Embassy in Washington are an interference in the affairs of the United States or the Congress, then he has placed a brand new interpretation on constitutional developments in the United States.

SOFTWOOD LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Right Hon. Prime Minister. I think he is aware that 72 per cent of Canada's exported softwood lumber goes to the United States where we now hold 35 per cent of the market, and that we have had unhindered free trade in softwood lumber with the United States for the past 40 years. I would like to learn from the Prime Minister whether or not the Government of the United States has requested any specific concessions from Canada on softwood lumber exports in the past two weeks.

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker.

• (1430)

CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. Will he give the House his word that no concessions have been given, or will be given on the issue of softwood lumber, to the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the gentleman speaks for a Party which is opposed to freer trade with the United States. He is now trying to wrest NDP assurances. They cannot have it both ways. I know the NDP try it every day. They cannot have it both ways; they are opposed to freer trade with the United States.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I have indicated in Washington, and in other circumstances, that we will not allow the softwood lumber issue to be made a bargaining chip in these discussions, and that has been made clear.

Oral Questions

IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He has just finished telling the House that he did everything in his power to expedite the arrival in Canada of the six Russian refugees from Afghanistan. If he has done everything in his power, why is it that last year Canada only accepted as immigrants forty of the four million refugees who have been victimized by the Soviet invasian of Afghanistan?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member with a developing adeptness is changing the subject. The question asked by her colleague earlier had to do with six individuals who are special cases. I think the special nature of those cases is known to the Hon. Member. We have been trying, using literally every instrument available to us, to get in contact with them. If a new way has been found to get in contact with them, certainly I would welcome, as would my colleague Ministers, the co-operation of those Canadians who claim that contact, to see if there is some way in which we can bring those people to freedom.

IMMIGRATION FROM SOVIET BLOC COUNTRIES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I find it difficult to believe that two reporters from the Kingston *Whig-Standard* succeeded in making contact last week when the Canadian Government could not. The Government of Pakistan is prepared to co-operate. The Afghan rebels are prepared to co-operate. The only people who are not co-operating are the Canadian Government and the Department of External Affairs. Since the Government has taken power, there has been a reduction in immigration to Canada from every Soviet dominated and East Bloc country. Why has there been this reduction, when he talks about his Government's co-operation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am informed by the Minister responsible for immigration that the Hon. Member is wrong as usual and that the levels of immigration are up. With regard to her earlier preamble, she has created facts on the floor of the House of Commons which are not the case. What is germane here is whether or not there has now been discovered by some Canadians an instrument which will allow us to bring those six individuals to freedom. We have not found one yet. If they have found one, we are anxious to work with them, and I invite them to join in consultation with us.

Oral Questions

TRADE

STEEL EXPORTS TO UNITED STATES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister for International Trade. Would he inform us what action the Government is proposing to take to protect Canadian steel companies, specifically Ipsco, from countervail duties which the U.S. Commerce Department recommended against certain Canadian steel products? As well, will he assure us that the Canadian Government will assist Canadian steel companies in the fight against pending anti-dumping measures in the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I assure the Hon. Member that I am well aware of the problems which the steel industry is suffering these days, particularly since I have a steel industry in my own riding. We worked very closely with the industry in respect of the recent ruling in the United States. There has yet to be an injury ruling, and it is expected by the end of May. Again we are working closely with the industry in respect of that finding. I can also tell the Hon. Member that, this afternoon, officials of Ipsco are meeting with my officials to discuss these various problems and the upcoming hearings.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is for the same Minister. Could he assure us that the Canadian Government will in no way cave in to the U.S. interests seeking to tie this issue to any free trade discussion as a precondition?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can repeat what the Prime Minister, the Secretary of State for External Affairs, and I have already said, that there are no preconditions to these talks which we hope to initiate with the United States. That just is not there. We are doing everything we can to assist the steel industry with the difficult problems which it is presently facing.

* * *

[*Translation*]

AIRPORTS

FIREFIGHTERS' IMMINENT STRIKE

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. At midnight, 1,400 firefighters at airports across the country will go on strike. What emergency measures have been taken by the Minister to ensure that the safety of the travelling public will not be jeopardized by this strike?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, these positions are designated and it is illegal for them to strike. In the event that there are any disruptions, adequate contingency plans will be in place.

[*Translation*]

INQUIRY WHY FIREFIGHTERS HAVE NOT HAD WORK CONTRACT FOR LENGTHY PERIOD OF TIME

Hon. André Ouellet (Papineau): I have a supplementary, Mr. Speaker. What justification does the Minister have for the fact that these firefighters have not had a contract since November 1984, and that apparently, they are being paid about $10,000 less than their counterparts working at municipalities near our airports?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the Hon. Member is aware, this is a matter for negotiation between the firefighters' union and the Treasury Board. Those negotiations have been going on, and I would hope they would be able to reach a satisfactory conclusion soon.

* * *

TRADE

THREATENED USE OF SUBSIDIES TO SELL UNITED STATES WHEAT TO SYRIA

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns an important western issue. Late last week the American Government announced that it was prepared to use the huge subsidies in the American Farm Bill to try to promote the sale of 700,000 tonnes of wheat to Syria. Is the Prime Minister aware that, by using the massive subsidies in the U.S. Farm Bill, the Americans are poised to capture a very important traditional wheat market that was enjoyed by Canadian farmers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will comment on this particular issue because it came up at the OECD meetings last week in Paris. At that time I raised the matter of a potential trade war in the grains markets as a result of actions being taken by the United States and by eastern and western Europe. The Secretary of State for External Affairs and I had an opportunity to discuss it with a number of Ministers of Foreign Affairs, Trade, and Finance who were at the meetings. It is a matter which we expressed with a good deal of vigour because we are very concerned about the outcome. It is still early days to see how it might develop in the international discussions, but they are certainly aware of the point of view taken by Canada.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary question is for the Minister of Finance. Since

the sale would represent the entire Syrian wheat market for one year, I should like to ask the Minister whether he received a commitment from the United States and, if not, what he plans to do about it.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did not raise it in the context of a specific deal but in the context of the broader issue which has arisen as a result of the actions taken by the Americans and by members of the European Community. It was in that context that we raised it at the broad meetings as well as in individual meetings with Ministers.

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ENERGY

EFFECT OF LOWER OIL PRICES ON SMALL COMPANIES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. With lower interest rates and falling commodity prices, there is a real risk that two-thirds of our smaller oil companies could be gobbled up by stronger multinational companies which control the other third. Does the Minister share this concern, and will our target of 50 per cent Canadian ownership be in jeopardy?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, yes, I have indicated before that we share the concern noted by the Hon. Member. We have increased our levels of Canadianization in the oil and gas industry. We have not moved away from our target. Our policies on acquisitions do not allow the acquisition of Canadian companies unless they are in financial distress. I am encouraged by the fact that smaller Canadian companies are going through merger processes and amalgamations themselves to build a stronger base from which to work in the future.

* * *

• (1440)

ADMINISTRATION OF JUSTICE

PROSECUTION OF JOURNALIST FOR AIRPORT ACTIVITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. Does the Minister feel that it is in the public interest for Bertrand de la Grange, a journalist, to be prosecuted for showing the inadequacy of the security systems at the airports at Mirabel and Dorval? Doesn't the Minister think that Mr. de la Grange should be given the Order of Canada for finally getting the Minister of Transport to get serious about security?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the allegation is that the person in question violated the law. For whatever reason hardly matters, that would only go to the matter of sentencing. Having allegedly violated the law, surely some action should be taken.

REQUEST FOR STAY OF PROSECUTION

Hon. Bob Kaplan (York Centre): May I draw the Minister's attention, Mr. Speaker, to Section 508 of the Criminal Code which gives him the authority to stay prosecutions in proper cases. Let me ask the Minister of Justice whether he won't exercise the power he has to stay the prosecution, especially bearing in mind that this investigation was started by the RCMP and turned over afterwards to local police.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman has some quite unusual suggestions today. I will consider the Order of Canada recommendation first.

Some Hon. Members: Oh, oh!

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TRADE

POTENTIAL UNITED STATES WHEAT SALE TO SYRIA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. In his response to the Hon. Member for Yorkton—Melville, the Minister of Finance mentioned that the Government had not specificially raised the potential U.S. wheat sale to Syria. I ask again what is the Government going to do to protect the traditional Canadian market for Canadian wheat going to Syria?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know the matter was raised, but I will be happy to raise it with all of the precision that is required and report to my hon. friend as soon as I can.

CANADIAN POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, there seems to be confusion between the Minister of Finance and the Prime Minister as to whether the issue was raised with regard to the specific deal. The American program was instigated to regain traditional American markets—

Mr. Speaker: Order, please. This is a preamble. Just a question.

Mr. Murphy: What is the Canadian Government going to do when the Americans are not regaining their traditional markets but are taking our traditional markets?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that the Minister of Finance made clear he

had registered the disapproval of the Government of Canada with regard to the general issue. I have just undertaken to raise the specific problem within those parameters and will report to the House and my hon. friend.

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AGRICULTURE

MARKETING OF ALFALFA PELLETS

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, my question is for the Minister of Agriculture. Farmers Alfalfa Products Limited of Dauphin, Manitoba, a farmers' co-operative that has taken over management of the alfalfa processing plant, has applied for an agreement under the Co-operative Marketing Act to market alfalfa pellets. Can the Minister assure the farmers involved in this new venture that the application is being processed as quickly as possible?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest and his continuing representation on behalf of the producers in his province. I am sure the Member can take some satisfaction from the fact that the ongoing meetings between the particular association and the appropriate officials in my Department are going well.

There are four fairly straightforward criteria that have to be met. The information I have should not create a problem for the association to meet the criteria, and hopefully we will be in a position to give a positive response in the very near future.

* * *

TRADE

INCREASE IN JAPANESE STEEL IMPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Minister knows that the Government's industrial and energy policy is causing the lay-off of 1,500 people at Algoma Steel in Sault Ste. Marie and threatens to shut down the mining operations at Wawa.

Why has the Government, in view of this difficulty, allowed the Japanese steel producers to increase their exports of steel tubing to Canada by 300 per cent since last August, and to dump 67,000 tonnes of steel onto the Canadian market? When is the Government going to protect the jobs of Canadian steelworkers?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that the Government is well aware of that problem—

Mr. Deans: You are aware of everything.

Mr. Kelleher: —and we have taken action.

Mr. Deans: That is better.

Mr. Kelleher: And we are continuing to take action.

Mr. Deans: Did they take their steel back?

Mr. Fulton: What did you do, write a memorandum?

Mr. Kelleher: When Hon. Members are prepared to listen, I am prepared to continue, Mr. Speaker.

We have been meeting on a regular basis with the chief executive officers of the steel industry. Indeed our last meeting was two weeks ago. We just received from them this past Friday an indication of the action they would like us to take. We are presently preparing the necessary recommendations. I will be discussing those with my colleagues and I hope action will be forthcoming very shortly.

FAST TRACK MONITORING SYSTEM

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a supplementary question for the Minister of Regional Industrial Expansion. Last July I wrote to the Minister and asked him when he would put in place a fast track monitoring system for steel imports so that Canadian steel producers could take action under the anti-dumping provisions of our law.

Mr. Speaker: Order, please.

Mr. Foster: When is he going to put that fast track system in place?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that is the very thing we are looking at now. We hope to make recommendations in that regard very shortly, which will accomplish what the Hon. Member is requesting.

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UNEMPLOYMENT INSURANCE

CALCULATION OF PENSION AS INCOME—EFFECT ON EARLY RETIREES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. I am sure the Minister is well aware of the great hardship being created for early retirees, particularly ex-Armed Services personnel, in light of the changes to the Unemployment Insurance Act. Will the Minister now accept her responsibility under that Act and rescind that iniquitous change in the Unemployment Insurance Act which came into effect in January, 1986?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I have said to the Hon. Member on a number of occasions and to the House, this change in regulations was first announced in November, 1984.

There was a year's lead time given for its implementation. It came into effect on January 5, 1986, as the Hon. Member will know. As he also knows, the whole issue has been referred to the Forget Commission to make recommendations to the Government—

Mr. Orlikow: Why was that necessary?

Miss MacDonald: —to look at the question of premiums, who pays them and under what conditions, and we are waiting for those recommendations.

Mr. Fulton: The Forget Commission is not worth a damn.

REFERRAL TO FORGET COMMISSION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, can the Minister tell the House why the matter was referred to the Forget Commission after the decision was made to make the change?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the change was announced on November 8, 1984, long before the Forget Commission was set up.

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AGRICULTURE

UNITED STATES-EUROPEAN COMMON MARKET DISCUSSIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. The U.S. Agriculture Secretary, Richard Lyng, stated yesterday, according to *The New York Times*, that he will be meeting shortly to discuss the current agricultural trade war with European Common Market officials. Will Canadian Ministers be involved in these talks, and will they be asking for changes in the U.S. Farm Bill and the European subsidy program which are so damaging to the Canadian agricultural sector?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have been listening to earlier exchanges in the Question Period, and really I do not see much difference in the information contained in the Hon. Member's question from information contained in previous questions either from his own Party or from the New Democratic Party. I think the Member has had the answers from the Minister of Finance. In addition to that, the Prime Minister is very knowledgeable of the situation that exists.

All appropriate means will be taken in the interest of Canadian agriculture. That has been the case with this Government and will continue to be in the future.

POSSIBLE CANADIAN PARTICIPATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this meeting is going to be held in Canada. Will Canadian representatives be there, and if so will they be acting to protect our markets, such as the Portuguese market and the Spanish market, particularly in view of the fact they are joining the EEC and there are half a million tonnes of feed grain involved? Will you be there or won't you?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member wants to take the time to examine the record, he will see that Ministers of the Government are always in the appropriate and proper places in the interests of Canadian agriculture—

Mr. Boudria: Who is Charlie Mayer?

Mr. Wise: —not only here in Canada but, as has been demonstrated very clearly by the Minister of Finance, the Prime Minister, the Secretary of State for External Affairs and, indeed, the Minister for International Trade, in the international market-place.

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UNEMPLOYMENT INSURANCE

REQUEST FOR COVERAGE EXTENSION TO PART-TIME WORKERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Employment. Recent studies confirm the growing trend of employers to replace full-time jobs with low-paying part-time jobs, and most of these part-time jobs are held by women. Will the Minister personally support extending unemployment insurance to all part-time workers since 44 per cent of these workers are now ineligible and many have families to support?

• (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know that members of the Press Gallery are aware of the number of new jobs which have been created in Canada since we took office.

Mr. Deans: What has that to do with it?

Miss MacDonald: I want to assure Members of the House and others that, of the jobs which have been created in Canada, 79 per cent are full-time jobs. That is what is critical, that 79 per cent of the new jobs in Canada are full-time.

The figures not only show that a tremendous number of full-time jobs are being created, but also that the trend is improving. In 1980, 29 per cent of the jobs were part-time.

Some Hon. Members: Order, order!

Miss MacDonald: In 1981, 32 per cent—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Ms. Mitchell: Mr. Speaker, I trust that the Press Gallery also realizes that the Minister did not answer the question.

WOMEN WORKERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, will the 21 per cent of workers who are part-time, many of whom are women, be covered by unemployment insurance? What is the Minister going to do about complete unemployment insurance benefits for part-time workers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thought the Hon. Member would be standing to say what a benefit she thought it was that, for the first time, training allowances under the programs of CEIC have been extended to part-time workers. This is a tremendous benefit, particularly to women who are the heads of single parent families.

Mr. Deans: Will they get unemployment insurance?

Miss MacDonald: That certainly is a very good step in the right direction.

* * *

TRADE

POSSIBLE IMPOSITION OF UNITED STATES CUSTOMS USER FEES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Secretary of State for External Affairs and is with regard to proposals before the United States Houses for the possible implementation of customs user fees for entrance into the United States. Has the Minister discussed this possibility with American officials? These fees could have a serious adverse impact on trade relations between our nations.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, those matters have been discussed extensively with U.S. officials, most recently by my colleague, the Minister of International Trade. We have made the case that the implementation of the fees proposed would have a disproportionate negative effect upon Canadians. Our ministerial consultations will continue. In addition to that, we have instructed the Embassy in Washington to be in touch with U.S. officials, both to seek a more reasonable fee regime if the law is to be passed, and to seek some guarantees that procedures will be followed which will minimize delays at the border.

THE ECONOMY

EFFECT OF BUDGET MEASURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance and is with regard to last week's Conference Board report which confirmed our prediction that the budget tax increases would hurt the economy by reducing consumer spending. Why is the Minister still satisfied with his strategy of taxing away income which would otherwise contribute to economic growth?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is well aware that the broad strategy of the recent Budget, as well as that of the previous Budget and the economic statement, is to rely to the extent of 70 per cent on expenditure reductions, while tax increases amount to only 30 per cent of the deficit reduction measures. That is the broad strategy which we have followed, and I think it is the proper strategy to be following.

PERSONAL TAX INCREASES

Miss Aideen Nicholson (Trinity): Mr. Speaker, sales tax and other tax increases will amount to a 27 per cent personal tax increase over the next two years. Will the Minister assure Canadians that he is not going to pile on further personal taxes to deal with the expected shortfall as a result of lost oil revenues?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have addressed this question in the House before. The Member is correct that there will be a reduction in direct revenues in the energy industry. However, there is also an offset with the reduction of interest rates which is taking place which will reduce our interest costs. There is a balance between these two items and I, therefore, do not see that there is any reason for us to address this question.

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CORPORATE AFFAIRS

OWNERSHIP CONCENTRATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Minister of Finance. Due to the takeover of Hiram Walker by Gulf, Canadians will once again be watching as more and more control of the Canadian economy falls into the hands of seven families. Does the Minister think it is right for a country like Canada to have so much of its economic power concentrated in the hands of seven families?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): I am sorry, Mr. Speaker, I did not hear the question.

Mr. Blaikie: It was for the Minister of Finance. He was listening. Why doesn't he answer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague was obviously having a private conversation with his seatmate. The specific question put to me by the Hon. Member is not within my realm of responsibility. I think the Hon. Member realizes that.

EFFECT OF OWNERSHIP CONCENTRATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, will the Minister of Consumer and Corporate Affairs explain to the House the benefit which accrues to Canadians when so much of the Canadian economy is held by seven families in Canada?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, last December we tabled a number of amendments to the Combines Investigation Act, providing mechanisms that will enable the Director to examine the kind of transactions mentioned by my hon. colleague.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of State for International Trade. Last Friday it was revealed that a study on the Auto Pact prepared for the Government by a firm of consultants concluded that any alterations in the pact through comprehensive trade negotiations with the United States would threaten Canadian jobs and undermine the pact. Will the Minister say right here and now, clearly and unequivocally, that he accepts the findings of that study, and that, under no circumstances, will the Auto Pact be on the table in comprehensive trade discussions with the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as the Hon. Member well knows, in order to prepare for these discussions we have commissioned a number of reports. As a matter of fact, we made public the fact that the report has been obtained. It contains the opinion of the writer. The Government has not acted on that report. When our negotiating position has been confirmed, we will act in a manner which is consistent with, and in the best interests of, all Canadians.

STATEMENT ATTRIBUTED TO UNITED STATES NEGOTIATOR

Hon. Herb Gray (Windsor West): Mr. Speaker, did American special trade representative Yeutter not tell the Minister in Ottawa last December: "I do not preclude alterations in the Auto Pact as a result of comprehensive negotiations"? Why will the Minister not say clearly and unequivocally today that he does preclude such alterations, and that the Auto Pact will not be on the table in any comprehensive trade negotiations with the United States? Does he not realize that by his equivocation and silence he is telling the country he intends that the pact be on the table?

Mr. Speaker: Order, please. Order, please!

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Hon. Member has a selective memory. When Mr. Yeutter was here he went on to say that, in his opinion, the Auto Pact was working very well for both countries and he did not have any intention of putting it on the table. People should remember that. I replied at the time that the Auto Pact was indeed working very well for both countries. If something is working well, you do not try to fix it.

* * *

[*Translation*]

CORPORATE AFFAIRS

SALE OF HIRAM WALKER TO OLYMPIA & YORK—REQUEST FOR CLARIFICATION

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Two days from now, it seems Olympia & York will buy Hiram Walker. Since these two big corporations have enormous investments in the energy sector, could the Minister give the House the assurance that either he or his senior officials have already examined the takeover plan and concluded that the transaction will not have an undesirable impact on the energy sector?

• (1500)

[*English*]

Mr. Speaker: Order, please. The question is too long.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): The answer, Mr. Speaker, is yes, the Director is aware of the proposed takeover, and it is his responsibility to examine the impact on competition such a transaction will have. That is what he intends to do, and if he has any reason to believe that the law has been infringed, he will of course start an investigation.

[*English*]

POINTS OF ORDER

IMASCO STATUS—STATEMENT BY MINISTER

Mr. Speaker: Order, please. The Hon. Minister of State for Finance (Mrs. McDougall) gave me notice that she wished to raise a point of order.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I rise on a point of order. On Friday, April 18, in response to a question from the Member for Essex—Windsor (Mr. Langdon), I may have unintentionally mislead the House. I thank him for bringing it to my attention privately.

At that time I stated that Imasco was classified as a Canadian company under FIRA and Investment Canada. I would like to say for the record that Imasco is deemed to have Canadian status under Investment Canada but no similar status had been granted by FIRA.

REQUEST FOR GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE—SPEAKER'S RULING

Mr. Speaker: On Friday last, the Hon. Member for Spadina (Mr. Heap) raised the question of the application of Standing Order 99(2) and alleged that the Minister of State for Immigration (Mr. McLean) had not met the requirements of the Standing Orders in not providing a comprehensive response to the fifth and sixth reports of the Standing Committee on Labour, Employment and Immigration.

The Chair has had the opportunity to review the responses of the Minister which were filed with the Clerk of the House on March 7, 1986 and April 18, 1986. The Hon. Member for Spadina and other Hon. Members will understand that the Chair would be in a very difficult position were it to be called upon to rule on the quality of Government responses, as it is in similar difficulty ruling on the quality of questions or answers during Question Period. The Hon. Member for Spadina is certainly entitled to disagree with the responses, if that is his view, and he has other options and procedures available to him if he chooses.

As far as the Chair is concerned, the terms of Standing Order 99(2) have been met in this case and the Chair ought not to intervene, except on the strictest procedural grounds.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (Minister of Employment and Immigration), that Bill C-62, An Act respecting employment equity, be read the third time and passed; and on the amendment (Ms. Copps) (p. 12465).

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

Some Hon. Members: Question.

Mr. Speaker: The question is as follows—

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

Mr. Speaker: The Chair is now in some difficulty.

Mr. Allmand: There was a lot of noise and I thought the Hon. Member for Hamilton East (Ms. Copps) still had the floor. I know there were other people who wanted to speak on this amendment, and if they won't, I will.

Mr. Speaker: I think the House knows that the Chair is always in difficulty right after Question Period because there is a lot of noise. This would be a good time to remind the House that the whole procedure would be simplified if the House came to order as quickly as possible after Question Period. Under the circumstances, I will recognize the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) on debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I am surprised to have the floor again so quickly but I will be glad to speak.

Since I spoke this morning on the principal motion for third reading, the Hon. Member for Hamilton East (Ms. Copps) made an amendment to send the Bill back to a legislative committee for reconsideration of Clause 3, Clause 5 and Clause 7 of the Bill. While most clauses of the Bill are important, those three are the key to the enforcement of affirmative action and employment equity. Furthermore, among those three clauses I suggest that Clause 7 is the most important.

As it now stands, Clause 7 provides for a penalty of $50,000 to employers who fail to report pursuant to Clause 6 of the Bill. That, in effect, amounts to no penalty whatsoever for those who do not make progress on the implementation of employment equity.

The Acting Speaker (Mr. Paproski): Order, please. I am trying to hear the Hon. Member's speech. Thank you.

Mr. Allmand: Mr. Speaker, Clause 7 of the Bill applies a penalty only to those who fail to report to the Minister. They are simply required to report on the composition of their labour force with respect to the designated groups.

That Clause does not apply any penalty to those who do not comply with Clause 4 or Clause 5 of the Bill. Those two clauses are of more importance to the advancement of employment equity.

Clause 4 is an integral part of the Bill because it requires employers to implement employment equity through several proposed means. While it obliges employers to do something about employment equity, it provides for no penalty if no action is taken.

Clause 5 was included in the Bill since the committee stage. It requires employers to prepare action plans with goals and timetables for employment equity. However, if action plans are not prepared as required by Clause 5, there is no penalty.

During the committee stage, and the report stage in the House, we attempted to amend Clause 7 so that the sanction in that clause would not only apply to those employers who failed to comply with Clause 6, but also to those who failed to comply with Clause 4 and Clause 5. If that penalty clause applied to employers who failed to comply with Clauses 4, 5 and 6, then I believe this would be a Bill of substance that would be enforceable and meaningful to the target groups. Therefore, my colleague from Hamilton East moved that the Bill be sent back to committee for reconsideration of Clause 7 so that witnesses would again have a chance to convince the Government that this clause should apply to Clauses 4 and 5 as well as Clause 6. One continues to hope that such steps will be taken.

The Hon. Member also moved that the Bill be returned to committee for reconsideration of Clause 3 and Clause 5.

Clause 3 is a definition section of the Bill. It defines an employer as one who has 100 or more employees. We have argued time and again that that floor level of 100 employees is too high because it excludes many federally regulated Canadian firms with less than 100 employees.

I pointed out this morning that affirmative action legislation in the United States includes all firms with 15 or more employees. I tried to amend this Bill in committee so as to reduce the level of 100 employees to 25 employees, thereby not even going as far as the American legislation. Witnesses before the committee suggested that 25 employees was a reasonable number on which to make a judgment on affirmative action or employment equity. However, the Government and the Parliamentary Secretary would not listen to any arguments and insisted on keeping the level at 100 employees.

As a matter of fact, that stipulation is not even consistent with our Canadian labour legislation because the Canada Labour Code defines an employer as one with five or more employees. We believe it is unacceptable that the definition would suddenly jump to 100 employees according to this Bill. If the Bill is sent back to committee, we hope that witnesses representing the target groups and others will convince the Government that 100 is too high. The other part of Clause 3 which requires amendment, and which we have been trying to amend, is that part of Clause 3 which exempts federal Government employees from coverage under the legislation. Again, we have argued that Treasury Board guidelines are not enough. If we are to have legislation covering the business sector with respect to affirmative action employment equity, then we should at least have that same legislation cover federal government employees. It is inconsistent and illogical to lay legislation on the private sector, but to exempt the Government sector and allow it to be covered by guidelines and orders-in-council which can be changed at any time without notice and without reference to the House of Commons.

• (1510)

The reason for referring back to Clause 5 of the legislation is that Clause 5 is a new clause which was agreed to in committee, and it shows that the Government from time to time will listen to argument and will accept amendments that are proposed. I suppose on that occasion they were intently listening and saw the good sense in the arguments that were put forward. They accepted an amendment to require employers to prepare action plans with goals and targets for employment equity. That was good, but then they added a second subsection to that new Clause 5 which said that those new action plans should be kept at the head office of the employer, wherever that may be in Canada, and should be kept there for three years. In other words, there was no obligation to communicate those action plans on targets and goals to the employees of the firms, to the target groups; the disabled, the native people, the women's groups and the visible minorities. There was no obligation to inform these employees of the action plans, and there was no obligation to forward the action plan to the Canadian Human Rights Commission, which is supposed to have some responsibility in enforcing this legislation.

We have already tried to knock out that subsection which says that the action plan should be kept at the head office of the employer, wherever that may be in Canada, and to replace it with a section which would say that the action plan should be communicated to the employees of the firms in question, to the Canadian Human Rights Commission, and to the representatives of the designated groups which are to be assisted by this legislation.

I spent a good deal of time this morning explaining why not only I and members of my Party thought this legislation was inadequate, but why it was felt to be inadequate by a large number of associations which appeared before the parliamentary committee. They all said this legislation was unacceptable unless there were some substantial amendments made to it. Those amendments have not been made. The legislation is still more rhetoric than action oriented. It will not effectively put into place mandatory employment equity programs. It will not do the job. Every independent group that has looked at it says the same thing.

The Minister this morning said that what she wanted was action and that this legislation represented action. Nobody believes her when she says that. If she would do a few simple things with the legislation then she might gain some credibility, but not by simply saying that this legislation will do this, and will do that, because when you look at the provisions of the Bill you see that that is not the case. Maybe she believes that nobody reads the Bill, that they are simply going to listen to her speeches and those of her colleagues, that they will believe her when she says this Bill brings about enforceable employment equity. It does not do that. It requires further amendment.

I wish the Government would, for once, listen, not only to the Members of this House, but to the members of the public

who represent those designated groups, and allow the Bill to be sent back to committee for further examination of those clauses. I am sure if the Government allowed the Bill to be sent back where the committee could hear further witnesses on this subject, the committee would have the opportunity to make some very key amendments to those sections to which I referred, and we would then end up with a much better Bill, one of which we in this House could all be proud.

The Acting Speaker (Mr. Paproski): Are there any questions or comments?

Mr. McCurdy: May I ask the previous speaker, in consideration of the amendment that was introduced by the Member for Vancouver East (Mrs. Mitchell), to indicate why Clause 4 is excluded from the amendment for reference to committee. Surely it is clear that both Clauses 4 and 5 together constitute the action plan, because one consists of the process, that is Clause 4, and Clause 5 describes the definition of goals that are necessary in order for the process to be successful. Let me repeat the question. May we have an explanation of why Clause 4 was not included in the reference?

Mr. Allmand: Mr. Speaker, I think the Hon. Member at the end of his remarks meant to ask why Clause 4 is not included in the reference. He makes a good point. Clause 4 is an extremely important clause in the Bill, but we were advised that if we were to put a reasoned amendment before the House we could not refer the entire Bill back to committee, so we picked out what we believed to be three important clauses. I would have no objection to including Clause 4, as it is also an important clause.

I wanted to concentrate attention on several issues at this time. It is possible that if the Government rejects this amendment to refer Clauses 3, 5 and 7, we might then try with Clause 4. If somebody else in the House wants to amend my amendment to include Clause 4 I have no objection.

I agree with the Hon. Member that Clause 4 is a key clause of this Bill. It would be the guts of the Bill if there was a penalty that applied if you did not do what is covered in Clause 4. Unfortunately Clause 4 lays places a number of obligations on employers to implement employment equity. It states that they should do certain things, but if they do not do one of those things there is no penalty. The Hon. Member is correct in what he said. He makes good sense. We picked out three clauses at this time to refer back to the committee, but one could pick others as well, in particular, Clause 4.

Mr. McCurdy: May I further ask the Hon. Member, in reference to the exclusion of the federal Departments from the Bill, if he would reflect on the need for the inclusion of the federal public service in view of his knowledge of the record of the public service with respect to affirmative action for women, visible minorities, the disabled and the native people. Does he believe that the record of the federal Government so far justifies omitting them from the legislation on the basis that they will continue, if they ever had done so, to implement affirmative action within the public service?

Mr. Allmand: Mr. Speaker, one of the reasons that the Member for Hamilton East included Clause 3 in the amendment to refer the Bill back to committee was that Clause 3 deals with definitions including who or what is an employer. Since that clause now exempts federal public servants we would like to see it amended to include them, not exempt them. We tried to put through an amendment in committee to do that. We tried to put through an amendment in this House at report stage. On both occasions Members of the Government voted down those amendments so that the Bill still exempts federal public servants.

• (1520)

We started a few years ago on employment equity with guidelines or directives under the Treasury Board. That was a good start, but it was before we had entrenched provisions in the Constitution with respect to equality rights and affirmative action. It was before the Abella report which says we should have legislation for both the public sector and the private sector. We agree with that. We feel it was good to start the way we did, but it is not enough. Now is the time for legislation and it should apply to the public sector as well as to the private sector.

Mr. Gauthier: Mr. Speaker, I was very happy to hear the comments by my colleague, the Hon. Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand). I listened with interest this morning to the Minister as she told us what the process of reporting would be. If I understood her clearly, she is going to wait until the profile of a company in question is established by census, instead of in the regions where the profile should be made in order to ensure that the company's program or plan will remove the barriers to employment equity. Of course, that kind of employment equity will be assured and promoted by the company in question.

I want to ask the Hon. Member about the reference made this morning by the Minister to the census. In his opinion, is that sufficient to justify the Government calling this Bill the "Employment Equity" Bill? Is that not a confirmation that it is indeed a smoke and mirror game the Government is playing, by telling us that it would like to see an employment equity reporting act, but when it comes to encouraging or making sure within the next year that there is equity in employment, we will have to wait an awfully long time, for the next census, when the profiles will be available in order to compare what the companies are proposing to do, and what they are reporting to be able to do, with what they should be doing according to census figures?

Mr. Allmand: Mr. Speaker, this Bill is a smoke and mirrors Bill for many reasons, not just the reason suggested by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). If the Minister thinks that she will be able to do something about employment equity on the basis of the census which is done

every 10 years, she will not be able to do very much. On that basis, it is my hope that the information requested under Clause 6 will be of more help and will supplement information gathered by the census. Clause 6 states:

On or before June 1, 1988 and on or before June 1 of each year thereafter, every employer shall file with the Minister a report in respect of—

And then it refers to the Subclauses (a), (b), (c) and (d) under which information is requested from the employers.

That is all very well and good, but even if they do that the Bill is still a phony Bill as far as enforceable affirmative action is concerned because there is no penalty to be levied against employers if they do not comply with Clause 4 and Clause 5. Clause 4 is the clause which requires employers to implement employment equity and Clause 5 requires employers to set out an action plan with goals, targets and timetables. If the employers do not comply with Clause 4 and Clause 5, nothing happens to them. On the other hand, if they do not send in their reports under Clause 6 they are subject to a penalty, but that does not do anything but provide information to the public.

The reason this legislation is not a mandatory Employment Equity Bill but a voluntary one, I suppose, is because the Minister hopes that by collecting this information and making it public the great court of public opinion will put pressure on these companies to move ahead with employment equity. However, Judge Abella pointed out very clearly that voluntary affirmative action does not work, nor does voluntary employment equity. We need a Bill with teeth. We need legislation with sanctions for those who do not go ahead with employment equity.

The Acting Speaker (Mr. Paproski): The period for questions or comments has now terminated. Debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, we have heard again this morning the high flying rhetoric that this Bill will achieve equality in the workplace, as indicated in its stated purpose. There has already been an amendment which would have made the Bill somewhat more honest, but it was defeated. It would have described the legislation as one which has as its purpose the promotion of equality in the workplace. I do not know why it is necessary in the waning hours of the debate for the Minister to insist that the Bill does what it makes no attempt to do, and that it will bring forth results. Women, the disabled, the minorities and native people were promised an employment equity Bill. What they have received is a Bill of goods. It might just as well have been written in invisible ink or in the sand for all the good it will do in response to the needs of the people this legislation is suppose to serve.

I speculated previously as to whether this Bill is a result of stupidity or trickery. Perhaps it is as a result of a rather elaborate oversight. Let us hope it is the result of an oversight because the Government then has a chance to reconsider.

The purpose of the amendment under debate is to refer the Bill back to committee for a specific examination of Clauses 3, 5 and 7. Of course, these are the Clauses which go to the very heart of the issue, whether we are going to have a voluntary employment equity act with mandatory reporting, or a true mandatory employment equity act with sanctions if employment equity is not implemented through processes aimed at achieving specified goals with specified timetables.

Clause 7 of the Bill requires only that the Government count the minorities, and count them twice, to find out which corporations are naughty or nice. That is not good enough. What we would ask is that Clause 7 be made to apply not only to Clause 6, but to Clauses 4 and 5 as well, and that the penalty apply. In other words, that it be mandatory and there be a penalty for failure to report on the demands set out in Clauses 4, 5 and 6. Let us examine those clauses.

• (1530)

Clause 4 requires that an employer shall, in consultation with employee representatives, develop a process for correcting employment inequities. It requires that a significant part of affirmative action be implemented. That is to say it requires that processes, structures and systems be developed by which the imbalances of employment will be corrected. There are two interesting things about Clause 4. The first is that there is no reference in it to any requirement in any context for consultation with members of the designated groups who, obviously, have a significant interest in the processes which are to be used. Their interest is not only with respect to correcting imbalances in the distribution of minority employee groups within the corporation or company, but also with respect to hiring patterns. If that were not enough of an omission to constitute a serious flaw, there is also a process which the employer is supposed to develop in this consultative process which just disappears. No one is required to know anything about it—not the designated groups, not those who were consulted and not those who are responsible for hiring and promotion practices. I do not know what is thought will come from Clause 4 if a process is developed and no one knows anything about it.

Matters become worse if one looks to Clause 5. It is reasonable that there should be goals and timetables. This has been repeated over and over again. I have already alluded to the peculiar nature of the Bill in respect to the separation of the process from the goal. Be that as it may, we have here a provision which, for all intents and purposes, ensures that the goals and timetables to which the processes are supposed to be directed will themselves be kept secret. They will be kept from those who have the greatest concern about them. Surely, Clause 7 should apply to Clauses 4 and 5 if we are to have a piece of legislation which can be truly described as an employment equity Bill. I see the Parliamentary Secretary fighting off an affirmative nod simply because I am sure that in the face of Party discipline, however misguided that may be, common sense prevails and has a tendency to make the muscles react even against one's will power.

Let us now look at Clause 3. Clause 3 is at the beginning of the Bill and shows where the Government began to run into difficulty. First, there is the fact that this legislation will apply only to employers who employ more than 100 employees. Others have already spoken in strong affirmation of the necessity to lower this number. They have referred to the pattern in the United States. They have referred to other sorts of legislation, not specifically dealing with the subject of employment equity, but other labour legislation which provides that employers with far fewer employees be subject to certain types of regulations and legislation.

There may be disagreement about what specific number should be chosen. However, it should be clear that in choosing the number 100 there is a deliberate effort to exclude the vast majority of employers who have any prospect of hiring significant numbers of employees these days. It really is not enough to say to women, members of visible minorities, the disabled and native people: "We will do the best we can, but we are not going to do that with very many employers in so far as benefiting you is concerned". Surely, if the Bill were to go back to committee, common sense would prevail and the number would be lowered to a reasonable one, perhaps to around 15 or 20, which constitutes the number of employees involving the vast majority of employers about whom we should now be concerned.

Perhaps the most unacceptable omission from Clause 3 is the omission with respect to the federal Public Service. Others have spoken about the discrimination involved in which this employer is excluded from the legislation because, of course, it has the power to exclude itsself from it. At the same time it demands that other employers adhere to the requirement of the legislation, however inadequate those provisions may be.

If one believes that the federal Public Service has become nirvana for visible minorities, women, native people and the disabled, then one should consider the record. We have already alluded to the sorry record with respect to women when now even more women as compared to a decade ago are in the lower income groups, and even more women are in clerical positions. We have heard about the fact that however few disabled are employed by the federal Government, some 75 per cent of them are on contract and can be dismissed with ease. We are very familiar with the sorry record of the federal Government with respect to the employment of native people, except under circumstances in which the demands are clear and unequivocal. However, we have not heard a great deal about the federal Government's record with respect to visible minorities. I would remind Hon. Members that until a few years ago visible minorities were not even mentioned by the federal Government in any context with respect to affirmative action. The Government is cutting back on the civil service. It is retrenching and getting rid of its employees. What is going on?

The record of the federal Public Service with respect to the visible minorities is well documented in correspondence to the Prime Minister (Mr. Mulroney) from the Caucus for the Recognition and Improvement of Blacks. This is a group of federal civil servants whose members are from the visible minorities. I remind Hon. Members that on February 27 the President of the Treasury Board (Mr. de Cotret) corresponded with Members of this House, and others, with respect to the record of the federal Government concerning affirmative action. Even then the situation with respect to visible minorities was somehow ignored. Somehow they were forgotten. However, there are ways in which they are not being forgotten, as is documented by the Caucus for the Recognition and Improvement of Blacks. They are now being laid off in far greater numbers and proportion than other employees of the Public Service. We now have a trend which has been noticed in the latest exercise where people have been suddenly dropped in the ratings. This is being disproportionately applied to members of the visible minorities. The author of this correspondence states:

> —there is a perception that there has also been a concentrated effort to weed out members of this Black and visible minority group who have been outspoken and articulate in fighting cases of discrimination against them.

I have in my hand page after page of documentation which sets out complaints about the record of the federal Government with respect to the treatment of visible minorities. And yet the Government would exclude the federal Public Service from this legislation.

• (1540)

This Bill should go back to committee so that it can be made into a Bill rather than a bill of goods. This Bill should go back to committee so that it will provide for mandatory affirmative action. Let us stop playing this game in which the Minister smirks, because it is a smirk that can be misunderstood. One may think the Minister is smirking in pride over what has been accomplished through this legislation, but the contrary is true. That smirk indicates the feeling any salesman has when he sells a bill of goods to someone who does not know what he is getting.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, we shall resume debate.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this could have been an historic day for the House of Commons. It could have been a day on which we would finally deal with a major piece of legislation dealing with the problems of equality for all those who have suffered disadvantage and discrimination. However, it is not. It is a side-track, a slipstream and an evasion of responsibility.

I do not use those words lightly. Like many Members of Parliament, I have seen over the years a series of efforts designed to make progress in the workplace of Canada, the fundamental basis for economic and social equality. The opportunity for an equal chance in the market-place is the fundamental premise of any efforts to achieve a broader system of equity and fairness.

Unfortunately, this Bill speaks of a broad pattern of retreat on the part of the Minister of Employment and Immigration (Miss MacDonald). During the time I held her portfolio, I recall that she would rise to her feet while in opposition to make strong and sometimes eloquent claims on behalf of women, visible minorities and all those who were facing disadvantage or discrimination. She spoke of what she and her colleagues would do if and when they formed a Government. Well, they have formed a Government. Let us look at the record of the Government over the past two years.

We are all aware of the incredibly harsh and severe decision that was made regarding unemployment insurance benefits as they affect pension privileges. We are aware of the distortion that this has caused in the market-place. It is offsetting any opportunities for early retirement. We have seen what happened with the so-called Jobs Strategy. All of the special programs designed to help women receive training opportunities and to help the handicapped receive special access to the workplace have now been eliminated and cancelled. Under the Summer Jobs Program and the Canada Works Program, it used to be a requirement that every person proposing a project table an affirmative action plan. That has now been cancelled. In the past, the federal Government's own job-creation activities required the private, community and voluntary sectors to recognize inequities. Those requirements have all been wiped away.

Perhaps the greatest retreat we have seen is on the question of employment equity. That is mainly because the Minister has broken the momentum. Even earlier than 1980, the Bird Commission first identified these problems. During that period of time, there was a growing consciousness and awareness that the problems of inequality in the workplace were not necessarily a matter of overt bigotry or discrimination but were part of an entrenched system that had been around for hundreds of years. It was part of a whole set of precedents, an evolutionary process that allowed over the years certain practices in the workplace. Foremen would hire their nephews and not their nieces, there was apprehension at seeing someone in a wheelchair. There was no recognition of the need for remedial training for those with certain cultural backgrounds. By the end of the 1970s and the early 1980s, those things were recognized. The question was what to do about them.

I can recall very vividly taking over a Department in which there was a voluntary affirmative action program. We were providing resources and assistance to the private sector to work out affirmative action plans. It became quite clear that that did not work. At one point in 1980, only 35 or 40 contracts were signed. We had to ask ourselves why this was so.

At the time, I met with a number of private-sector organizations and asked what it was that prevented them from carrying on with voluntary affirmative action. They recognized the problem but I wondered what it was that was stopping them from doing anything about it. It came down to a fundamentally human problem. They said that they did not practise affirmative action because it was too costly, and unless their competitors were also required to practise it, they would be at a disadvantage. Many employers told me that even though they would like to do it and were prepared to do it, unless they were required to do it they would not do it. This goes back to some pretty basic matters of political philosophy. There are times when the Government, representing the public interest of all of Canada, must take action because we cannot expect the individual business person to provide solutions to basic fundamental social problems. It is not their responsibility.

The answer came to us and it was very clear. The only way the system would work is if all employers were required to begin following affirmative action plans. The private sector asked how this should be done. Businessmen wondered what would be the best way of applying affirmative action. They said very clearly that the federal Government must take the lead by showing them the best system. We began to do it.

In 1980, we introduced a trial program in three Departments of the federal Public Service. We tested out a complete and comprehensive affirmative action requirement on three key Departments. Once we began to see the success of that program, we then issued an Order in Council which required that it be undertaken in the entire Public Service of Canada. Those steps were an important prelude to what I think was the next most important step taken, and that was the establishment of the Abella Commission.

The terms of reference of the Abella Commission were crucial. It was not just another study or inquiry. The mandate of the Abella Commission was that it was to come up with a working formula that would apply to all activities under federal jurisdiction. I consider that to be one of the most important decisions made by the Cabinet while I was the Minister of Employment and Immigration. We were fortunate in getting someone of the calibre of Judge Abella to preside, and the mandate was set to provide an opening for a major extension based upon the previous activities that had been undertaken. Momentum had been created step by step.

Private employers could no longer use the excuse that affirmative action did not work, because we showed that it could work in the Public Service. They asked us for an example, and we gave it to them. Then we took the next major step by appointing the Abella Commission and we asked Judge Abella to talk to those in the corporate sector and return to us with a working formula.

We know that her report was a major milestone and it indicated very clearly what had been developing up to that point in time. It said that if we wanted to eradicate systemic discrimination in the workplace, we would have to apply a program that was comprehensive and non-discriminatory and all employers would be required to put it in place. That was the clear logic and compelling message of Judge Abella.

• (1550)

The Government which assumed office in 1984 had that momentum upon which to build. It had the series of successive

steps which had been taken. We know that on occasion exchanges of a somewhat bipartisan nature are made across the floor of the House, but that is not an excuse for distorting the truth, which is what the Minister of Employment and Immigration did three days ago in the House. In response to a question by my colleague from Toronto, she said that the previous Government had done nothing at all. That is not the way to approach a matter as crucial as this one. She should have properly recognized the past history and development which had occurred, as well as the Charter of Rights and Freedoms. She should have indicated that very important steps have been taken. This Bill could have been a capstone to pull together all those elements. Instead, it is a retreat, a withdrawal, or a side-step. She is directly responsible for having broken the momentum. When will we get a chance again? Some people will say that the legislation is now in place, but I believe that the forward movement or the sense of forward progress has been rechannelled. We are really reverting back to what we had in the 1970s and 1980s. In effect, it is voluntary and up to the good intentions of individual employers to make it work. How can they revert to something that has already been proven not to work? Why do they ignore history?

Ms. Mitchell: They make the same mistakes as the Liberals.

Mr. Axworthy: That indicates the stupidity of the NDP on matters such as this one; we both believe in the same thing and yet they make silly remarks.

Ms. Mitchell: Why only three Departments?

Mr. Axworthy: I just explained that. It is too bad the Hon. Member does not listen; it is unfortunate that she does not listen.

I am making a speech in the House because I believe deeply in what we are trying to accomplish. We were making progress. We knew what we had to face. There was strong opposition in the private sector. We had to show that they could work. We had to give the private sector a demonstration, and we have succeeded in doing that. We had to build up a consensus and show that progress was being made.

Ms. Mitchell: And back away from mandatory.

Mr. Axworthy: I realize that members of the NDP and the Conservative Party do not believe in developing that kind of practical common sense. I point out to the Hon. Member that some of her colleagues in the provinces have been less than progressive. I recall attending a meeting of provincial Premiers, including Mr. Blakeney and Mr. Pawley, and saying that we wanted to talk about how to put affirmative action across the board in provincial sectors. Guess who opposed it at that time, Mr. Speaker.

Ms. Mitchell: Not the NDP.

Mr. Axworthy: Members of the provincial Government which she supports, because they were not interested in making that kind of progress.

Ms. Mitchell: Not the NDP—

The Acting Speaker (Mr. Paproski): Order, please. There will be time for questions and comments after the Hon. Member finishes his speech. I should like to hear what he has to say. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has the floor.

Mr. Axworthy: Mr. Speaker, I appreciate your willingness to listen to this important debate. I am glad someone is prepared to listen. Certain members of the NDP have forgotten long ago how important listening is.

At this point in time there is a willingness in the country to accept a change. I believe the business community has been sufficiently softened up.

Mr. Kilgour: Tell us about it.

Mr. Axworthy: I will tell the Hon. Member about it. I have spent a lot of time working with that community on it. The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) is allowing the editorials in the Edmonton *Journal* to go to his head. The fact is that we had acquired and obtained a recognition or an agreement on what choices and decisions should be made. When the Bill was ready to be brought forward, a consensus was in place. However, the Government stepped away from that consensus and fragmented that agreement.

I should like to return to the debate of the Minister of Employment and Immigration on second reading. She said that it was just a start and that we should come to committee with amendments. She said that she was open, prepared to make changes, and wanted to listen to the groups. We have heard what the groups indicated before the committee. They repeated what was indicated by the Abella Commission, that we required a comprehensive, univerally applied program at least within the federal jurisdiction. However, that was ignored. Therefore, any pretext that this will somehow further eliminate or reduce systemic discrimination in the country is a falsehood. It will not work.

Aside from the individual cases of frustration and sense of alienation which many people in the workplace now feel, we will also lose an incredible amount of talent. We will be losing the abilities which people could have put in place had they been given the opportunities that a real affirmative action program would have provided.

In my region of western Canada 30 per cent of all new workers coming into the labour market will be people of native Canadian origin, yet they face the most serious detriments by far to obtaining equal opportunities in the workplace. The talents and abilities which they could bring in terms of new jobs and occupations will be lost. As was the case in the past, they will be pushed to the margin. There will be speeches by various Conservative Members of Parliament, such as the Hon. Member for Selkirk—Interlake (Mr. Holtmann), saying

that it was their own fault, as he was wont to say in publications a few weeks ago, for which I gather he is now in front of the courts. He put the responsibility on them, not on the fact that there was systemic discrimination in the system which did not provide education or eliminate discriminatory practices in the workplace. We will lose those talents. Similarly, within the federal Public Service the incredible experience built up by many people in the clerical ranks, which could have been applied to management and supervision if the doors were open and support had been given, will also be lost.

In other words, we are guilty of considering today at final reading stage a Bill which does nothing to open the door to the full talents and abilities of Canadians. We are still saying to over a third of Canadians that we really do not need them or want them in the workplace. If we want them, it is only in a marginal way. The real message in the Bill is that we will maintain a closed system and only allow them into the cracks and crevices, not into the mainstream. That is the problem in relation to the Bill on employment equity. It does not really meet the problem or target the real requirements so that the country will make use of every Canadian regardless of sex, handicap, or which cultural minority they come from. We need those people and their talents and abilities. We also need to ensure that we have a piece of legislation which keeps open the door and provides the incentive and support to make it happen. Instead, we are reverting, retreating or withdrawing back to a previous age and a previous set of concepts and notions. The Canadian Human Rights Commission will tackle the problems one on one. Some companies will put information in front of everybody, and many will say that we must rely upon the court of public opinion, which has a fat chance of working.

I can only rise and say that this debate has been an incredibly frustrating and disappointing process. I only hope that a lesson has been learned, and that lesson is that if we are to do a job, let us do it properly and effectively. In particular, I wish the Minister of Employment and Immigration would read what she was saying four years ago so that when she is in opposition a few years from now she will support a brand new employment equity Bill that we will bring in that will really work.

• (1600)

Mr. McCurdy: Mr. Speaker, I was rather surprised to hear the Member for Winnipeg—Fort Garry (Mr. Axworthy) indicate that New Democrats and Liberals believe the same thing. I am sure that is true from odd week to odd week. I am sure that on this issue what he says does represent in substance the true state of affairs and that it is a fact, in the present context, that only the Conservatives are dissenting from the point of view that an employment equity Bill ought to be mandatory with respect to the achievement of certain goals after the implementation of certain processes and that this should be included in the Bill.

The Member said that a momentum was developed during the course of previous Governments which has been somehow interrupted as a result of Bill C-62 which really fails to provide very much progress over the past. There are few in the House who would not recognize that in general with respect to women, the disabled and native people, such a momentum was developed.

Having taken credit for the development of that kind of momentum with respect to those three designated groups, surely the Member is aware that from 1968 onward the visible minority group representatives of this country asked the previous Government to implement affirmative action programs for minority groups in the federal Public Service. With the exception of Nova Scotia, no such program was implemented. There was a consistent denial of the concerns and needs of visible minority groups with respect to employment in the federal Public Service. Certainly they were not given the kind of attention that was needed in fostering employment equity. It was directed toward women and others among the designated groups.

Will the Member admit, at least in this respect, that the new Government has taken a step forward, even if it is only to mention a group that at times many of us thought were not sufficiently mentioned in the past? Perhaps he can explain and accord us some understanding of that policy and why that was the case. Why were the visible minorities excluded from a deliberate program of affirmative action in the Public Service by the previous Government?

Mr. Axworthy: Mr. Speaker, that is a fair question. When we were introducing the changes through the Treasury Board in 1980, first on the trial program and then when we applied it to the entire Public Service, as I recall the discussions with the Public Service Commission and the Treasury Board, certain questions were related to the way in which the Public Service Act itself read. Because of the merit system principle that was put in the legislation, the question of visible minority status was not recorded. Matters of sex, male and female, were, but it was not a requirement when someone made application or that they be designated on their file as a "visible minority". That was the rationale at the time.

It seemed to me after looking at the rationale for a period of about 18 months or two years that it was not acceptable. I would remind the Hon. Member that when we established the Abella Commission, visible minorities were part of the terms of reference. It was the first major recognition of the importance of affirmative action for that group.

I can recall having discussions with a gentleman, whom the Hon. Member probably knows, Tom Sosa, who at that time was Chairperson of the Advisory Committee for the Department of Employment and Immigration. He made recommendations to me about the establishment of this commission, which clearly emphasized the importance of having visible minorities as part of it, and they were included in the terms of reference of the Abella Commission.

The Abella Commission itself was not another royal commission or a study or an inquiry, its mandate was different.

Its mandate was to arrive at a working formula for the application. The Abella Commission, which was established by our Government, clearly had within it the requirements that visible minorities be incorporated as part of any affirmative action program that would be introduced.

[*Translation*]

Mr. Kilgour: Mr. Speaker, could the Hon. Member inform the House whether, at the time he stepped down from his ministerial duties, there were statistics on each of the four groups mentioned in the Bill, that is, on the labour force participation rate of each group?

[*English*]

Mr. Axworthy: Mr. Speaker, as you know, under the kind of program we introduced into the Public Service and elsewhere, each Department was required to do a measurement of the employment levels within its own Department relating to women, the handicapped, and visible minorities. Departments said they could not take those particular figures at the time and relate them back to the availability of employees or workers in a category in the general workforce on a city-by-city, region-by-region basis, so in this case there was a wide variety of figures. To use an example, if someone pointed out that the Department of National Revenue was going to hire 100 accountants in the City of Ottawa, and it was clear that in the workforce available at that time 20 per cent were women and they were hiring only 5 per cent, clearly there was a fundamental problem in hiring practices that had to be recorded and eliminated and brought to the attention of Ministers. I do not have offhand the exact figures Department by Department or sector by sector, but it was the responsibility under those affirmative action mandates for each Department to develop those figures and to produce them on an annual basis, at which time one could judge the effectiveness or efficiency to which they were actually measuring up to the availability of the designated target groups in the workforce in the region in which they were working.

Mr. Keeper: Mr. Speaker, just before the Conservative Government came into office the Liberal Party had been in office a good number of years. Yet we find today that there are very few women in senior positions in the Public Service. There is a failure to use contract compliance as it affects the private sector and women are seeking equality in the workplace in the private sector, so how can the Member criticize the Conservatives, who deserve to be criticized on the basis of the legislation, for their lack of action with any real credibility? How does he expect us to believe the protestations of his party when his own Party lived for so many years with the inequality that exists in the workplace today?

Mr. Axworthy: Mr. Speaker, I do not know whether the Hon. Member for Winnipeg North Centre (Mr. Keeper) was here during my remarks but I went through the steps that we have taken.

Mr. Keeper: With what results?

Mr. Allmand: The Human Rights Act in 1977.

Mr. Axworthy: We established a Commission of Human Rights, we had the Charter, we had the development of affirmative action programs in the Public Service, and we put the Abella Commission in place. Each year and each time a series of steps were being taken to correct the problems when and if they did not work. I explained the initial attempt, which was to develop a voluntary affirmative action program, but it did not work. The Hon. Member may be perfect and all-seeing and all-knowledgeable, but we as Liberals do not pretend to have that omniscience. As Minister of Employment and Immigration—I became responsible for that Department in 1980—I saw that the voluntary program was not working and initiated steps to make it work. We had asked the private sector why it was not working, and I explained the reasons given. We then took the necessary action. We started the clear demonstration programs within our own Departments to show them it could work. We then established the Abella Commission to work out a formula which would ensure that it was applied to all companies within the federal jurisdiction. That committee reported on the ways in which to bring back contract compliance. A series of progressive steps have been taken to improve the condition substantially. This opportunity, resulting from the Abella Commission, could have been a capstone to that. It could have brought all those strands together into one very important initiative, and that is what has been lost.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Orde 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Agriculture (a) Funding of coloured dairy cattle research. (b) Approval of product; the Hon. Member for York Centre (Mr. Kaplan)—Penitentiaries—Projected construction of prison in Manicouagan constituency; the Hon. Member for Lévis (Mr. Fontaine)—Regulations—Request for clarification of task force created to study certain aspects.

• (1610)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (Minister of Employment and Immigration) that Bill C-62, an Act respecting employment equity, be read the third time and passed; and on the amendment (Ms. Copps) (p. 12465).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this is the fourth time I have risen to speak on this very important Bill, Bill C-62, with regard to employment equity. As the critic responsible for the status of women, I have a very particular concern about how it will or will not affect opportunities for Canadian women. My riding of Vancouver East has one of the largest representations of urban native people, second only to Winnipeg. There are also a very large number of people who represent other visible minorities, not to mention many low-income people and many handicapped persons. I have, indeed, a great deal of concern about this Bill. We had all hoped that it would have true meaning for these groups and would present opportunities as never before, at least for employment in jobs which fall under federal jurisdiction. I regret to say that speaker after speaker and witness after witness has pointed out that this is not the case. It is very unfortunate that, as a precedent setting Bill, it falls so short of what minority groups need and want.

I would like to take some time to refer to some of the comments made by the Minister this morning. I was working in my office and could not help but want to respond to some of the comments she made. She said: "is enabling legislation, not a set of rigid guidelines". We certainly know that it is not a set of rigid guidelines. She went on to say: "The aim is to encourage employers and Governments. The Government's aim is to encourage employers". She quoted Judge Abella who said that the Government must be aggressive, vigilant, and open-minded. Unfortunately, she did not continue quoting the Judge's comments. In *Equality in Employment* at page 195, Judge Abella said:

> A voluntary program with a mandatory reporting requirement is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported.

She goes on to say:

> —it is unrealistic to rely on public opinion as an effective monitoring agent.

She also says:

> Voluntary programs in the federal government have had little impact on the composition of the public sector workforce.

I wish the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) were here because I think that is a direct response to what the Liberal Government did not do. Its record was far from positive in this area.

We agree with the Minister that data and information are important, but they are only important if the process does not start here. It must lead to action and to results for the target groups which I have mentioned. It must lead to systemic changes in the institutions, corporations, or businesses which are employing people. This Bill does not provide for that. For example, what difference does it make if a company meets the deadline for reporting and shows how many or how few women it has in middle-management positions or non-traditional jobs? It is very little use to know this unless the company is going to make some changes, unless it is going to be required to adopt a policy of employment equity which will open up more jobs and a fairer promotion system for women in a planned way as a part of company policy.

Employment equity must be legislated and there must be appropriate penalties, not only for failing to report, but for failing to do something about it once they have the information. Otherwise, I am sure no employer will take employment equity very seriously. Companies will probably hire a few token women in order to avoid embarrassment. This is not systemic change, and is not an adoption of employment equity policy. This is like the Prime Minister's (Mr. Mulroney) approach to employment equity of appointing one or two more women to a board in order to keep them quiet. Yet there is not really a major systemic change. We do not even have a woman Minister responsible for the Status of Women.

This morning the Minister of Employment and Immigration (Miss MacDonald) also talked about systemic discrimination, a point which has been raised repeatedly by our Party and by many witnesses who appeared before the committee. The Minister talked about how difficult it is to deal with this because it is, in effect, hidden. I agree with her. However, systemic change will not be brought about in a large company or bureaucracy by requiring them to report on what proportion of their staff is women, native people, disabled people, or visible minorities. Even if there is provision to use the Canadian Human Rights Commission, the role of that organization has been to deal with individual complaints on a case by case basis. That is not systemic change. It is not a change in the system or the company policy.

The Minister also suggested that public disclosure would make the discrimination public, and that the target groups or the Canadian Human Rights Commission could then take action. Why should they have to do this? If a mandatory employment equity agreement is made with the federal Government for every company and Crown corporation in its jurisdiction, there should be no need for this. We know that target groups do not have resources. The Minister of Justice (Mr. Crosbie) has not even given them any money for their test cases on equality under the Charter of Rights. How will they get money to appeal the complaints with regard to employment equity? Believe me, there will be many, many complaints. Even though there have been some increases in the resources of the Canadian Human Rights Commission, it has never had enough resources to deal with this. We need

systemic change, and this Bill is far from even considering that.

Surely it makes much better sense for any company which operates in the federal jurisdiction, or any company which is doing business with the Government, to sign some kind of employment equity contract which requires them to agree that they will adopt employment equity as a company policy, and that they will take practical steps to implement it in all parts of their operation with targets, goals, and timetables. In that way women and minorities will be assured access to jobs whenever there is an opening, and to promotions whenever they should be eligible for them. It is surely naive to expect that companies with long traditions and built-in attitudes, such as we all have, will change their hiring and promotion practices and their entrenched attitudes, many of which are patriarchal, without enforceable legislative requirements. There must be penalties for lack of compliance by companies such as banks, railways, telephone companies, airlines and all those companies that come under federal jurisdiction. Yet this Bill only requires that a report must be filed at the proposed time. Many changes are needed.

• (1620)

The Minister says that she will knock with a big fist on the doors of employers that show progress. I wish her good luck because she will have to do a lot of heavy door knocking two or three years from now, just at the time when she will be knocking on doors in her constituency.

I am not convinced that gentle persuasion will bring any results. The Liberals have proven that there will be absolutely no results because we saw under the Liberal administration that voluntary affirmative action does not work.

I believe that most managers in large and small companies would probably prefer to have mandatory employment equity so that they can have the necesary clout with their boards of directors and staff to insist that the law obliges them to hire more women, native people, disabled people and visible minorities whenever there is a vacancy.

My colleague, the Member for Yorkton—Melville (Mr. Nystrom) spoke eloquently about the appeals from target groups who unanimously agree that this Bill will not be effective in achieving employment equity. They put forward many recommendations to improve the Bill, yet many of the amendments were turned down by the Government. They spoke repeatedly about the need for more enforcement of employment equity.

The Urban Alliance on Race Relations outlined five initiatives that are missing from the Bill. First, there should be one central enforcement standard setting agency for all four sectors—Departments, Crown corporations, contractors and federally regulated businesses—with powers to define program requirements, set standards for goals and timetables, analyse the workforce data, and initiate complaints or court actions.

Second, there should be mandatory programs for all four sectors rather than voluntary programs with mandatory reporting.

Third, the Bill should include contract compliance as a condition of tendering, not undefined commitments, as the Bill implies, for all Government contractors with over 50 employees and $200,000 worth of Government contracts per year.

Fourth, equal pay for work of equal value should be a condition for contracting.

Fifth, affirmative action programs should be a condition of all loans, grants and receipt of cost-sharing moneys. This should be expanded to many more employers on which the federal Government has some influence.

Many labour groups, including the CLC, spoke very strongly about the need to negotiate employment equity as part of collective bargaining.

In my previous remarks I spoke about the strong recommendation of Judge Abella that women must have adequate day care and training programs if they are ever to achieve employment equity in the workplace. This has also been completely disregarded by the Government.

The Hon. Member for Winnipeg—Fort Garry seemed to be a little hostile when I interjected during his remarks. However, I was quite sure that he neglected to explain convincingly why he and his Liberal Government did not introduce legislation to achieve employment equity in a real sense. When he was the Minister of Employment and Immigration he talked about mandatory affirmative action. However, after he went back to Cabinet and spoke to his boss, the Prime Minister, and probably received considerable pressure from the business sector, he changed his tune and opted for voluntary persuasion of companies. There was no contract compliance.

Furthermore, affirmative action was implemented in only three Departments of the federal Government. That does not make sense because there are many people in the target groups who wanted jobs in other Departments.

Why is employment equity taking so long? I have found it difficult to understand why it was possible for the Liberal Government to do such an effective job in achieving mandatory bilingual policies in the federal Public Service. They have been successfully implemented in all Departments of the federal Government. Yet it was unable to achieve employment equity for women, native people, visible minorities and the disabled.

Before I finish my remarks, I want to move the following amendment on behalf of my Party:

That the amendment be amended by inserting after the number 3, the number 4.

In the time I have left—

The Acting Speaker (Mr. Paproski): Order, please. Once the Hon. Member proposes an amendment, she must stop her debate.

Ms. Mitchell: If you would agree, Mr. Speaker, I could leave the amendment until the end of my remarks.

The Acting Speaker (Mr. Paproski): You will leave it until the end of your speech?

Ms. Mitchell: I did not understand.

The Acting Speaker (Mr. Paproski): That is fine.

Ms. Mitchell: Mr. Speaker, I want to pay particular attention to the question of equal pay for work of equal value. I am my Party's critic for the status of women. I believe very strongly that women will never achieve equality until they have the same pay as men who are in jobs of equal value. I think it is disgraceful that women still earn 60 cent dollars in Canada today and, as my colleague pointed out a few minutes ago, the situation is even getting worse.

The Minister responsible for the Status of Women, (Mr. McLean) has spoken out strongly for equal pay for work of equal value, saying that this is necessary and just. Only last week he said:

> Equality and social justice require that all Canadians be given a fair chance to make their own way in society. My government is committed to eliminating the barriers that have confined women to unequal roles and opportunities, and to creating the conditions that will enable all Canadians, women and men, to pursue their ambitions and realize their potential in all spheres of society.

He is in favour of equal pay for work of equal value but has never advocated that this be part of the Bill. One can only assume that the Minister is one who stresses platitudes and states what he believes the women of Canada want to hear, but is not willing to go to the Cabinet and the Minister of Employment and Immigration to press for this to be an integral part of Bill C-62.

During committee hearings the Canadian Labour Congress said that affirmative action legislation and programs are important at the federal and provincial levels and must include the requirement for equal pay for work of equal value as well as contract compliance. They state that adequate resources must be allocated to ensure compliance.

The Abella Report stressed the same points and went on to advocate strongly that this should be part of employment equity programs. Yet the Minister repeatedly ignored these recommendations and refused to implement them.

It has been proven repeatedly that enforcing these provisions under the Canadian Human Rights Act is ineffective. That Act would not cover all employees that should be covered under this Bill.

We very much regret the lack of enforcement provided by this Bill. I have attempted to point out those items of particular concern from a woman's point of view. In closing, I move:

> That the amendment be amended by inserting after number 3, the number 4.

• (1630)

The Acting Speaker (Mr. Paproski): I find a difficulty with the subamendment to the subamendment. I know that the Hon. Members will try to convince me that what they are doing is the right thing. The Chair is always ready for arguments as to whether the amendment to the amendment is in order. Could I have arguments on this point?

Mr. Nystrom: Mr. Speaker, what the Hon. Member for Vancouver East (Ms. Mitchell) is trying to do is to have Clause 4 looked at again by the House. The Liberal amendment originally had Clauses 3, 5 and 7 being reviewed by the committee. What the Member for Vancouver East is saying is to add Clause 4. I think there is a possibility that some people may advise you that this adds something different and something new to the amendment. There might be previous rulings to this effect. My argument would be that Clause 4 is not really new. It is very much a part of the package. You cannot review Clauses 3, 5 and 7 without reviewing Clause 4. It is part of the whole process. Clauses 4 and 5 are together in terms of this legislation. I think it was an oversight by the Liberal Party in the first place when it did not include Clause 4 as part of its review. I think it is all interrelated. The only thing that might be different is that there is Caluse 4, and Clause 4 was not included, but it is only a numbers game, and substantially you are looking at the same kind of thing. All you are doing is making a rather imperfect amendment more perfect.

Mr. Baker: I would disagree with the Hon. Member who just spoke as far as the present amendment is concerned, the amendment to the amendment, in that you could deal with Clause 4 quite separately from the other clauses in the Bill, simply because Clause 4 actually sets out the formula by which the Bill is enacted through the intent of the legislation.

However, in saying that the New Democratic Party is incorrect on that point, let me say that I cannot see anything wrong with the amendment from the point of view that it does not negate in any way, shape or form the substance in the present amendment. It simply adds another clause to that particular amendment. I would submit, Mr. Speaker, for your consideration that perhaps the subamendment may be in order, but it would perhaps have come at a better time if it were put following a complete round of speakers on the first amendment.

Mr. McCurdy: Mr. Speaker, I would like to support as strongly as I can the arguments in support of accepting the subamendment from my colleague, and I differ as sharply as I can, from the intervention made by the Member for Gander-Twillingate (Mr. Baker). He says that Clause 4 can stand alone. The subamendment has to be looked at in context. First of all, the motion of the Official Opposition would have Clause 7 re-examined. It is its intention to have Clauses 5 to 7 referred for re-examination to the committee. If the motion should lose and Clause 7 is not referred for further consideration, then you would end up with a situation in which the penalties that the Opposition would seek to have would not apply to Clause 4.

Further, let us give greater emphasis to what was said before; Clauses 4 and 5 constitute part of the same process. What we have in Clause 4 is the requirement that the employer develop a process for achieving employment equity. It certainly is clear to you, Mr. Speaker, from all of the arguments heard from all sides of the House that part and parcel of a process must be the goal of that process, and that is what is set out in Clause 5. If the opposition amendment should lose, it would throw into limbo any prospect for serious consideration of Clause 4, which is the subject of the subamendment. Therefore, it must be clear that we could end up with a silly situation were we to introduce an amendment to have Clause 4 referred to committee, when, in fact, Clauses 4, 5 and 7 are so intimately connected with one another.

The Acting Speaker (Mr. Paproski): I appreciate all of the Hon. Members helping me out in reaching a decision on this ruling. I would like to reserve my ruling for later on today. In the meantime we will carry on with debate.

Mr. Sergio Marchi (York West): Mr. Speaker, it was certainly quite an exercise in parliamentary debate on the amendment to the subamendment of the amendment to the subamendment. I think the essence of the debate this afternoon should perhaps not be on Clauses 4 or 7 of this particular Bill C-62, but, rather what this legislation will do, and perhaps, more importantly and more specifically, what this piece of legislation will not do.

I feel obligated to participate in this third reading of Bill C-62 because I had the opportunity of being involved in the second reading debate and in the work of the legislative committee. I listened and received representations from the four target groups that the legislation addresses. I was involved as well in the report stage.

I must say at the beginning of my remarks that the process has been a frustrating one. The process, in fact, has almost been a futile one simply because witness after witness from the four target groups—women, the disabled, the visible minorities and the natives—came before this House, and, more importantly, came before the committee, because that is where they have the appropriate time and forum to articulate their concerns, as it is their concerns that this legislation is supposed to address, but the Government Party and Government Members on that committee were not listening. Witness after witness came forward and suggested ways for this Parliament to strengthen this particular piece of legislation. Each of those target groups said that it is fine to talk about equality in the workplace, it is fine to say that this should be a goal of a modern society such as we have in Canada, but that it is not sufficient only to talk of equality, because this piece of legislation, while purporting to deliver equality, will not do so. That is why it was frustrating, and perhaps futile, because the message came back again and again, but the Members were not listening.

Not only did it come during this process, but we have had various reports such as that of the Abella Commission, which I think articulated a progressive solution to what we speak of today. It was bold and courageous and the expectations that were created were very great. That is why we find today a great deal of disappointment among the Canadian community because this piece of legislation does not even come close to adopting some of the recommendations of the Abella Commission.

These witnesses and these community groups that came before us in this process also came before us during the preparation of the *Equality Now* Report, the *Equality For All* Report, and also the *Obstacles* Report in past Parliaments. These groups and these individuals are asking themselves, and are asking their representatives in this Chamber: How many times do we have to come to Ottawa to explain our case? How many times must we tell you what the problems are? How many times and how forceful can we be in terms of suggesting a solution to our problems in this country? They have come time and time again and at great expense. They have used their energies and the efforts of their organizations, which are not the more wealthy or well financed organizations in this country. They used the resources they had in a very genuine, straightforward and frank manner, and we let them down profoundly.

• (1640)

If we try to commission a further report or study, whether it be next year or in three years, those individuals in Toronto or in Vancouver have to ask themselves what was the use of going to Ottawa to say the same thing they have been saying at various stages during the last five to ten years. As opposition critic for multiculturalism, I can tell you, Mr. Speaker, what they said. Two major organizations came before the committee. One oganization was the Urban Alliance on Race Relations. It said that the focus of the legislation is on data collection rather than hiring and training in a workplace free of discrimination. The Canadian Ethnocultural Council said that it is difficult to envisage how a voluntary approach will substantially improve employment opportunities for the visible minorities. The Chairman of the Coalition of Employment Equity for Persons with Disabilities said last Monday, and I quote:

> This Bill will do nothing more than provide the Government with employment information. It will in no way implement employment equity as there are no penalties for failing to comply with employment equity plans.
>
> We have tried everything. We have consulted with CEIC staff, appeared as witnesses before the Parliamentary Committee on the Bill, made pleas to the Prime Minister directly and rallied on Parliament Hill.
>
> We have demanded that the Bill be amended to include the Government's own Departments and agencies and to include a penalty for failing to comply with employment equity plans. The Government has not responded to any of our demands.
>
> If we can't get them to put any teeth in the Bill, they should at least be honest and retitle it "The Employment Information Bill". If the Bill is not renamed, the Coalition demands that it be withdrawn.

No one in this House can say it any better than that. We can imagine the frustration of sitting through that process and seeing absolutely no movement at all. We cannot blame these

people for asking why this piece of legislation was introduced. Why Bill C-62? Why name the four target groups? Why does the Government say it is championing the rights of these Canadians in these four target groups? Why say that after these four target groups have said that this legislation will not help? They are saying that this legislation will not improve the lots of these individuals, and they are right. Why have a piece of legislation for the sake of having legislation which is used as window dressing? It is just used in a public relations type of way so that the Government can say: "Look at what we have done for these groups".

These four target groups and other Canadians who have participated in the process are not that gullible or naive. They know when they have effective legislation and when they do not. They have told Parliament and the Government that this legislation is not adequate. Therefore, it must be incumbent upon Members of this House to listen to those concerns and perhaps put ourselves in their place. We must realize what their day-to-day struggles are and ask ourselves how we would react if we were one of those individuals who came before the committee. If we did that, I think we would have a greater degree of appreciation for and sensitivity to the representations made before the committee, rather than simply listening and not moving on the recommendations.

We must also examine our own hearts as individual Members of Parliament. We all know that one of the major concerns we face in our responsibility as Members of Parliament is the whole question of employment. We face a number of individuals each and every week in our constituency offices. Individuals write, phone and visit us and all ask if we can give any assistance to them, their relatives or friends who are seeking gainful employment. We know their frustration. We know their loss of hope. We know that, to a certain degree, the measure of one's self worth and dignity is in part related to the whole question of employment. A working life is a fruitful and fulfilling life. When there is no gainful employment, it is not just a question of not being able to find work but it is the feeling, rightly or wrongly, that one is less than a participating member in Canadian society. We all realize that that is the biggest problem facing us as Members of Parliament individually and collectively.

I believe most of us accept that responsibility. The problems of those four target groups must be staggering when those individuals are unemployed because the colour of their skin is different from that of the majority or because they have a disability or because of their cultural background. That is a defeating type of blow which is difficult to overcome. We must understand that. We must act more boldly and courageously so that we can be satisfied as Members of Parliament and as the House of Commons that we have acted with a sensitivity and appreciation for the problems of these four different groups. We should be able to point to this legislation in a proud manner which transcends partisan politics. We should be able to have a good deal of pride in the legislation. But we cannot have pride in Bill C-62 in its present form. It is not a question of myself as a member of the Opposition slamming the Government by saying: "Look at this legislation. Are you not ashamed". I feel part of that shame as well because I know we could have done much better.

It does not help the debate when individuals talk about what the Liberal Government did five years ago or what the Conservative Government did 40 years ago. It does not further the lot of these four target groups. What we should realize is that here is the window of opportunity. For the first time before the House of Commons we have a piece of legislation which is intended to deliver employment equity regardless of colour, handicap, sex or background. We should work together to ensure that the legislation will meet the expectations created by the Abella Commission. But when it does not, no one in the House can rise and beat his or her chest saying: "I am proud to stand up today because we have Bill C-62". We cannot do that when the four target groups have come to us at second reading, at committee and at report stage of the legislation to tell us that we are not going far enough and are only paying lip service to their real problems. They are saying to us: "Maybe these problems are not for you, but they are for me and for the other people who find themselves in my circumstances". They are Canadians. We have a fairly progressive country known as Canada. But not all is well, certainly when there are complaints by those individuals who say that they cannot find employment because of the items we have listed. It is simply not good enough to look the other way and give them Bill C-62 and say: "We have dealt with your problems. Let's move on to other ones".

• (1650)

In addressing these concerns, and in trying to articulate those which were made as representations to the committee, we moved amendments to the Bill. We were not attempting to oppose for the sake of opposing. In the process we moved 36 amendments which were intended to strengthen the Bill. They were intended to take what we received from the community and turn it into reality. If they had been accepted by the Government, then the four target groups would be satisfied today, as would the opposition Party, the Liberal Party. Then we would have no problem voting in favour of the legislation and dealing with something else. We would know that we had dealt with the subject in a comprehensive and, most important, fair way. But we have not.

A number of the amendments were crucial to the whole direction and thrust of employment equity. One was to include a provision with respect to an enforcement agency since in the Bill there is no such provision. It was Judge Abella who said that if we cannot enforce rights, then they are just as good as unavailable rights. Those words capture the spirit of what is lacking in this Bill. They crystalize the opposition that we have seen to this piece of legislation and the malaise which is written into every page of it.

The governing Party said: "We have the Human Rights Commission to deal with it somehow". However, at the

moment the commission does not have the resources. At the moment, it deals on a reactive mode, on a one-to-one basis, not as an agency which has the ability to oversee this type of legislation on a national basis. Even if members of the Government were convinced that that was the answer, then the very least they could have done was to have the courage to include a provision with respect to the Human Rights Commission in the legislation. In this way we would have been convinced that some mechanism would be put in place to oversee the legislation. However, the amendment in this respect was not accepted. Individual people in the four target groups and members of my Party are asking why. If one believes that the Human Rights Commission is the answer, then let us be frank and put a provision with respect to it in the legislation.

Another of our amendments suggested that the Bill apply to all federal government Departments which are presently exempted from the Bill. If we have a federal Government which says: "This is our vision. This is what we want the private sector and the Crown corporations to do", then what is wrong with not pursuing that and having the force of those measures obligate the federal Government to act accordingly? After all, we have to show leadership and we can only do that by example.

Another amendment we suggested based on representations we received at committee stage was to apply the Bill to all businesses under federal jurisdiction with 25 or more employees. The present Bill applies to businesses with 100 or more employees. That very regulation does away with most of the companies doing business with the Government since a great number of them—the majority I am told—have less than 100 employees. Therefore, we suggested that the threshold be placed at 25. Even the Americans, whom we sometimes hit over the head when we talk about human rights, have contract compliance legislation which ensures that businesses doing business with the Government follow its criteria. Its criterion is for only 50 employees, and we are stuck at 100.

Mr. Speaker, I notice that you are motioning to me that I have but one minute left in which to wrap up. There were other amendments I wanted to go over, but I will not have the time to do that.

So what is the choice? What are we trying to suggest at third reading? To put it very simply, as an eleventh hour pitch, it is to reconsider the inaction of this legislation and to consider the inequities in it. It is ironic that we should be pushing employment equity while at the same time we know that the legislation has tremendous shortcomings. This message does not come from members of the New Democratic Party or from members of the Liberal Party. It comes from Canadians who are saying that the Bill will not deliver equity. It is only window-dressing. We encourage the Government and the Parliamentary Secretary, who is here on behalf of the Minister, to heed the recommendations and make the Bill what we all want it to be—strong, effective and fair. I hope the Government sees the light.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, it should be obvious to any Member of Parliament, and certainly to anyone who represents an urban constituency, that there still exists a great deal of discrimination against members of minority groups in employment. By minority groups I include the handicapped, native people, women, and members of racial minority groups, particularly those who come from visible minorities, that is, non-whites. Governments, both federal and provincial, recognize that such prejudice and discrimination have existed for many years. So Governments have, over the years, enacted fair employment and fair accommodation practices legislation. This legislation has somewhat lessened the discrimination in employment felt by members of these groups. However, a great deal of discrimination still exists. Thus a broad coalition of organizations including natives, women, the handicapped and minority groups, as well as church groups, labour, consumer and farm groups have understood that more has to be done. The former Liberal Government appointed Judge Abella to look into the matter. She conducted an investigation and made a report to which all of us should have paid some attention.

Before the election the groups I have mentioned, and others, called upon the political Parties to find out what their stand would be in regard to passing the type of legislation which Judge Abella, and others, had recommended. I have in front of me part of a statement made by the present Prime Minister (Mr. Mulroney) in August of 1984. He said:

> Our Party will ensure that companies providing services to the federal Government hire increasing numbers of women to perform such services. When seeking government business, these companies will be required to detail their action plans, timetables and programmes for attracting, training and advancing women within their operations ... We support the need for human resources planning within the federal bureaucracy, which includes goals and objectives to achieve parity for women, at all levels of government operation, commensurate with their skills and expectations.

● (1700)

Let me put on the record the last sentence. I hope the Parliamentary Secretary is listening carefully because this is the crux of our fundamental disagreement with the Government and the Bill. The Prime Minister, then Leader of the Official Opposition, concluded the paragraph which I just read by saying the following:

> Numerical goals are one of several goals required: training and retraining are others.

That was a promise made by the Prime Minister when he was Leader of the Official Opposition at a time when we were heading into an election which he hoped his Party would win so that he could become the Prime Minister. His Party did win the election. He is the Prime Minister. What has happened to the commitment he made?

If there is one thing that is conspicuously missing from this Bill, it is the promise made by the Prime Minister that the legislation his Government would bring forward would include numerical goals. The experience of other jurisdictions, including the United States, is that without numerical goals, the objective of employment equity will not be reached.

Without numerical goals and targets which are monitored by the Government, employers, both public and private, simply will not do what we want them to do.

It is not surprising that this Bill has been criticized and rejected by all the interested groups. Let me put on the record a few of the assessments they have made of this Bill. Beryl Potter of the Coalition on Employment Equity for Persons with Disabilities had this to say about the Bill:

—it's not even worth the paper it's written on . . . I've never been so disillusioned in my life as I am with Prime Minister Mulroney. I was a supporter of him. I worked for him in his campaign and I am totally, totally disillusioned.

The Inuit Tapirisat of Canada which represents the Inuit people of Canada had this to say:

Bill C-62 is of limited value.

Suzanne Boivin of the National Association of Women and the Law said:

Nothing will change. Unfortunately, it is simply wishful thinking.

Since this Bill was first tabled almost a year ago, the New Democratic Party has taken the position that it is rife with flaws. To reiterate, we stated that it failed to embrace five principles which we promoted at every opportunity. First, there is an absence of real enforcement and adequate penalties under a mandatory equity scheme. Second, there is no reference made to equal pay for work of equal value. Third, contract compliance is not included. Fourth, there is no obligation to negotiate equity where there is a bargaining unit. In other words, we leave the matter to the good intentions of employers, although some of us who have watched employer-employee relationships know how frequently good intentions simply do not exist on the part of employers. Fifth, the coverage of the Bill is inadequate. It does not include federal Departments.

How can the Government have the gall and audacity to require private employers and Crown corporations to implement policies established by a law when the Government itself does not apply that requirement to Government Departments? I challenge Government Members and cabinet Ministers to look at Government Departments, Department by Department, including those which were targeted for affirmative action by the former Liberal Government. They will see how little we have accomplished. They will see how few women work in areas other than clerical. They will see how few handicapped people work at any level. They will see how few native people work for Government Departments. I would urge Hon. Members to look particularly at the Department of Indian Affairs and Northern Development to see how woefully neglectful we have been. They will see how few members of visible minorities work for the federal Government at any level in any city. If they had the courage to look at what has taken place up until now, they would see how ludicrous it is to bring in a Bill without any requirement for action.

The Bill is now at third reading stage, and this gives me an opportunity to review the flaws in the Bill which centre around the absence of these requirements. In our view and in the view of the spokespeople for the target groups, this Bill will not move us much closer to employment equity. The Bill does have a lofty purpose. No witness found fault with the Bill's intention which, according to Clause 2, is the following:

The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

That is a noble goal. Unfortunately, having stated the principle and outlined the goal, the Bill then goes on to do everything possible to see that that goal is not achieved.

This Bill must be viewed as a Bill for voluntary equity with mandatory reporting of workforce data. It is that and no more.

There are three clauses in the Bill which make certain demands on the employers that are intended to move them toward equity in the workplace. However, only Clause 5 is subject to a maximum penalty of $50,000 on summary conviction. We attempted to increase this penalty to $500,000 because many of the firms covered by Bill C-62 are very large. I am thinking in particular of the major banks, the CNR, the CPR, Air Canada and CP Air. For many of them, a potential $50,000 fine would simply be part of the cost of doing business. That occurred for many years with the anti-combines legislation. On the very few occasions when a company was charged, prosecuted and found guilty, it paid a relatively small fine. It was like a licence giving these companies the right to continue to break the law, and this is the same thing.

• (1710)

Clause 6 requires the employer to gather data annually. Critics have indicated that the required data is a bare minimum. Furthermore, the requirement is only to take a snapshot of the workforce. It does not amount to making progress toward implementing employment equity. As was pointed out, an employer could report year after year, yet the data could show no significant change for target groups in the workplace. There is no penalty for no progress. If there is no penalty for no progress, an employer could report that every year. In that event he would be obeying the law and following the instructions contained in the law. He could simply report that he has continued the practice but had not moved toward employment equity. What happens then? Nothing, because there is no penalty for not moving toward employment equity.

The Canadian Human Rights Commission will receive the data reports and determine whether or not there appears to be discriminatory activity in the workplace and, if warranted, could find discrimination under the Canadian Human Rights Act. However, I emphasize that the Human Rights Commission does not enforce the employment equity Bill. The commission will be enforcing the provisions of the Canadian Human Rights Act as they may apply to the workplace based upon data contained in the annual reports. What if the data is wrong? Well, it would be too bad.

Let us look at the type of data required in the reports. First, there would be the industrial sector locale, the number of employees, and the number in the target group. Second, there would be a description of the occupational groups in the workplace and the number of target groups in each occupation. Third, there would be the salary ranges and the number of target group persons in each salary range. Fourth, there would be the number of employees hired, promoted and terminated, and the number of target group persons who fit into each circumstance. The target groups made clear to anyone who wanted to listen, certainly to anyone who wanted to see real action, and to the legislative committee on Bill C-62 that a firm must be obliged to develop an action plan with goals and timetables, addressing how it would go about removing discriminatory practices and taking positive steps needed to bring about employment equity.

Action plans were not in the original Bill. Indeed, the Minister claimed before the committee that an action plan for producing equity was inherent in a company. Ultimately the Government responded by presenting the committee with an amendment forcing companies to prepare action plans which contained goals and timetables. However, these action plans will be strictly confidential. As various Hon. Members have said, the plans can remain locked up in firms' personnel offices, shielded from all prying eyes.

Why should action plans be kept secret?? What about dissatisfied employees or members of a target group who think that a company is not following the intent of the Bill? Without giving an opinion on the merits of my example, the Government must know that a group of women charged that the CNR was not ready to hire women except in clerical positions. They charged that the CNR was certainly not prepared to hire women in non-traditional jobs such as those in the maintenance shops in Montreal, Moncton, Winnipeg or wherever. I am speaking from memory when I say that the Canadian Human Rights Commission found that their claim was valid. If the action plan is kept secret, how will employees or prospective employees who want to work for the company know what is happening?

I was pleasantly surprised some weeks ago when I visited the branch of the bank with which I deal in Winnipeg to see a black person working as a teller, the only one I have seen. In the City of Winnipeg, with its large native population, I have yet to see a single native person working in any branch of any bank in Winnipeg. If there are any, they are certainly very few in number. How will the Government of Canada or members of the native community in Winnipeg know that banks have action plans and whether they will work if the banks are permitted to keep them secret?

There is no penalty for failing to develop an action plan, even a poor and inadequate one. The NDP has attempted to have penalty provisions included in Clause 7, but it has been to no avail. The suggestion was rejected by the Government. We have also moved motions to cause employers to file their action plans with the Canadian Human Rights Commission and to post them in the workplace. They were not accepted. We are not suggesting that there should be Canadian Human Rights Commission approval of action plans. We are simply saying that it would be useful, in trying to meet the objectives of the Bill, if companies were required to make the plans public.

It is worth repeating that Gordon Fairweather, Chairman of the Canadian Human Rights Commission, in a speech in February of this year, repeatedly urged management that although not required by Bill C-62 it would be in their interest to make, upon request, copies of action plans available to the commission.

I note that my time is coming to an end, but I should like to compare the Bill with the legislation in the United States. The Americans began to put legislation into effect years ago. The legislation in its final form was brought in during the administration of President Johnson. The plan requires employers to set targets and goals, and to have target dates for the hiring of people from various minority groups. The legislation has made tremendous difference and has led to tremendous improvement in the employment of people from minority groups in the United States. That country now has the most ideological President which it has had in 50 years. Some of his advisers have indicated that they want business to be free and that they do not need that kind of legislation, those numbers or goals. It is interesting and significant that U.S. Secretary of Labour Bill Brock has carried on a campaign within the U.S. administration to retain those numbers and goals, that piece of legislation. He is being supported publicly by the National Association of Manufacturers, the same kind of organization which in Canada is the main opponent of doing that here. Why is that organization opposing it?

The Acting Speaker (Mr. Paproski): Order, please. I have given the Hon. Member an extra couple of minutes to wind up. I will now ask for questions and comments from the House, and I am sure the Hon. Member will be able to carry on with some of his remarks.

Mr. Allmand: Mr. Speaker, I know the Hon. Member has had a good deal of experience with the American legislation because he worked for the Canadian Labour Congress on the matter. From my observation of the American legislation, it has been quite successful for visible minorities and, in particular, black Hispanics in areas like the American post office and so on. As the Member pointed out the other day, when you visit an American post office in Chicago, Los Angeles or New York, an overwhelming number of employees are black or Hispanics. It seems to me from my meetings in Washington that with women, especially at higher levels, the program has not been as successful. I may be mistaken.

• (1720)

In continuing his remarks on the success of the American legislation, could the Hon. Member tell us whether he thinks it has been of greater success with the blacks and other visible minorities than with women because of the impetus behind the

racial equal rights movements and people like Martin Luther King? Women may not have had the same success as these groups have. I would appreciate the Hon. Member's further comment.

Mr. Orlikow: Mr. Speaker, I have no actual figures, but the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) is correct. I do not think that women have been as successful as have the black and Hispanic organizations in attaining the goals which all these minority groups have set for themselves. I suppose the reason for that is simple. The people in the groups with the political clout get the most.

In any area you look, you will see the Americans are far ahead of Canadians. The Americans are ahead because they accepted the fundamental principle, which is missing in this Bill, that pious resolutions and prayers will not accomplish the task and that educational programs and appealing to goodwill will not achieve the goal.

If I could just complete the sentence from the end of my speech, Mr. Speaker, the reason that the National Association of Manufacturers in the United States wants to continue its present system with the goals, the objectives and the target dates is not that they are nicer people than our employers but that, as they say very clearly: "We like the system because it tells us precisely what we are required to do. If the Government tells us what we are required to do, we will do it. If the numbers are not there and the goals are not there, if the target dates are not there, no matter what we do, we will be accused by some people that we have not done enough".

If the Conservative Government of Canada will not listen to representatives of minority groups or to representatives of labour unions or to spokespersons for church groups, all of whom have made clear their rejection of this Bill as it is presently written, I wish it would take the time to make inquiries from its friends. The Conservatives seem to be so friendly and ready to meet the needs, the requirements and the objectives of the business community, I wish they would take the time, make some effort—they could get our ambassador in Washington, who seems to have a little time—to contact the National Association of Manufacturers and find out why they are satisfied with the legislation as it is in the United States, and why they support the legislation as it is in the United States. If they did that, I am sure they would come back and be prepared to agree to amending the Bill along the lines I have suggested.

Mr. Nystrom: Mr. Speaker, I have a comment and a question. The Hon. Member for Winnipeg North (Mr. Orlikow) was mentioning the American program of mandatory affirmative action, employment equity. If I remember correctly, during the Second World War or thereabouts the American program was not mandatory. It was a voluntary program and the Americans found out that it did not work. They decided to change it in the 1960s. I am not sure of all the reasons they did so, but I know the Member for Winnipeg North is very well read and versed in this area. Perhaps he can elaborate on why this change was made.

I also understand there are some members of the American Cabinet who are talking about ending the affirmative action program in the United States, some of the more reactionary members of Mr. Reagan's own Cabinet. How widespread is that mood and why are they trying to do this if there is a feeling in the United States that this is a good program? Perhaps the Member could shed some light on those questions.

Mr. Orlikow: Mr. Speaker, as I have already indicated, the Secretary of Labour in the United States, Bill Brock, has made very clear his support for the existing law and the existing system in the United States. The reasons are obvious. It works.

Let me make one thing clear. When we talk about employment equity and affirmative action, we are not saying to employers that we want them to hire unqualified members of minority groups for the job. That would be wrong and it would be stupid. We are saying that we want employers to hire qualified members of the minority groups.

Let me put on the record a few paragraphs from a letter which Joseph Rauh, a famous civil rights advocate in the United States, wrote to Congressman James Scheuer, himself a supporter of affirmative action and civil rights. There are, of course, differences about how laws can be interpreted and how they will work. Mr. Rauh was talking about whether medical colleges should be required to accept black applicants. He says, and it is a very good illustration:

> But in the light of 300 years of discrimination against Blacks, is it too much to ask that some preference be given to Blacks among qualified candidates for admission?

I stress "qualified candidates". Then in another letter he says:

> —where a Black applicant to medical school is fully qualified under the school's own standards of admission, may the school give him preference in admission as part of its affirmative action program even though a rival white male applicant has higher qualifications.
>
> The problem is not a qualified white against an unqualified Black—

What we are talking about is applications of qualified members of minority groups, that they must be given some assistance, a step up. That is what we are talking about in employment equity. That is what the Government refuses to address.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have a few words concerning this particular Bill, perhaps in a different area than has been mentioned during second reading debate and during the committee stage of the Bill, perhaps something completely different as it relates to this Bill but something which I was thinking a moment ago applies to this Bill given the clauses that are under consideration.

The Official Opposition is saying that in Clause 3 the Government of Canada should include Departments of the

Government of Canada and Crown corporations of the Government of Canada. Then Clauses 5 to 7 talk about an employer who has to file a report, a report on what, Mr. Speaker? A report not only on the occupational groups, but also on the salary ranges of employees. Why are salary ranges of employees there? Suppose for a moment that the salary ranges of employees of the federal Government had to be reported. What happens? A copy is therefore sent to the Canadian Human Rights Commission. Obviously the salary ranges would be submitted to determine whether there is discrimination within that particular group of employees.

• (1730)

Suppose there was a group of people hired in Canada who did the same job but received different wages in every town and city throughout the country. Suppose they were working for the same employer in the same job classification and performing the same work, but all received different salaries. I can list several occupations in Canada which earn different salaries from the same employer. According to this Bill, the employer has to report the salaries he pays. The Official Opposition is saying that the Government of Canada and Crown corporations should be included in that reporting. Suppose that the wage paid in Edmonton was below that paid in Calgary. Suppose the wage paid in Saskatchewan was lower still, but the wage paid in Manitoba was higher. We are doing a lot of supposing, Mr. Speaker, but the punch line is going to come very shortly.

Mr. Turner (Ottawa—Carleton): We suppose.

Mr. Baker: Suppose, Mr. Speaker, that the salary paid by the same employer in the Yukon and Northwest Territories was substantially higher for the same job in the same classification. Suppose that the wage paid by the same employer for the same job classification and absolutely the same work was $2 higher an hour in Halifax and Moncton than in Newfoundland. Suppose, again, that three separate wage rates were paid in British Columbia and that six different wage rates were paid in Ontario.

I am reading to you, Mr. Speaker, from a negotiated settlement agreed to by the unions which was announced on Friday by the Government of Canada, this is after the Charter came into effect last year, after the Human Rights Act came into effect, and after this Bill, which I believe is incorrectly called the employment equity Bill, came into existence.

I am bringing this up because it is what came to my attention when I looked at this particular Bill and saw that government Departments and Crown corporations were excluded, as defined under the Financial Administration Act. The Financial Administration Act lists dozens and dozens of Crown corporations. If the Minister of Employment and Immigration (Miss MacDonald) were to appoint a commission, it would be excluded as well because it is defined under the Financial Administration Act as a corporation.

Someone looking at this impartially would ask why a person in Newfoundland is paid $2 less per hour for doing the same job as a fellow in the next province is doing. In the Province of Ontario a person in Ottawa is paid a different wage from that of a person in Toronto. This is the case after the Charter of Rights was proclaimed and after royal commission reports. That only covers 16,800 federal employees.

I will give you another example, which is even worse. In another branch of the federal Government the one hundredth and second line of longitude separates a high salary from a low salary. Picture two icebreakers tied up at Victoria Island in Cambridge Bay as there will be next month. One icebreaker is from British Columbia and the other is from Newfoundland, Quebec, or one of the Atlantic provinces. Both ships are tied up at longitude 105o. One ship's crew is getting $200 more per month than is the other ship's crew for doing the same job in the same job classification for the same employer.

These people look at the Charter, at the employment equity Bill which is before the House, at all of the other legislation and at the Human Rights Act. Section 11 of the Human Rights Act says: "It is a discriminatory practice for an employer to establish or maintain differences in wages between male and female employees employed in the same establishment who are performing work of equal value in assessing the value of work".

Mr. Orlikow: Those are all men.

Mr. Baker: The hon. gentleman says that these are all men, but that is not exactly true, because some members of the ships' crews are women. However, he has a point that most of them are men. We get into a problem when we talk about equal pay for work of equal value. The law says that there must be equal pay for work of equal value, but there is no law in Canada with regard to equal pay for equal work. I do not know how the Canadian Human Rights Commission or the courts could not interpret equal pay for work of equal value to mean equal pay for equal work, but that is the interpretation. I cannot find anything that says "equal pay for equal work", but I can find "equal pay for work of equal value".

My point is that the 16,800 employees who fall under the Public Service Alliance of Canada and the general labour and trade group, the over 20,000 employees in the services sector, and the 3,000 employees in the ships crews sector look at the concepts of employment equity and equal pay for equal work or equal pay for work of equal value, and say that the Government, after the enactment of the Charter and all of the legislation, is not making much sense.

• (1740)

Let me conclude my point by explaining what the problem is and how it evolved. We must be honest when we consider this in the historical context.

This problem emerged several years ago when the unions and the Government suggested that employees should receive

approximately the same monetary return as that given in the private sector. This began with a five cent an hour difference, to which the percentages were added. I suppose the unions and the present Government had no choice but to maintain some difference in their negotiations. However, I and I believe a member of the general public would consider it to be illegal and absolutely against the spirit of the law of Canada to sign agreements such as those agreed to on Friday and today by the federal Government. I believe it is even against the spirit of this Bill. It is against the spirit of the Charter and the spirit of the Canadian Human Rights Act.

It would be very interesting if the Government allowed the Official Opposition to change Clause 3 to allow corporations and Departments of the Government to be covered by this Bill so that they would have to report the salary ranges of employees to see if there was any discrimination.

The Human Rights Commission has responded to the point I am making by saying that this involves a negotiated settlement. While there is nothing in black and white that requires equal pay for equal work, it is written in black and white that there should be equal pay for work of equal value. I cannot imagine accepting the fact that you have equal pay for work of equal value but there is not equal pay for equal work.

I say to the Government of Canada and its unions that since the enforcement of the Charter and the Government's commitment to employment equity and equal pay for work of equal value, the Treasury Board should provide the money to bring the wages of those people who are performing the same job for the Government of Canada, in the same job classification, up to those of the person who is earning the highest wage in the same field.

Let us look at the occupations on the list. There is a $3 difference in precision working. There is a difference of at least $4 an hour in vehicle and heavy equipment maintenance. There is a difference of at least $4 in electrical installing and maintenance. There is a difference of over $2 an hour for different groups in machine driving operating. There is a difference of at least $3 an hour with respect to the manipulating subgroup working for the same employer and in the same job classification, depending on where one works in Canada. There is a $4 an hour difference for the woodworking subgroup, depending on where one is working. With respect to the pipe fitting subgroup, there is a $2 an hour difference. In Kingston, an area which the Minister of Employment and Immigration represents, it is substantially less than the wage settlements for the same group in Toronto.

I realize that the Government of Canada and the unions have a problem in negotiating a change to the system. However, the law of Canada is the law of Canada; the spirit of the law is the spirit of the law; the Canadian Human Rights Act is the Canadian Human Rights Act; the Charter is the Charter, and employment equity is employment equity. We cannot make a distinction between people because of where they live or where they happen to travel during their work.

The Government attempts to appear lily-white with respect to the question of employment equity and equal pay for equal work. That is simply not the case. The Treasury Board would certainly need much more money from the Government in order to bring the lowest paid workers to the level of the highest paid workers.

Today, Members of Parliament are receiving letters from their constituents who are pointing out that they are making less money than someone performing the same job in the next constituency. What should a Member of Parliament do? First, we phone the Human Rights Commission, which states that it does not have jurisdiction in this area because it only deals with equal pay for work of equal value. The union says that while the problem is serious, it cannot negotiate for enough money to bring every one up to the same standard. We are told by Treasury Board that this is an historical settlement which was negotiated with the union. There is nothing in the Charter or the employment equity Bill dealing with this situation. However, we know that the employee of the federal Government and anyone else who has looked into this situation is absolutely correct that it is total discrimination against certain workers because of where they live.

Newfoundland is the lowest on the scale in every negotiated salary as far as zone rates of pay are concerned. Under their negotiated contract, Newfoundland workers are paid $2, $3 and sometimes $4 an hour less for performing the same job for the federal Government. The Government of Canada says that it cannot cure the problem because of the Charter of Rights, the Bill of Rights or anything else.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. We still have a question and comment period.

Mr. Allmand: Mr. Speaker, the Hon. Member has made some valid points with respect to employment equity as it affects workers from different regions of Canada.

As he knows, this Bill asks that employers carry out employment equity only for those in designated groups. Those designated groups are women, visible minorities, native people and the disabled. It does not say anything about other groups or individuals who might be discriminated against on the basis of national or ethnic origin, religion, age or the region from which they come.

It is interesting to note that Section 15 of the Charter of Rights and Freedoms bans discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability. That is nine different bases for outlawing discrimination. This Bill on employment equity deals with only four groups. I think that it is very important that we deal with those four groups, but I guess what the Hon. Member is saying to us is that there are other types of employment equity in the country that are not being dealt with.

• (1750)

The other Act he referred to is the Canadian Human Rights Act. In that Act discrimination is banned based on race, national or ethnic origin, colour, religion, age, sex, marital status, family status, disability or conviction for an offence for which a pardon has been granted. The Canadian Human Rights Act is even broader than the Charter of Rights. Here we have a law that provides for employment equity for only four groups. The Abella Commission recommended that we legislate in that area, but that has not happened. Why does he think that there is this difference between some statutes in not allowing discrimination and this Bill, which only deals with four groups? Could he give us the reasons that he believes are the basis of that sort of discrimination between statutes?

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Vancouver East (Mrs. Mitchell) earlier today proposed to move a subamendment to the amendment now before the House. After hearing argument on the procedural acceptability of the subamendment I reserved my decision.

I am now ready to rule, and it is with regret that I must inform the Hon. Member that I cannot put her subamendment to the House. I listened carefully to the arguments, which point to the extent to which Clause 4 is related to the clauses included in the amendment presently before the House. However, the Chair must be guided by the practices of the House.

On December 15, 1971, the Hon. Russell Honey, then the Deputy Speaker stated:

> The difficulty is that when an Hon. Member proposes a sub-amendment he is under the constraint that he must not enlarge on, or differ in substance from, the amendment he is purporting to further amend.

There are further references to this effect in Beauchesne's Fifth Edition in Citation 438. Thus, it is with respect that I have to refuse to allow the subamendment of the Hon. Member for Vancouver East (Ms. Mitchell).

Mr. Deans: I just want to be clear that that will not, however, rule out the possibility of our moving, if we wished, this subamendment as a new amendment after the amendment has been dealt with. It may necessitate, of course, carrying the debate over for another day, but that being the case I can understand the difficulty that you are faced with. We may have to do just that in order to have the amendment put.

The Acting Speaker (Mr. Paproski): I will check the procedureal acceptability of out what the Hon. Member has just said, and in the meantime we will carry on with the debate.

Mr. Baker: Mr. Speaker, perhaps, to put the thing into perspective and to give my answer to the hon. gentleman's question, let me say this. Let us take a look at giving credit here where it is due. As far as the Human Rights Act is concerned, as far as the Charter is concerned and as far as the Abella Commission is concerned, this is the present Government's only action toward what it calls employment equity. That is probably the problem right there, that this is really the only thing that the present Government has done or has any plans for doing during its one term in office. However, even looking at that, and to get even closer to the answer to the hon. gentleman's question, let me point out to him that even within the Bill itself, the commitment of the Government of Canada to what is the intent of the legislation is rather suspect. The reason it is suspect is that, first and foremost, as has been pointed out, a corporation that is a Department as defined in the Financial Admnistration Act is not included under the Bill. I might note that under the original legislation they had to include the words "at least proportionate to their representation" in Clause 4, which was a suggestion of the Hon. Member from Notre-Dame-de-Grace—Lachine East (Mr. Allmand). That was his suggestion at the first committee meeting that was held. That was the subject of a speech which he gave in the House the first day that the Bill was introduced, and the Government took that advice.

What I am referring to is the section that says "the Minister may"; everybody else "shall", but in this Bill the Minister may issue guidelines, the Minister may do this, the Minister may do that. You are telling the employers that they have to do something very hazy, and you are saying that the Minister may provide you with some direction. "You shall do this", and the employer does not know what he has to do, and the Minister is saying "Well, I may give you some guidelines."

Mr. Gauthier: Mr. Speaker, I want to ask a question of the Member regarding Clause 7, which deals with the imposition of a fine of $50,000 if an employer failed to comply with Clause 6 and is guilty of an offence on summary conviction. The reason I want to ask the question is that he knows, as I do, that we tried to increase the fine to $500,000 to make it half a million bucks— something really meaningful. Fifty thousand dollars to some employers, which he knows very well, will not make a damn bit of difference. Why should I, as an employer, who has over the years failed to supply adequate entrance to my building by installing ramps, or failed to supply adequate safety in the building by providing elevators which can be worked by people who may be handicapped, deaf or, for that matter, blind, spend $50,000 when I can get away with all that? If I am caught, I will pay the $50,000 because it is cheaper to pay $50,000 than to put half a million dollars into repairing the building, making it accessible for egress and ingress. What does the Hon. Member think about that?

Mr. Baker: In Clause 7 under discussion, it is an employer who fails to comply with Clause 6. If you look at Clause 6 and then you go back to Clause 4, most employers will not know what they are being asked to do. I just noticed again it says, "the occupational groups of the employer". It should have read, "the occupational groups of the employees". However, I do not fault the drafters of the legislation. We have some very impressive drafters in this country, an expert group of people. The problem is the material you give to a draftsman; that is

what determines the accuracy of the legislation. We should not blame these errors on the drafters of the legislation. They are very expert people. It is the Government of Canada that does not know what it is doing.

The Acting Speaker (Mr. Paproski): The Hon. Member for Yorkton-Melville (Mr. Nystrom) has a very short question or comment?

Mr. Nystrom: The Member has talked very eloquently about employment equity. All I want to know is why the Liberal Party did not introduce the concept of employment equity when it forward the Government?

Mr. Baker: We were responsible for the Human Rights Act, the Charter, and what is called human rights equity in employment throughout the Public Service, and it has been decimated by this Government. The Bill before the House is totally deficient. It should have been the logical conclusion to what was set before and done by the previous Government. The Hon. Member knows that the Liberal Party has stood by people as far as employment equity is concerned. It is this Government which has not fulfilled its mandate.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

AGRICULTURE—FUNDING OF COLOURED DAIRY CATTLE RESEARCH. (B) APPROVAL OF PRODUCT

Mr. Maurice Foster (Algoma): Mr. Speaker, on April 7, I asked the Minister of Agriculture (Mr. Wise) why the federal Government was providing some $10 million to a group of rich American investors called Dreamstreet Limited to do some phoney research on dairy cattle. It was in relation to whether Holstein cattle were black and white or red and white. The Minister, in responding to my question, essentially said that he did not know too much about it, that in fact he had received representation on both sides of the issue and had asked for advice from the Holstein-Friesian Association of Canada.

I pointed out in my supplementary question that Dr. Réjean Bouchard, the Co-ordinator of Animal Research, said in a statement to the press: "Everyone who was consulted on the project walked away from it". I asked why the Minister was trying to put these Dreamstreet people, the rich investors from Wall Street, on easy street with $10 million of Canadian taxpayers' money. The Minister then completely welched on the matter and said that he had not approved it, that it was approved by the Minister of National Revenue (Mr. MacKay). He was obviously trying to put the responsibility on Holstein Canada, but it seems to me that it is not its responsibility. It is the responsibility of the Government to decide whether the project goes forward and $10 million of the taxpayers' money is used for essentially a laundering process to recycle Canadian taxpayers' money to the United States.

If the Minister reads the response of the Holstein-Friesian Association of Canada, which put out a press release on April 7, he will find that the secrecy of the project is inappropriate, that a comparison of red and white Holsteins with black and white Holsteins is not in itself worth undertaking, that the current project description is not adequate nor relevant to the current and future business of dairy farming in Canada and that the project must provide substantial direct benefit to Canadian Holstein breeders.

I talked with David Clemens a few days after putting the question and he said as the project had been approved, it was really garbage and had no research benefits. I understand that the Holstein-Friesian Association would like to see the project reconstituted to be of some value, but at the same time we do have $10 million of taxpayers' money committed to Dreamstreet to do some research. Farmers are very upset and concerned about this. They say that if the Government has this kind of money to do unnecessary research, why does it not have adequate research funds to do worth-while projects for agriculture.

We ask ourselves why the Minister put pressure on the Department of National Revenue to approve this project. We heard it was turned down three or four times. Or was it the Prime Minister's Office which put the pressure on the Department of National Revenue? Who is Dreamstreet? There have been a lot of reports. We received one report from a farmer who said he had heard that in 1984, it was a company which was some $11 million in debt in the United States and it had to reorganize. There is a story in the March edition of the *Holstein-Friesian World* of a sale at Hyperian Farms in New York State where some 37 lots of cattle were sold for $9 million. One animal actually sold for $1.5 million. However, when it was checked a month later, it was found no money had ever changed hands. No pedigrees were ever exchanged.

What kind of a scam was going on there as reported in the *Holstein-Fresian World*? What kind of scam is going on in Canada today? What farmers are concerned about is that dozens and dozens, perhaps even hundreds, of farmers will be left holding the bag, having sold animals, having them left on their farms and not receiving payment for them. We must really ask ourselves: Is it appropriate that the Government of Canada is spending $10 million to set up the largest dairy herd in Canada, owned by an American investment group from New York State?

• (1805)

In the end, I think we will find out that this is the largest hoax which has even been perpetrated on the dairy industry in Canada, and on the Holstein-Friesian Association. It seems that the Minister is sitting on his hands and making no decisions. He is doing nothing to stop this scam. He should

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

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

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

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

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

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

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

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

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

• (1810)

PENITENTIARIES—PROJECTED CONSTRUCTION OF PRISON IN MANICOUAGAN CONSTITUENCY

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

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

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

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

We would have expected a rational Government to make sure that the parole system works well and that it is the alternative that is being presented to the Canadian people. However, we are seeing perhaps the most expensive prison in the history of Canada being built right in the middle of the Prime Minister's riding. I do not think that is a defensible position, particularly when the Government is inviting us to take seriously the things the Nielsen task force has recommended to us and, in particular, the option of not building the penitentiary. The Solicitor General went so far as to say that the question of the penitentiary was not open. He felt that the show had to go on and that they had to go on making the decisions. I do not think this is the correct decision.

I would like to add that I had a chance to discuss this matter further with the Solicitor General at the Justice and Solicitor General Committee. In that committee, he said that this penitentiary was one that I had in effect approved while I was Solicitor General. He proved that by showing that I had in the past endorsed an extension to Drummond Penitentiary. He asked me how I felt about that. I would like to confess that I thought that that extension to Drummond had actually been built. I thought that we were talking about a further addition of cells in the Quebec region. Now I have to react and ask the Government to react to that challenge. I do so just by looking at the bottom line.

This penitentiary is over four times as expensive as the addition that might have been built to Drummond, and would have been built if the instructions that I had given and the decision taken by the former Government had been followed. However one looks at it, the penitentiary in the riding of the Prime Minister (Mr. Mulroney) has to be looked at as nothing but politics and something very unnecessary.

• (1815)

Mr. Speaker, you will be interested in the prediction which I am about to make in my remaining minute. If more prison cells have to be built, they should be built in western Canada. Let us look at the offender population, from where offenders come, and the fairness of building extra cell capacity in Quebec when the crying need is for extra cell capacity in western Canada. People in every part of the country like to believe that there are no criminals from their part of the country. However, I am afraid that the only way these cells in Quebec will be properly used will be by moving inmates from western Canada for incarceration in the Province of Quebec. There will be language problems and the unfairness of inmates not being close to their families or the communities to which they will return upon release. It is a mistake and it is a misallocation of resources.

I put it to the Minister's mouthpiece tonight, whoever it will be, to reverse this terrible decision and to countermand the decision made by the Prime Minister. He should announce that more money will be put into parole, that less money will be put into this penitentiary, and that if more cells are built, they will be built in western Canada so that offenders convicted there will be able to serve their time there, not be required to go to the Prime Minister's riding to serve their sentences.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, neither you nor I can accept the fact that there are worse criminals in western Canada than there are in any other part of the country. We just cannot accept the Hon. Member's challenge. Further, I encourage him to request his colleagues in the Opposition and in the Senate to pass Bill C-67 and Bill C-68, and a lot of his wishes will be accomplished. He would certainly be working in a positive manner if he worked in that direction.

I am pleased to have the opportunity to respond further to the issue raised by the Hon. Member for York Centre (Mr. Kaplan) during the Oral Question Period of March 25, 1986, with regard to the construction of a 240-inmate protective custody unit at Port Cartier, Quebec.

As the Hon. Member will recall, the construction of a protective custody facility in Quebec was originally announced on his behalf, as the then Solicitor General, in April, 1984. The need for protective custody accommodation still exists, but the location for the new institution has been changed in the interests of socio-economic development, to alleviate severely distressed conditions in the Port Cartier area.

The institution at Port Cartier will meet the accommodation needs for protective custody inmates in the Province of Quebec. It is projected that 230 cells will be required by 1993-94. It will replace the outdated protective facilities at Laval Institution. This institution, formerly called St. Vincent de Paul, was opened in 1873 and has been identified for phase-out since the late 1970s. Because of its age and structure, it cannot be renovated or operated economically for a higher security population at current standards. This new institution also conforms to the recommendations of the parliamentary subcommittee report on the penitentiary system, that the Correctional Service of Canada have dedicated protective custody institutions to house this special population and provide sufficient programming.

Historically speaking, penitentiaries have traditionally been built to serve geographical areas or the needs of newly created provinces. In more recent years, advancements in technology and service delivery have meant that the interests of regional development, particularly in areas under distress, can be taken into great consideration in site selection. Springhill Institution in Springhill, Nova Scotia, is an example in point, as is the area in the Miramichi region of New Brunswick where the Atlantic Institution is nearing completion.

Although the location of the new institution may be considered as relatively remote from Montreal, Port Cartier has the necessary infrastructure in place to support the needs of a penitentiary, and program delivery to inmates will not suffer because of its location. However, because of its location, the Correctional Service of Canada will endeavour to facilitate the maintenance of family ties where possible. It has, for

example, in the past organized additional transportation for visitors from Newfoundland to visit inmates housed on the mainland of Atlantic Canada and has modified procedures to enable extended family visits for inmates.

• (1820)

The new institution will have significant and continuing beneficial economic impact on the community. Of an estimated capital cost of $68.2 million, a substantial portion will be spent on local construction materials, goods and services. It is projected that 700 job years will be created over the 1985-88 period.

[*Translation*]

REGULATIONS—REQUEST FOR CLARIFICATION OF TASK FORCE CREATED TO STUDY CERTAIN ASPECTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on April 16, 1986, I asked the Minister responsible for regulations (Mr. Hnatyshyn) to inform the House on the latest developments in this area.

As you know, in the summer of 1984 our Government proposed three very important themes to the Canadian people.

Reconciliation and harmonious relations with the provinces were some of our priorities. To date, we have concluded both the Eastern and Western Accords, and, Mr. Speaker, as a Quebecer I can state that relations between Quebec and Ottawa have never been better than today, compared with what they were during the last twenty years when the Liberals governed this country and allowed a climate of hostility to develop between Quebec and Ottawa.

We also spoke of liberalizing trade relations with our main trading partner, the United States of America.

In this area we have made tremendous progress, so much so that the Americans sent signals that they were becoming wary of this process of liberalizing our trade relations because they understood that the Government of Canada was determined to negotiate in earnest, while clearly respecting the interests of the Canadian people.

Mr. Speaker, we also said that our Government would respect and get closer to the private sector, the only valid partner for a progressive government. We wanted to rid it of the bureaucratic burden of obsolete regulations and red tape.

As early as September 18, 1984, only two weeks after Canadians approved our election program, we announced that a departmental task force had been created to examine Government programs. On November 16, 1984, a group of responsible Canadians, under the chairmanship of Mr. Philip Aspinal, formed the private sector advisory group. This group, which itself was to be sub-divided into nineteen sub-task forces, examined over 1,000 government programs representing nearly $100 billion in expenditures.

On March 11, 1986, the Deputy Prime Minister of Canada (Mr. Nielsen) tabled the Nielsen Report in the House, a report drafted by the task force responsible for examining programs. The House referred the various parts of the report to various standing committees of the House, for assessment, so that the committees could make their own recommendations as soon as possible to the House, with the co-operation of Members from all three political parties.

Mr. Speaker, we know that a sound and fair assessment of current programs and legislation by the various parliamentary committees will make it possible to recommend, to legislators and Government officials, ways of achieving substantial savings.

Committee members will also have to consider the additional and very substantial economic impact that will surely result from the Nielsen report, and I am thinking of lower production costs for goods and services offered by Canadian companies.

Hon. Members will have to realize that pressure groups and municipal and provincial governments can no longer afford to think and regulate within a local, mini-regional or regional framework. Today, legislators must expand their thinking to fit the national and often even the global context. The chair on which we sit in our home may come from Sweden, while we are watching the news on an American network and our TV is imported from North Korea.

Hon. Members will have to assess the various legal irritants between provinces, construction codes, parity committees and employment permits that apply only province-wide. We will have to review our labour laws, transport legislation, and the regulations of various departments such as Fisheries, Agriculture and Environment, including areas such as food. When talking about the Province of Quebec we will have to consider the fact those taxpayers have to file two returns, one with Quebec City and one with Ottawa.

We will have to take a second look at duplication in legislation and policies concerning the development of our natural resources and matters related to northern regions. We will have to put an end to overlapping foreign programs and duplication in regional industry assistance.

Mr. Speaker, we will have to urge all Canadian men and women to realize that we can no longer live as if we were not part of the whole world. Manufacturers had to face this fact, federal and provincial legislators must now follow suit, and unions will no longer be able to ignore this timely, universal and urgent truth.

• (1825)

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to congratulate the Hon. Member for Lévis (Mr. Fontaine) for the interest he has demonstrated in this very important Government initiative. It is characteristic of his ongoing involvement in, and dedication to, the administrative and economic issues of Quebec and Canada and how they work together.

On February 13, the Deputy Prime Minister (Mr. Nielsen) rose in the House and announced the first ever federal regulatory policy. That statement of policy is one part of our eight-point regulatory strategy that will, by improving the management of Government, by removing obstacles to growth, and by encouraging private initiative, play a major role in the Government's agenda for economic renewal.

Our regulatory policy was developed from the work done in this area by the task force on program review. In its report, the study team provided a three-part diagnosis of Canada's regulatory situation. It pointed out that the cumulative effect of regulation at the three levels of Government constitutes an enormous impediment to economic growth, initiatives, enterprise, and personal freedom in Canada. It went on to say that elected representatives do not have adequate control over regulation and the regulatory system. Finally, it concluded this indictment by indicating that the public has too little access to and involvement in the development and review of regulation.

Our strategy is designed to respond to the problems identified by the task force. The Government House Leader has assumed the additional role of Minister responsible for Regulatory Affairs. In March of this year he provided details of 43 separate regulatory program initiatives currently being undertaken by the Government. Work is already underway on these reforms and will lead to far-ranging practical improvements in a broad cross-section of federal regulatory programs. At the same time, the Minister announced a new citizens code of regulatory fairness. This code will provide a yardstick against which the administrative performance of the Government can be measured.

The Member for Levis has expressed particular interest in the area of federal-provincial co-operation. In response to his earlier question, the Government House Leader pointed out that preliminary meetings have already taken place on this subject between Mr. Reed Scowen, chairman of the Quebec task force, and federal officials. In this context, I want to assure the Hon. member that the Government will place priority on increased regulatory co-operation with the provinces with a view to addressing the over-all regulatory burden on Canadians and eliminating wasteful duplication.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Tuesday, April 22, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 331-45, 331-88, 331-360 and 331-391.

[*English*]

RESTORATION OF TWICE DAILY MAIL DELIVERY—FLORENCE, N.S.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is my honour to present a petition from the people of Florence, Nova Scotia which calls upon the Government to force Canada Post to restore twice-a-day postal delivery service to the Florence, Nova Scotia post office.

ASSESSMENT OF CN MAINTENANCE FACILITIES—MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, once again I have the honour and privilege to present a petition which has been duly certified by the Clerk of Petitions. It is signed by residents of southeastern New Brunswick and expresses their concern with regard to the Canadian National shops in Moncton and the effect that the current assessment being conducted by CN may have upon that facility.

There is a group in town today which is also in support of this petition. I am pleased to present the petition to the House at this time.

* * *

Mr. Kaplan: Mr. Speaker, I have had some discussion with Members opposite and one of the reports which follows the one on which I would like to move concurrence today is urgent. Therefore, I am prepared, if Your Honour would so allow, to have the motion precede my own.

Mr. Speaker: The Hon. Member is seeking the unanimous consent of the House to stand his motion for the moment. The Chair accepts that. The Hon. Member for Ontario (Mr. Fennell).

STRIKING COMMITTEE

CONCURRENCE IN THIRTIETH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I move that the thirtieth report of the Striking Committee tabled in the House on April 18 be concurred in.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I move that the sixth report of the Standing Joint Committee on Regulations and Other Statutory Instruments presented to the House on Wednesday, April 16, 1986, be concurred in. As Joint Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments, I am pleased to ask for the concurrence of this report of the committee.

The purpose of the report is to draw to the attention of the House certain amendments to the regulations governing the Canadian Home Insulation Program, amendments which, in the view of the joint committee, were not authorized by the enabling legislation and which resulted in considerable unfairness to Canadians.

Before I deal with the report at greater length, I would like to comment briefly on a reply of the Minister of Energy, Mines and Resources (Miss Carney) given last Friday to a question by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). In her reply the Minister stated that the report of the joint committee was:

—based on misleading and inaccurate analyses of the situation.

The Minister went on to state that criticisms by the committee were directed at measures which she said were announced by the Minister of Finance (Mr. Wilson) on November 8 on behalf of the President of the Treasury Board (Mr. de Cotret). Finally, the Minister questioned the correctness of the committee's conclusion that some homeowners were

unfairly treated. As to the last point, I believe that the House will be the judge of the correctness of the report.

Concerning the other two matters, I point out to the Minister that the only announcement made on November 8 was that the Canadian Home Insulation Program would gradually be phased out. This was a budgetary decision of the Government with which the report does not take issue. It is the process that was followed in implementing this decision with which the joint committee takes issue. I believe the Minister must accept responsibility for this aspect of the situation.

I have in hand the press release issued by the Minister announcing that starting on January 1, 1985, until termination:

> The CHIP contribution to eligible costs will be reduced from 60 per cent to 33-1/3 per cent.

The press release, which is the one mentioned in our sixth report, goes on to state:

> Miss Carney stated that the 60 per cent contribution by CHIP will apply to all commitments to purchase eligible conservation materials and services signed by applicants before January 1, 1985, if the related conservation work is completed by March 31, 1985.

As for the report being based on inaccurate or misleading information, I think this is an assertion upon which the Minister should reflect. It is a rather serious matter to charge a committee of the House with misleading Members of Parliament. In any event, the factual information contained in the committee's report comes from the Minister's own officials and press releases. If our committee has been misled by these, it is up to the Minister to explain.

• (1110)

I would now like to turn to the Sixth Report of the Joint Committee. I want to emphasize that this is a unanimous report of a committee on which members of all Parties and both Houses are represented. It is not a partisan report.

I would like to explain the factual situations in terms of the report. Until January 18, 1985, applicants under the Canadian Home Insulation Program were entitled to a payment representing 60 per cent of the cost of insulating a family housing unit or residential building. As part of the phasing out of the program, which was a policy of the new Government, it was decided to reduce the level of contributions from 60 per cent to 33-1/3 per cent of insulating costs. Applicants could maintain their entitlement to the higher rate of contribution if they met two conditions: first, they had to register a purchase commitment by December 31, 1984; and second, they had to complete the insulation work on their residences by the end of March 1985.

Lest the Minister misunderstand the purpose of our report, permit me to emphasize that these policy decisions are not objected to as such by the committee. The committee recognizes that these are decisions which are for the Government and its Ministers to make. However, the decisions that were announced on November 16, 1984, were not reflected in the regulations governing the payment of CHIP grants until some three months later; that is, on January 17, 1985. On that date, two amendments were made to the regulations and were later registered as SOR/85-85 and SOR/85-86. It is to these amendments that the joint committee objects.

Although the amendments were adopted some 17 days after December 31, 1984, they nevertheless required applicants to meet the two conditions I outlined earlier in order to obtain a grant representing the full 60 per cent of insulating costs. The joint committee had before it two regulatory amendments which were made on January 17, 1985, but which required CHIP applicants to have registered their purchase commitments 17 days before the date of the regulations as a legal condition of obtaining the higher contribution. In effect, these amendments imposed a retroactive requirement on home owners.

Members of the House will agree that retroactive regulations are undesirable. Not only are they undesirable and offensive but by clear precedent they are also illegal unless they are sanctioned clearly by Parliament. The relevant legislation did not give any authority to make retroactive regulations. It is an established principle of law that subordinate laws made by the executive may not have a retroactive application unless this is expressly authorized by the Statutes pursuant to which they are made. If the condition according to which an applicant had to register a purchase commitment was illegal, it follows then that applicants who met the second condition, the completion of the insulation work by the end of March 1985, were entitled to the higher rate of contribution after January 17 irrespective of whether or not they had registered a purchase commitment.

The Department took the position in defence of what it had done that most applicants were aware before December 31 that they should register a commitment. The only place where such a requirement was expressed, however, was in the Minister's press release. A press release is not a legal instrument. As the committee said in its report:

> Citizens have a right to rely exclusively on the laws adopted by Parliament and its delegates and should not be made to govern their conduct and affairs in accordance with press releases and other public announcements. The right of all to the equal protection and benefit of the law must always come ahead of administrative convenience or expediency and in no circumstances should citizens be expected or compelled to obey anything but the published laws of Canada.

This, Mr. Speaker, is what the report of the joint committee is all about. When our committee sought an explanation from the Deputy Minister of Energy, Mines and Resources, it was assured in a letter received from the Deputy Minister the following:

> The 83,950 signed commitments which were registered with CHIP by December 31st, 1984, are evidence that the Minister's announcement was effectively communicated to the public.

I want to reiterate that citizens cannot, in a society founded on the rule of law, be expected to obey announcements that have no legal force whatsoever.

In committee, when we asked the representative of the Department how many applicants had missed the deadline of December 31, 1984, we were informed of the following:

Unfortunately, statistics were not kept on the number of registrations that were rejected.

This is indeed unfortunate. You will agree, Mr. Speaker, that an injustice done to a few is just as serious as an injustice done to the many. As we put it in our report, that many applicants knew of the Minister's intention to modify the law will not mask the failure in fairness to those who did not. These applicants were never even given the chance to preserve their entitlement to the higher rate of contribution. By the time the regulations were amended, it was too late.

This problem is entirely the result of the executive's failure to amend the regulations in good time. If the Minister's officials had time to draft a series of press releases as early as November, 1984, surely they had enough time to draft the appropriate amendments to the regulations. These amendments could then have been adopted before December 31 so as to give the applicants adequate notice of the new requirements. Because they were not, a distinction was made between two groups of applicants: those who chose to register their purchase commitment on the basis of the Minister's announcement and thereby preserved their entitlement to a 60 per cent contribution and those who did not hear of that requirement until it was too late and thereby lost their entitlement to the higher contribution.

In itself, the imposition of a registration requirement retroactively was illegal and a further group of applicants were deprived of the higher contribution notwithstanding the fact that they had met all of the legal requirements imposed by the regulations governing the payment of CHIP grants. In light of this, Mr. Speaker, I think you will agree that members of the joint committee were justified to conclude that the amendments reported upon were not authorized by the enabling legislation, amounted to an unusual use of the powers granted by Parliament and infringed on the rule of law and the principles of fairness and equity.

Lest there be some sense that this is an abstract or theoretical problem, I would venture to say that every Member of the Chamber had direct personal experience, as a Member of Parliament, with individuals who missed the deadline. I know that I did in my office and I know that other members of the committee did. I suggest that all Members of Parliament did. We are talking about something that is very concrete and real to our constituents.

This is not the first occasion on which the committee has dealt with a situation of this kind. In drawing these particular amendments to the attention of the House, we wish to underscore the general principle that regulatory initiatives which impose new burdens on citizens or which detrimentally affect their rights should be announced and enacted as a part of a law a reasonable time before they are to come into effect. I express the hope that this is a principle every parliamentarian, of whichever Party, can agree to and support. It is a principle which is afforded by the Government in its regulatory reform policy. It is a principle that must be maintained by all of us as legislators and representatives of the people.

My purpose in asking the House to concur in the sixth report of the joint committee is for the House to send a clear message to all regulation-making authorities that it supports that general principle and that it intends to be vigilant in ensuring that it is respected in practice. Regulations generally impact on the daily lives of Canadians to a far greater degree than the statutes pursuant to which they are made. It is the responsibility of the Standing Joint Committee on Regulations and Other Statutory Instruments, a committee which I have the honour to chair, together with Senator Nurgitz and the Hon. Member for Halifax West (Mr. Crosby), to make certain that these subordinate laws are fair, non-discriminatory, and conform to the authority granted by Parliament. Respect for these values requires each of us to ensure that no legal obligations are imposed upon Canadians except those which Parliament itself has approved or authorized the executive to enact. For the making of laws, we must account to the people. When we delegate our legislative authority to the executive, we have a duty to hold it accountable for its exercise of authority.

• (1120)

The principles outlined in the sixth report of the joint committee deserve the support of all Members of the House. As I mentioned earlier, they have the support of all members of the committee, of all Parties and of both Houses, and I pray the House will add its support today.

Some Hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise on behalf of the New Democratic Party to take part in this debate. I consider it to be a non-partisan debate, as far as that is possible in the House, because the issues are non-partisan issues. I congratulate the Hon. Member for York Cente (Mr. Kaplan). He is a former Minister, a senior Member of the House, and a co-chairman of the committee. I think he gave a very fine, very fair, and very important speech as we embark upon an era of parliamentary reform in which Parliament will try to keep the bureaucracy and executive accountable to the people of Canada.

I am a new member of the Standing Joint Committee on Regulations and Other Statutory Instruments. I confess that when I first attended one of its meetings a few months ago, I was confused and a little leery about dealing with what I considered to be picky, little things at that time. However, over the months I began to realize that it was a very important committee in that it dealt with the laws affecting the day-to-day lives of individuals, the general enabling laws passed by Parliament.

I will try to explain in a more simple way to Canadians how the committee works. The committee considers all regulations and statutory instruments. For example, let us say that Parliament passes a law dealing with wharfs in the Province of

British Columbia or in Atlantic Canada and, as a result, there are wharfage fees for those people who tie up their boats and regulations affecting how long their boats can be tied up, when the wharfs are closed, and so on. Parliament could not include all that in one Act of Parliament. It would be a huge Act of Parliament, and we could not anticipate what would happen in different situations. Therefore, Parliament passes a general law making provisions for wharfs, for moneys, for ways in which they will be controlled, for personnel and so on.

Following that, Parliament says the authority, the bureaucracy, the Governor in Council, or Cabinet can pass a number of regulations dealing with wharfs. Cabinet has to sign all the regulations and so on. Since there are thousands and thousands of them, I suspect that they cannot look at every one of them, even as good intentioned as cabinet Ministers may be. Sometimes unjust regulations go by. Sometimes people are charged fees when there is no authority for it. Sometimes people cannot tie up their boats when there is no authority for it. Perhaps I am over-simplifying the matter, but that is the way it works.

When the committee looks at the wharfs, it may see that there has been a wrong exercise of power on the part of some Department, such as the Department of Transport or the Department of Fisheries and Oceans. Perhaps the Department has issued a regulation which does not really fit in with the power in the Act. The committee has many standards when it looks at Orders in Council, but I will not go through all of them. There are two lawyers who work with the committee and go through all the statutory regulations. It will write, for example, to the Department of Fisheries and Oceans—and I see the Minister of Fisheries and Oceans (Mr. Siddon) present in the Chamber this morning—and say that something does not fit in with the power in the Act. When the committee writes under the joint signature of a Conservative Senator, a Liberal MP, and a Conservative MP, we start seeing changes in the Department. This is all "behind the scenes" work in Parliament, but it is very important work because it ensures that the rule of law and citizens' rights are respected. I think everyone in the House would agree with that.

In my experience with the committee, we have dealt with transportation fees and rates and agricultural matters. The committee has been involved in a host of things. As the Hon. Member for York Centre and as the committee indicated, citizens have the right to rely exclusively upon the laws adopted by the Parliament of Canada.

The particular issue before the House now is a very interesting one. The Government brought in the program known as CHIP. Many Canadians know about it. I believe the Government has spent over $700 million under this program since 1977. It was a very successful program. The price of oil was rising and it was deemed appropriate that Canadians, who are the biggest energy users per capita in the world, should start conserving. The Government indicated that it would help those persons who insulated their homes, because Canadian houses were notoriously poorly insulated, by giving them a grant of up to 60 per cent. In my own case, I think it was before 1979 that I took advantage of the program. I fixed up my house, as did many other Canadians. It was a good deal.

Mr. Friesen: Where is your home?

Mr. Waddell: In Vancouver. It was a good deal. I think I got $500 from the Government, and I paid the rest, to have my house insulated so that I would use less energy.

The Government decided—and some of us in the House disagreed—to phase out some conservation programs such as CHIP and the off-oil program. The off-oil program gave grants to people to go from oil, which is a dramatically depleting resource in Canada, to natural gas of which Canada has a lot. That program and CHIP were to be ended; they were to be phased out. The Government indicated that after December 31, 1984, it would reduce the 60 per cent grant to 33-1/3 per cent. That is what the Government intended to do, but it turned around and did it by press release. It simply made an announcement. By law it is required to publish it in *The Canada Gazette*. I know a few lawyers who spend their evenings reading *The Canada Gazette*, but few Canadians do so. Perhaps you do, Mr. Speaker, because you are always on the ball. Nevertheless, that is the rule of law in Canada. Orders in Council must be gazetted before they come into force.

The Government only wanted applicants to be reimbursed for 60 per cent of their insulation costs until December 31, 1984, and then for 33-1/3 per cent thereafter. However, the regulation was not gazetted until January 18, 1985. In my view those applicants were legally entitled to the 60 per cent. I think the case was set out beyond any shadow of a doubt by the Hon. Member who last spoke. We will hear from the Government and the committee.

• (1130)

The committee was told that applications dated after December 31, 1985 received by the Department of Energy, Mines and Resources claiming a 60 per cent rebate were thrown in the wastepaper basket and the Department sent out new applications saying you could get a 33 per cent grant. The Department says there was no record kept of those rejected registrations, and we do not know how many were wrongly dealt with. I want to give the Government notice that I will be filing an application under the Freedom of Information Act to try to find out whether the Department has been altogether truthful with us. Quite frankly, I do not believe the Department. I think there are records, and I think we should a look into the matter.

The Committee says on page 2 of its report that:

"Unfortunately, statistics were not kept on the number of registrations that were rejected."

That is what the Department told the committee. I think we have to look at that further and I will ask that question of the Government spokesperson today in the debate.

There is a general presumption in law that legislation is not retroactive, except in budgetary cases. In the Budget you can announce what you are going to do and then you enact the legislation. It is legal for Parliament to enact legislation that is retroactive, although there is some problem in criminal matters. Generally, we do not like enacting retroactive law in criminal matters because someone could do something which did not seem illegal when he or she did it.

The Government can clearly enact retroactive legislation, but that is not what happened in this case. People should not be misled by the Government if it tries to say otherwise and I hope the Government will not try to say that. It is clear from common law that regulations may not be made retroactively unless the enabling legislation specifically permits this. In other words, if we pass the law and say the regulations under the law can be made retroactive, that is fine. I do not think in this case there was any legislation passed that enabled regulations to be passed retroactively. If there was, I challenge the Government to show us. There is no mention in the Canadian Home Insulation Act and the Oil Substitution and Conservation Act, the two enabling pieces of legislation pertaining to CHIP, and I have looked at them, that regulations can be made retroactively. Therefore, the regulations are *ultra vires* because there was no authority for them to be made retroactively.

I do not want to say that the regulations made on January 18 were illegal in that the program was to be cut to a grant of only 33-1/3 per cent from a grant of 60 per cent, because in my view that is legal. After regulations are gazetted they are legal. But in the period between December 31 to January 18 there was no law on the books to allow the Government to send back those applications. The Government has to act according to the law. It should have taken the applications for the full 60 per cent. In order for the Government to have proceeded legally, the regulation would have had to be gazetted on Decemebr 31, 1984.

[*Translation*]

Mr. Speaker, in Parliament it is very important to be fair to all Canadians. The law must apply to the Government of Canada as it does to the average Canadian. And I feel that these regulations were neither legal nor fair in covering the period from December 31, 1984 to January 18, 1985.

[*English*]

Despite the fact that the press release was issued, the public is deemed aware of a regulation only after the time it is published in *The Canada Gazette*. As I said, Mr. Speaker, we do not stay up all night reading the *Gazette* but this is the legal jurisprudence of Canada, the law of Canada. It is not fair not to give the public proper notice that their rights are being affected. December 31 was not early enough. There should have been earlier notice, that is, publication in *The Canada Gazette*. That should have been done one month in advance.

There are two other points. One deals with conservation. Conservation is a very important area for Canadians. While oil prices are going down, let us not forget that we should continue with conservation. That is why this particular statute is very important. Second, the jurisdiction, the scope of this Committee, has been expanded. The Standing Joint Committee on Regulations and Statutory Instruments will now be able to bring one regulation to this Parliament under the new rules and this Parliament will have the power to throw out the regulation. That is an important power. It is indicative of a non-partisan attitude in all parts of the House from the Conservative benches right through.

Let us look at what is happening with regulations outside of the statutes that are running people's lives. I expressed the opinion that I would like to see even the scope of the statutory and regulations committee expanded to include Government agencies as well as the Cabinet. Direct cabinet regulations, the ones that Cabinet just approve and do not make are not subject to the scrutiny of our committee. If you think about it, Mr. Speaker, TV and cable, regulation of your fees, telephone, transportation, airlines, what you watch on TV and what you hear on the radio are all covered. There are a lot of orders and regulations not covered.

It is not ironic that the Department of Energy was caught in this matter. The Department has become a touch arrogant. It might be because it has had so much legislation in the past six years with the National Energy Program, then its dismantling. The Department has been used to doing things very quickly. In this case it did something illegally and was caught by this committee. I do not want to give the impression that I am really berating the Department of Energy, Mines and Resources, because this is a lesson of which all Government Departments should take heed. This could happen to any Government Department. They must be more responsible in passing regulations. They will be scrutinized more by Parliament. The feeling throughout the House is that we want accountability and control over regulations which are affecting people's lives. I think that is healthy.

• (1140)

I ask the Government to welcome this report from an all-Party committee in the spirit in which it was offered; that is, that the Government should accept that there is a regulatory problem. It should announce that in the future it will act differently. It should also consider the matter of those people who applied between December 31, 1984, and January 18, 1985. By law those people should have received the full grant of 60 per cent rather than the half grant of 33 per cent. This is a very important case and I ask the Government to accept it in the spirit in which the committee brings it to its attention.

Mr. Kaplan: Mr. Speaker, in my own remarks I expressed the hope that the House would support the committee rather than the Minister in the up-coming vote on this matter. What would my colleague's view be if the House failed to support the committee? How would that affect his own attitude and that of the NDP toward the future work of the committee?

Mr. Waddell: Of course, Mr. Speaker, we will continue to work on the committee. In this Parliament we are trying to make Members independent to a degree. This is not the congressional system, but it is a new beginning in Parliament. I consider Ged Baldwin, a former Conservative Member, to be one of the initiators of this trend which was taken up by many other Conservative Members. We, in the House, are striving for freedom of information and freedom for MPs to have some say rather than always being bound by government discipline.

This is the report of an all-Party committee and what we are bringing to the attention of the Government is fairly unanswerable in law. This is an occasion upon which the members of the committee need the support of the House. There are Conservative Members of the committee and this is a unanimous report. I do not say that this is a non-partisan issue, but it does involve the freedom of individual MPs. Let us continue to move forward rather than taking a step backward with this particular vote. I ask Conservative MPs to vote with the committee to accept the report. If they do not do that, it will put the Conservative Members who are on the committee in a very difficult position.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to make a few comments and ask the Hon. Member a question. I agree that if the Conservative Members are sensible and, as parliamentarians, are truly interested in parliamentary reform, they will support their parliamentary committee which has tabled a unanimous report in the House.

Mr. Speaker, last Friday I asked the Minister during Question Period what she intended to do about this unanimous report of the committee. I asked the question mainly because of my concern that the Minister would make the same mistake twice. I don't want this to go on. I don't want her to go on thinking she was misinformed and that a parliamentary committee could, and these are her own words as reported at page 12416 of Hansard:

> It is my view—

She was referring to the Committee's report.

> —that it has been based on misleading and inaccurate analyses of the situation.

Mr. Speaker, it is insulting and even offensive when a committee is told by a Minister of the Crown that it has made a misleading and inaccurate analysis of the situation.

[*English*]

In the first session of the last Parliament, which lasted three years, we adopted 173 statutes, but there were 4,000 instruments made pursuant to those statutory powers. What assurance do we have as parliamentarians that this or other Ministers will not take this high-handed approach to regulations and operate by press release? Is the central point of this debate this morning not to ensure that this Minister or others do not repeat the action taken with regard to the insulation program?

[*Translation*]

Mr. Waddell: Yes, I agree with the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I think the Hon. Member for York Centre (Mr. Kaplan) has a strong case. However, I would rather wait and hear what the Parliamentary Secretary has to say, since he is supposed to speak on behalf of the Minister and the Government.

[*English*]

As I tried to say in my speech, Mr. Speaker, this is just one example of many cases. The ability for deterrence which this committee has is that it is not known which Department it will choose. If we can get support from the House on this matter, in the future Departments will be very careful to ensure that these regulations are carried out under the law.

In summary, these regulations are very important in our lives, perhaps even more so than the statutes. Second, they are hard to scrutinize. Third, the committee has been expanded in its mandate and jurisdiction to scrutinize these instruments. Fourth, this was accomplished through the support of the House which has built up over many years and was started, quite frankly, by many Conservatives. Although I have not yet heard the Government's reply, I think this is a case in which the Government could accept some chastisement and indicate that its conduct will change. Finally, this is a very good test for the new parliamentary procedures which we have embarked upon.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired. Resuming debate. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid).

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is a pleasure for me to participate in this debate today. I appreciate the high level of debate, for the most part, which we have heard from the Opposition side. There are two questions to be debated. The first is that of regulations coming in after an intended deadline for a program. The criticism that the regulations came in late is fair. The Government accepts that. We accept the recommendation that regulations should be made and enacted before a deadline is set. However, with regard to this being illegal in this particular case, I think I will be able to present the facts as to what happened in that period of time which will perhaps somewhat change the opinion of the House about the chastisement of the Department.

Before I get into that, I want to reaffirm that the Government supports the proposition that if regulation making is to be based on the principles of openness, fairness, efficiency and accountability, as called for in the *Citizen's Code of Regulatory Fairness*, it is essential that regulatory initiatives which impose new burdens on citizens or, as in the present case, which detrimentally affect their rights, be announced and

enacted as part of the law a reasonable time before they are to come into effect. I think that is a very worthy recommendation.

I agree with my good friend, the Member for Vancouver—Kingsway (Mr. Waddell), who says that this committee has been expanded by the Conservative Government to ensure fairness to the citizens of Canada by the Government. Governments are going to make mistakes, and I think they can learn from their mistakes. That is very important. My friend, the Member for York Centre (Mr. Kaplan) has pointed out that this was done in a nonpartisan manner. However, I think the CHIP phase-out was done with fairness to the applicants and in accordance with the rules and procedures of Government and Parliament. I am going to, I think and hope, convince the House that in fact all the deadlines were announced by the Minister, the public was communicated with, and the grants were made according to law.

• (1150)

The report suggests that Canadian homeowners were denied grants at the level of 60 per cent of eligible costs because they were unaware of the Government's intention to reduce that level to 33-1/3 per cent. It also suggests that if the Government had acted in accordance with proper procedures, that would not have happened.

My hon. friend from Vancouver—Kingsway (Mr. Waddell) made it very clear that the public do not sit down and read the *Gazette*, which can be voluminous and very complicated at times. The Minister mentioned the other day that the facts were not well presented to the committee. I would like to lay them out for the House today. We feel the Government acted fairly and generously. It phased out CHIP in an orderly manner. It announced its intentions clearly and provided Canadians with enough time to adjust to the lower level of funding. Moreover, the phase-out process provided Canadians with additional benefits which would not have been available if another approach had been used.

Before I explain why the phase-out process was entirely appropriate, let me review the facts. They are easily misinterpreted and I believe that is why the committee was critical of the Government. These are the facts.

On November 8, 1984, the President of the Treasury Board (Mr. de Cotret) announced that CHIP would be phased out by March 31, 1986. That announcement was one aspect of a broader Government program to restrain expenditures and reduce the crippling debt left us and all Canadians by the previous Government. On November 9 the Minister of Energy, Mines and Resources (Miss Carney) announced that CHIP grants would be reduced from 60 per cent to 33-1/3 per cent beginning January 1, 1985, as part of the phase-out program.

Following this announcement the Government, in consultation with the insultation industry, realized there was a shortage of both materials and insulators to do the work before the December 31 deadline. It was clear that some flexibility was needed to avoid applicants missing out on the 60 per cent grants through no fault of their own. Therefore, the Minister announced on November 16 that applicants had until December 31 to register their commitment to have insulation work done. If they completed the work by March 31, 1985, they would receive the 60 per cent funding. This generous provision ensured that applicants were not denied grants at the 60 per cent level because of a shortage of material and contractors.

On January 17, 1985—and these dates are very important—the Order in Council was passed enacting the change to the regulations. I think everyone is in agreement so far. The Order in Council was delayed for a very simple reason. The generous phase-out process required the rewriting of regulations. If the Government had simply announced the grant reduction to take effect on January 1, 1985 with no special provisions, the regulations would have been approved earlier. However, the Government was more concerned with being fair to Canadians than writing regulations quickly. It took care that those regulations were drafted properly to the benefit of CHIP applicants. It is important to understand that at no time was it ever intended that the reduction in the level of grants would be retroactive.

The Government could have decided to reduce the grants to 33-1/3 per cent of eligible costs beginning January 17, the date of the Order in Council, regardless of any commitment by homeowners to complete the work by March 31 of that year. Yet what of those homeowners who, through no fault of their own, were not able to get work done in time to receive the 60 per cent grants? The Government would have been acting in accordance with proper procedure if it had taken this approach but Canadians would have been the losers. Instead, we decided to act in a way that was both proper and fair. The Government allowed applicants to receive the 60 per cent grants until March 31, 1985. It allowed them to apply for this level of funding until January 17, 1985. This provision actually gave homeowners a longer period in which to qualify for the higher grants than they would have been allowed under other, less generous phase-out approaches. This was an extraordinary measure in the history of CHIP. Homeowners had never been entitled to guarantees of payment at a certain level for a certain length of time. Under previous regulations a home owner received a grant in accordance with the regulation at the time his or her application was received. The regulations dealing with the grant levels, as everyone in this House knows, changed many times during the life of the program.

It has been said that some unspecified number of home owners were denied grants at the 60 per cent level because of the phase-out process. The facts show the exact opposite to be true. Every homeowner who qualified for the grants and who applied between November 8, 1984 and January 17—I want that date, the day that the regulations came into force, impressed upon the House, January 17, 1985—received grants at the 60 per cent level. So the comment that my friend from Vancouver—Kingsway made regarding all the applications which came in after December 31, 1984, for 60 per cent were

thrown in the garbage, is just untrue. It is just untrue. The only people who did not receive a 60 per cent grant up to January 17, 1985, were those who did not qualify for any level of grant. They just did not qualify and would not have qualified no matter what the level of grant was. They were the only ones.

Approximately 84,000 homeowners took advantage of the flexibility built into the phase-out process to apply for grants at the 60 per cent level up until December 31, 1984. An additional 25,000 applied for grants at this level between January 1 and January 17, an extra 25,000 in that period of time, up until the regulations were passed. Some 96 per cent of all applicants qualified for grants and received the full 60 per cent funding. Four per cent just did not qualify.

It has been suggested that the Minister acted improperly by announcing changes to CHIP before Order in Council approval was obtained. This is untrue. Such announcements are made routinely by Ministers. They were made routinely by Ministers of the previous Government and they are made routinely by Ministers of this Government. They are part of a commitment to inform Canadians of the Government's plans as soon as it is reasonably possile. The Minister was well within her competence as a Minister of the Crown in establishing the registration system within CHIP without Cabinet approval. What the Minister did was clear and proper. She announced a policy intention to reduce the grant level. She put in place a generous transition process and she did not act on that policy intention—and I think the committee missed this important point—until Privy Council approval was obtained. She did not act on it until then. That is not mentioned in the report handed down by the committee. The committee said they were not satisfied with the evidence and I hope that today, after they hear the evidence, they will in fact be satisfied. The important point, I think, is that this was a fair way to proceed. It showed respect for the procedures of Government and Parliament. Most important, it was done with concern for the needs of Canadians who were taking part in the socially important task of using energy more efficiently.

• (1200)

The figures show that the phase-out process was effective in allowing Canadians to qualify for 60 per cent funding. Between November 8, 1984, and the end of the program on March 31, 1986, 62 per cent of CHIP grants were at the 60 per cent level, another 38 per cent were at the 33-1/3 per cent level. Clearly, Canadians knew about the planned changes to the program and took advantage of the generous phase-out process to get the higher level of funding. Just as clearly, most of those receiving grants at 33-1/3 per cent took advantage of the program after the transitional funding provisions had ended, and for a variety of reasons unrelated to the phase-out process.

If there are any Canadians who did not know of the Government's intention to reduce the level of grants, it is not because proper procedures were not followed. The usual method of making these matters known; statements, news releases, asking the insulation industry to inform clients, were used. I note that the committee pointed out in its report that the decision was widely publicized both by Energy, Mines and Resources and the media. Teleposts were sent to all listed contractors, industry associations and building supply stores. As well, the "Heatline Office" and CHIP regional offices informed all telephone callers of this announcement. We went one step further when we extended the period for 60 per cent funding to give people time to make arrangements and get the higher funding.

When one looks at the history of CHIP, it is clear that the program has provided a generous level of funding throughout its history. Since its inception in September, 1977, it has provided 2.8 million applicants with $900 million in assistance. Ninety-five per cent of this has been at the 60 per cent level. This has enabled Canadians to improve the levels of insulation in their homes, to use less energy and to use it more efficiently. CHIP has made an important contribution to taking Canada down the road to energy security.

When our Government took office, it was clear that the program had gone a long way to achieve its goals and that providing government funding indefinitely would be too costly. This was particularly true because of the deficit. We decided to end the program one year earlier than the previous Government had intended. This did not indicate any flagging of our commitment to energy conservation in Canada. It was a prudent decision. Deficit reduction was one of the important reasons for phasing out CHIP but it was not the only reason. We recognized that conditions in the market-place had changed and that the Government's role had to change with them.

CHIP, and its companion program, the Canadian Oil Substitution Program, provided a high level of funding for consumers for several years. More important, they helped to change the way Canadians think about energy and its use. It became clear to us that it was time for the Government to lessen its direct financial involvement. The point had been made with consumers that it is a good investment to use less energy and to use it more efficiently.

Reducing oil use remains an important long term goal of the Government. Despite declining oil prices, energy conservation is still a very good investment. We do not know when prices will rise again but we know that they will rise because oil supplies will eventually decline. We saw all too clearly in the 1970s how supply can be manipulated to suddenly and drastically increase prices.

We cannot and should not continue to expect the public treasury to borrow funds to provide consumer grants. Programs such as CHIP have started the energy conservation process going and they maintained it for a significant period of time. The Government will now concentrate its efforts on ensuring that home owners are fully aware of the options available to them. We are continuing to help find solutions to technical problems, to refine and expand work standards, and

to assist the industry to improve insulation techniques and marketing.

The concern for energy conservation and the needs of Canadian homeowners was at the heart of our decision on how to phase out CHIP. Our greatest concern was to be as fair to Canadians as humanly possible. We proceeded carefully. We consulted with the industry and then acted in such a way that Canadians were not denied an appropriate level of funding because of circumstances beyond their control. We acted fairly, we acted properly and we acted generously.

Now that the evidence has been presented to the House, I think the committee must admit that those who did apply during the period January 1 to January 17 and received 60 per cent funding were in fact covered under the old program. We accept and understand that the regulations were brought in after the announced closing of the program. That is fair enough. There were reasons for that and we appreciate the committee drawing this matter to the attention of the Department of Energy, Mines and Resources, to the House and to the country.

Mr. Kaplan: Mr. Speaker, the Parliamentary Secretary has put forward some information that is new, at least as far as I am concerned. However, I want to react to it in terms of the mandate of the committee and then hear the Hon. Member's comments. I must say, looking at the revelations that he has just made from the perspective of the committee's mandate, I think he has made the situation worse.

I want to point out two problems to him that arise from what he said. First, he told us that the Government did not stick to its own press release. The press release advised consumers to get their applications in by December 31. However, those who relied on the press release and did not submit an application because they could not make the deadline of December 31, never would have learned that it would have been accepted if they had submitted the application up to two and a half weeks later. This was a great unfairness to people who took the Government seriously when it put out its press release. How many people came in between December 31 and January 17? What information was given to Members who were relying on the press release and advising their constituents who had missed the deadline? How did the information get out that an application submitted during that critical two and one half week period would still be accepted?

That is the first problem which concerns me. I hope there was no preference because people with access to Ministers would have found out about this while those who do not would not have discovered that the Minister had changed her mind about the deadline.

The second problem concerns the contents of the regulation. This is a regulation that we have challenged and which I assume the Government was defending. The regulation stated December 31 as the cut-off date but in fact it took effect on January 17. If December 31 was not the cut-off date and the Government was prepared to give grants for applications that were received between December 31 and January 17, what authority does the Government have to honour those applications? It is certainly not the regulation because the regulation imposes a cut-off two and a half weeks earlier.

I support the CHIP program and would have been happy if the Government continued it. I am not talking about it from the point of view of policy, and I am pleased that others were able to receive the money. However, from the point of view of the mandate of the committee, I must ask the Parliamentary Secretary about the meaning of the regulation. What authority does the Government believe it has for ignoring the terms of the regulation and validating applications that were received in that two and one half week period? Those applications that came in between December 31 and January 17 should be honoured, but perhaps they should be honoured out of the salary of the Parliamentary Secretary and the Minister rather than the general revenues of the Government of Canada.

Finally, it seems to me that the initial mistake that was made, for which the Minister surely must be accountable, is that she gave her officials an assignment that they could not handle. The Parliamentary Secretary told us himself that there was no way that the regulations could be drafted on time, even though they knew they needed regulations. He has indicated that they needed them to validate what it was they wanted to do. They should have picked a realistic date for their officials in order that the law could have been obeyed. In this way the rule of law could have been complied with and we would not have had the necessity of making the report which is before us. I feel even more strongly than I did before that the Government stands condemned by the terms of our report and by the way it behaved in trying to extricate itself from this very unsatisfactory situation.

• (1210)

Mr. McDermid: Mr. Speaker, if the Hon. Member expects recipients of CHIP to survive on the salary of a Parliamentary Secretary, then it will be an awfully thin program. I can guarantee him that.

Mr. Waddell: It will be a thin Parliamentary Secretary, too!

Mr. McDermid: That is right.

I say to the Hon. Member that the committee cannot have it both ways; it cannot suck and blow at the same time. It is saying that we cut people off on December 31, that that was illegal and that we should not have done it. He then says that we did not honour them until the regulations were passed, and he asked for a number. There were some 25,000. There were no special favours given. Obviously, people who applied for CHIP grants after the deadline were expecting to receive a 33-1/3 per cent grant. There was no discrimination with respect to the matter whatsoever. It was done absolutely honestly, above board, and with the greatest of fairness and concern for all Canadians who applied for CHIP grants. For the Hon. Member to try to make a silk purse out of a sow's ear is very unfortunate.

The Government has accepted chastisement with respect to the fact that regulations were brought in at a date later than the announcement made by the Minister. However, at the same time, we did not penalize Canadians in any way, shape or form. They were well informed and properly advised. For the Hon. Member to say that they were not properly advised because it was not in the *The Canada Gazette* at the time is completely wrong.

Mr. Waddell: Mr. Speaker, I have two short questions for the Parliamentary Secretary. If what he is saying is true, then why would the Department of Energy, Mines and Resources tell the committee that there were no statistics available with respect to the number of people who had applied between December 31, 1984 and January 17, 1985?

Would the Hon. Member not agree with me that there is a difference between what he considers as the Government acting fairly, generously and properly and the Government acting according to law? Will he admit that in fact it did not act according to law? I will repeat my question. Representatives of the Department told the committee that when they received applications dated after December 31, 1984 claiming the 60 per cent rebate, there were no statistics available with respect to that matter. Why did they tell the committee that, if what the Hon. Member is saying is correct?

Mr. McDermid: Mr. Speaker, the question they were asked was with respect to how many were rejected on the grounds that a purchase commitment ought to have been registered before that date. The response was that, unfortunately, there is no record of those rejected on that basis. We do know how many came in and how many were approved. The question was: How many were rejected? If he had been asked how many were approved he would have told them that it was 25,000.

Mr. Kaplan: Mr. Speaker, I wish to ask one other question of the Parliamentary Secretary, and it has to do with individuals who applied after January 17 and received only the 33-1/3 per cent. What the Member has virtually conceded is that the regulation was invalid and that steps considered appropriate were taken to compensate for its invalidity. If the regulation is invalid, then people who applied after January 17 should not be receiving 33-1/3 per cent but, rather, 60 per cent. I say this because the regulation cutting the applicants down from 60 per cent to 33-1/3 per cent is invalid. The Government has admitted that. Is the Parliamentary Secretary prepared to follow the logical consequences of the argument he has just made, look up the people who received the 33-1/3 per cent and top up their contributions to the 60 per cent to which they are legally entitled?

Mr. McDermid: Mr. Speaker, that is convoluted Liberal thinking.

Mr. Gauthier: Because it is logical?

Mr. McDermid: Those who applied after January 17 knew full well what they would be receiving. They knew for what they were applying. The regulation was in place. For the Hon. Member to make a suggestion such as the one he has made, with a silly grin on his face at the same time—

Mr. Kaplan: I don't have a silly grin on my face.

Mr. McDermid: I love it. You are using up the time of the House. I think it is marvellous.

The Acting Speaker (Mr. Paproski): Order, please. The time allotted for questions and comments has now terminated.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to say a few words about the report of the Standing Joint Committee on Regulations and Other Statutory Instruments. It is a very significant report which brings forward very important points. There are two matters in the report which are of utmost importance. The first matter is with respect to the way that consumers who applied for grants under the Canadian Home Insulation Program after December 31, 1984 were treated. The second matter, and perhaps the most important, is with respect to the way the Government is treating the legality of this whole situation.

I appreciate that the Government made a decision that it did not want to continue with CHIP. I do not agree with its decision but it is the right of the Government to make such decisions. It initially made an announcement concerning this matter on November 8, 1984, when the Minister of Finance (Mr. Wilson) delivered his economic statement. This was followed up by a press release by the Minister of Energy, Mines and Resources (Miss Carney) on November 16. These statements indicated that certain undertakings had to be obtained by applicants prior to December 31, 1984, and that anyone who could not apply prior to January 1, 1985 would not be eligible for the 60 per cent. After that date they would be eligible for only 33-1/3 per cent. Unfortunately, the regulations were not passed until January 17, 1985, making the action of the Government illegal, as has been stated by the Hon. Member for York Centre (Mr. Kaplan). The Government had no legal right to prohibit consumers who applied for CHIP prior to Janaury 18, 1985 from receiving the 60 per cent to which they were entitled.

The Parliamentary Secretary has said that the Government gave the 60 per cent to those who applied prior to January 18. We do not know that. We do not know how many applied. The committee was told by a representative of the Department of Energy, Mines and Resources that, unfortunately, statistics were not kept with respect to the number of registrations which were rejected. Thus we really do not know.

More important, if someone called the Department after January 1, but perhaps before January 18, 1985, they would have been told that the time to obtain the 60 per cent which they were seeking had expired. Yet the Parliamentary Secretary would have us believe that the 60 per cent was granted to those who applied prior to January 17. Obviously

the decision to grant the 60 per cent to those who applied prior to January 17 was a decision taken after that date when the Department realized that the regulation was only passed on that date.

• (1220)

A great many people had been told by the Department that they were not eligible. Had they put in their applications against the advice of the Department they would have been eligible. It is highly unlikely that anyone would put in an application after having been told by the Department that he would not be eligible. There was quite a problem there.

The Parliamentary Secretary would have us believe that there was no time to put a regulation in place prior to January 17. He would have us believe that the fact that an announcement was made on January 8 without a regulation being put in place until January 17 was no one's fault and that it just could not be done before that. The Government did not open Parliament until November 5 or 6, two or three days prior to the Minister's Economic and Fiscal Statement. The Government was elected on September 4 and the House did not sit until the week of November 5, yet the regulation could not be put in place until January 17. That is highly incredible. There is no reason the regulation could not have been prepared at the same time the Government was drafting its Economic and Fiscal Statement. That is irresponsible.

The Government is putting things into law retroactively. That will not sit well with the Canadian people. That is not legal. It is not as though the Government only did that on this occasion. The Government is planning to do the same thing with respect to the grandfathering clause in the Bill that eliminates the Petroleum Incentives Program, as we heard when we were debating Bill C-85. The Government is applying regulations retroactively.

The Parliamentary Secretary indicated that the Government is more concerned with the welfare of Canadians than with passing regulations quickly, but that is just hogwash. The Government never gave any consideration to the concerns of Canadians because first it did not give them adequate time to apply for the 60 per cent, and second, it forced them to accept 33-1/3 per cent instead of 60 per cent without any legal justification. The Government cannot be concerned with the welfare of Canadians if it is going to break the law to reduce the benefits that flow to Canadians.

This is a very important question. I would ask all Hon. Members to concur in the report of the committee. The report of the committee is on the side of law. The stance of the Government is that it is trying to justify the breach of a law, but that is contrary to the laws of Canada. I would ask all Hon. Members to vote with the committee and not with the Government.

First and foremost, this question is a point which all Canadians must consider. If we are going to continue to pass regulations and apply them retroactively, Canadians cannot possibly have any confidence in or respect for the laws of Canada. It was stated that in the last Parliament, 4,000 regulations were passed. Regulations are out of control. They are passed but are never reviewed. They are costing Canadians millions of dollars. Regulations under one Act contradict regulations under another Act. Federal regulations contradict provincial regulations. The whole thing is out of control. What is most out of control is the attitude of this Government which is taking away the rights of Canadians without passing the proper laws. The Government is deciding arbitrarily that Canadians are not going to have these benefits, not only without compassion but without the legal capacity to do so.

Mr. Waddell: Mr. Speaker, I have a comment to make on this issue. I see that the Parliamentary Secretary is now here. Perhaps he would reply to this.

Say there are two people who did not complete the program by January 17 but both made commitments to complete by the end of March. We should ask ourselves if they would both receive 60 per cent of the cost, and the answer is, not necessarily.

The Acting Speaker (Mr. Paproski): Order, please. Is the Hon. Member asking the Hon. Member a question? I wish he would direct the question to—

Mr. Waddell: I am sorry. I do wish to make a comment and I hope that the Hon. Member does return.

The Acting Speaker (Mr. Paproski): Please direct the question to the Hon. Member who just spoke.

Mr. Waddell: Here he is now. Let me repeat the question. I wonder if the Hon. Member who just spoke might consider the situation of two people who did not complete by January 17 but had both made commitments to complete by the end of March and they did complete by the end of March. I wonder if the Hon. Member would agree that it is possible that they may not both have received 60 per cent of the costs. If one of them registered his commitment between January 1 and January 17 and the other registered his commitment before December 31, is it not possible that one of them would receive 60 per cent of the costs and one of them would only receive 33-1/3 per cent of the costs?

Let me put it another way. Suppose someone comes to the Government on January 22 with a contract made on January 2 committing him to complete by the end of March. Is it not possible that the Deparment would tell that person that he did not register before December 31 and would therefore receive only 33-1/3 per cent of the costs? This is surely where the Government's position is flawed. Since it did not have the proper Order in Council, the Government is trying to finesse the point of the so-called fairness of the procedure. Is it not possible and indeed probable that one would receive 60 per cent of the costs and one would receive only 33-1/3 per cent of the costs?

Mr. MacLellan: Mr. Speaker, I would like to agree with the Hon. Member for Vancouver—Kingsway (Mr. Waddell). That certainly is possible. In fact, we do not really know what happened between January 1 and January 17. We do not know how many people applied. We do not know what treatment they were given. We do not know how many applications were rejected as the Department has indicated that it does not have that information, something which is rather surprising.

No statement was made by the Minister prior to December 31, 1984, indicating that the time would be extended. In fact, during the time between January 1 and January 17, 1985, the Minister made no statement indicating that the time was to be extended. We do not know whether or not those in the Department took it upon themselves to treat applications that came in between January 1 and January 17 in their own fashion without passing them along, because we do not have any records.

Mr. McDermid: Mr. Speaker, I have a comment to make. I disagree with my hon. friend. I say yes, the two people would receive the same amount. I might say that anyone who signed a contract after January 1 was well informed all the way along as to what was happening with the program.

Mr. Waddell: Not by Order in Council, not by *Gazette* and not by law.

• (1230)

The Acting Speaker (Mr. Paproski): Order, please. I appreciate that Hon. Members are having a little question and comment period between themselves. If they would like to do that behind the curtains that would be fine, but questions at this point should be directed to the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

Mr. McDermid: Mr. Speaker, I thought I was doing pretty well in that I was being interrupted by my friend from Vancouver. I am making a comment at this point; I am not asking a question. As I was saying, the Canadian public was very well informed. Obviously they were well informed because of the huge number of applications which came into the Department before December 31. Those who made application after December 31 knew full well that they were applying under the 33-1/3 per cent grant. However, because the regulations were not passed, the Department honoured the 60 per cent grant for those people who applied in that time period. It was a very fair way to treat the Canadian public, and that is the way it happened.

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, one of the benefits of having been here a while is that the Speaker learns the name of one's riding.

The Acting Speaker (Mr. Paproski): Order, please. I have no difficulty with "Surrey—White Rock—North Delta". I would hope, after the next election, that it would have one or two names like Surrey—White Rock.

Mr. Friesen: I would not want you, Sir, to leave out one of the areas of my good constituency. Another benefit of having been here a while is that one develops a memory for past events. I am now taking some pleasure in an ironic sense of justice, the wheels having turned full circle. We are not dealing with only the matter of CHIP. We are really dealing with the whole subject of delegated legislation and the procedures followed by the Standing Joint Committee on Regulations and Other Statutory Instruments.

When I was sitting in the Opposition, an Order in Council passed by the previous Government consumed much of my attention and quite a bit of my energy. It was known as the emergency planning orders. The Hon. Member who tabled this report should not walk out because my remarks will be of interest to him. I see that I have peaked his attention, at least.

Mr. Kaplan: Yes.

Mr. Friesen: The particular emergency planning order never enjoyed the benefit of news releases, as did this particular Order in Council. This one had at least two, three or four news releases which anticipated the new regulations that would be adopted later by the Government. The emergency planning order did not enjoy any flare of publicity. It was just gazetted, and some very sharp Canadian somewhere noticed it and gave some prominence to it.

Mr. Robinson: It is still on the books today.

Mr. Friesen: I hear the Hon. Member for Burnaby (Mr. Robinson). I think he has become sloppy in his attention to House business. He knows very well that the Associate Minister of National Defence (Mr. Andre) is revamping that entire matter, including the War Measures Act. He should not get too anxious.

I remember asking the Hon. Member for York Centre (Mr. Kaplan) when he was Solicitor General about the particular Order in Council which empowered the Government to empty penitentiaries in order to fill them with political prisoners, or at least make room for political prisoners, and he said: "Obviously there are a few problems with this particular Order in Council".

Now it so happens—and this is where the justice comes in—that the Hon. Member for York Centre is a co-chairman of the committee which is examining delegated legislation, Orders in Council. I think it is perfect that the Hon. Member for York Centre, who ran a little roughshod over some Government procedures in that process, would now have to chair the committee which examines delegated legislation. I agree with the Hon. Member for Vancouver—Kingsway (Mr. Waddell) who said a few minutes ago that the committee was not only very important but essential if we want to preserve democracy and freedom in our land.

When I sat on the parliamentary reform committee I had two main concerns. One of them was my concern for delegated

legislation or Orders in Council which do not enjoy parliamentary scrutiny unless they are elevated to the point of attention by this particular committee. I was very concerned about the workability of the Standing Joint Committee on Regulations and Other Statutory Instruments. There is a sense in which I want to commend the committee for bringing forward this matter. At the same time, I am concerned about the fact that the committee did it. I really think that committee members have overblown the case here. They are taking a subject, which may even be of some legitimate concern, and are overblowing it to the point of making it look frivolous in the context of what they ought to be doing.

Let us assume there was a 17-day gap between January 1 and January 17 when the Order in Council might have been printed. I would also assume that had the Minister of Finance (Mr. Wilson) brought down his economic statement in November and published the Orders in Council at the same time, the Hon. Member for York Centre would have complained about the Government bulldozing its way through Parliament. He would have indicated that surely an economic statement deserved some attention and debate in Parliament, and that Orders in Council should flow from that debate and be registered thereafter. He cannot have it both ways. On the one hand he cannot allow for full parliamentary debate and examination of that statement and for Parliament to ventilate its concerns and, on the other hand, expect the regulations to be printed at the same time.

In his opening statement—and I think I am quoting the co-chairman accurately—he said that it was an unusual use of the powers of Government. Previous speakers have pointed out that plenty of notice was given to the public. A news release was sent out on November 8 defining for the Canadian public the terms under which the new programs would work. There was another one on November 9 in which the Minister announced that the lower rate of contributions would be implemented effective January 1, 1985. I can tell the Hon. Member, from the responses I received from the industry, that it was well informed about the Government's procedures and intentions. It was not?that the public was being ignored or taken by surprise. There was another announcement on November 16 elaborating on the program. It is really overstating the case when the Hon. Member says that it was an unusual use of the powers of Government.

Also, as a member of the parliamentary reform committee, I caution the members of this committee to use wisely these powers which are long overdue and which many of us wanted. Again I say that this is somewhat a frivolous motion because they could have tabled this particular report under the provisions of Standing Order 44. It would then have forced the Government into a change of the regulations. The Committee chose not to do that. It chose to critize the procedure, tabled a report and asked for a two-hour debate to talk about the report. But as a result, nothing happens. Time and the effects of the program are already past. Why take up two hours of House time debating a report which will change nothing because the program has already lapsed, and there is plenty of evidence to indicate that there was no injury to the public as a result. The public was properly informed. Probably all of the applicants or intended applicants had a choice whether or not they wanted to take part in the program.

• (1240)

I would caution the Standing Joint Committee on Regulations and Other Statutory Instruments in respect of its use of the powers which are the committee's which happily now allow the committee to bring about changes in Government regulations in order to correct an injustice. This could not be done before the reform was accepted by the House. Up until February any time this committee sat, all it could do was ventilate an issue but nothing happened. Under the reform of the House of Commons, the committee now tables a report under S. O. 44, which I will read into the record:

—if the report is concurred in, would be An Order of this House to the Ministry to rescind one specified regulation or other statutory instrument, which the Ministry has the authority to rescind.

That puts muscle to a report, Mr. Speaker. What the committee has chosen to do is to table a report which has absolutely no muscle to it and has consumed two hours of debating time, time which could have been spent much more wisely on something else. I would caution the committee to continue its work investigating all of these regulations and other statutory instruments, but to make sure that when it does report to the House that the committee does it with some purpose rather than with the present frivolity.

Mr. Robinson: Mr. Speaker, I have a question for the Hon. Member with respect to his earlier remarks on PC-1305, the emergency planning order. He will recall that when he was an opposition Member on this side of the House he called upon the then Liberal Government to repeal that order immediately. He suggested that it was a serious threat to the civil liberties of all Canadians. Now that the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) is a Government Member, it seems that he is singing a different tune. Instead of calling upon his own Government to repeal this same order immediately, which remains on the books in the identical form in which the Liberals passed, he is now saying: "These things take time. The Minister is studying it. It takes a couple of years. The Associate Minister of National Defence (Mr. Andre) has to study it very carefully". What hypocrisy, Mr. Speaker.

How can the Hon. Member possibly justify the total inaction of his own Government with respect to the emergency planning order? Why is he now saying that it is all right for his Government to study the matter and to take another 15 months or two years to look into it in depth? When the Hon. Member was in opposition he was suggesting that this was one of the greatest threats to civil liberties in the country. Why, all of a sudden, is the Hon. Member saying now that the Government needs more time to study? How can he justify the reversal of his policy?

Mr. Friesen: Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) is a master of hyperbole. He talks about hypocrisy. As he sits in his social subsidized housing in Vancouver, as reported on television last night, he ought to use the facilities of the taxpayers of Canada who have given to him—

Mr. McDermid: At $54,000 a year he is in subsidized housing?

Mr. Waddell: Mr. Speaker, I rise on a point of order. I do not know what that has to do with the reply—

Mr. Mayer: What has the question got to do with the motion?

Mr. Gauthier: The Prime Minister (Mr. Mulroney) is in social housing.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: We are waiting for the answer.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) was trying to complete an answer on regulations and statutory instruments. We are getting into some high level debate which has nothing to do with today's debate. I will allow the Hon. Member for Surrey-White Rock-North Delta to terminate whatever he was going to say so that we can get to further questions and comments.

Mr. Friesen: Mr. Speaker, I was simply responding to part of the statement made by the Hon. Member for Burnaby (Mr. Robinson) accusing the Government of hypocrisy.

Mr. Robinson: Accusing the Member.

Mr. Friesen: Since the Member is so interested in social housing and meeting the needs of those people who have such dire needs while he himself is living in subsidized housing, according to the news report last night, unless that was wrong, I thought maybe we should draw that analogy.

More specifically, in answer to the Member's question which was more in the nature of a tirade rather than a question, I would suggest, as I did earlier in my remarks, that it was our Party which highlighted that issue when we were in opposition.

Mr. Robinson: What are you doing in Government?

Mr. Friesen: We have no less commitment to doing away with that provision. We are not satisfied with simply withdrawing that emergency planning order without dealing with the whole nature of the War Measures Act at the same time, which was the root of that problem. The Hon. Member might want to scotch-tape policies together and cut and paste, but we are not satisfied with that. Unless we want to have a recurrence of 1970 all over again, we have to deal not only with the emergency planning order but also with the War Measures Act. The Hon. Member can rest assured that the Government will do that.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to put a question to the Hon. Member for Surrey—White Rock—North-Delta (Mr. Friesen), in connection with the language the Hon. Member used in referring to his colleagues in the House, when he said that the Committee had passed judgment or reported on a frivolous question.

Mr. Speaker, I can see nothing frivolous in asking the Government to follow recognized procedure, that is, to govern openly, by Order in Council, and to make regulations after adopting the Order in Council.

The question before the House today is as follows: Was the Government acting responsibly and fairly when it gazetted, on January 17, an Order in Council setting regulations to implement the Government's policy to eliminate the Canadian Home Insulation Program?

[*English*]

I fail to understand the Member's point, Mr. Speaker. He, like us in this House, was advised on January 18. I happen to have some dossiers here. Let me read part of a letter dated January 17.

Dear Member of Parliament:

This package is designed to provide you and your staff with details on the recent changes to the Canada Oil Substitution Program (COSP) and the Canadian Home Insulation Program (CHIP).

That officially gave us information on January 18 about what the Government's intentions were with regard to the implementation of the program.

Mr. McDermid: Nonsense.

Mr. Gauthier: It is not nonsense. The letter is dated and it is signed by Dennis Orchard, Director, Home Energy Programs.

• (1250)

The Acting Speaker (Mr. Paproski): Order, please. This is a question and comment period and the questions and comments are to be directed to the Hon. Member who just finished speaking. The Hon. Member has been here a long time and realizes that.

Mr. Gauthier: Mr. Speaker, I was just informing the Member that I have a document dated January 17, 1985, indicating that the program would be terminated on December 31, 1984. How can the Member say that it is frivolous for a committee of the House, which has to review regulations, to come before the House and report that there has been an irregularity? In the language of the committee: "The joint committee criticizes the Minister of the Department of Energy, Mines and Resources for the manner in which grants to home owners were reduced during the phasing out of the Canadian Home Insulation Program". That has nothing to do with a November 9 statement in which the Government said it

would phase it out. This has to do with an announcement made by the Government through press releases. In other words, the Government operates by press releases rather than Order in Council and regulations duly adopted by the Government. I fail to understand what is so frivolous about that. I think it is a serious point. The point of the debate this morning was to ensure that the Government did not repeat the procedure of passing regulations after the fact. What does the Member think is frivolous about that? What is so frivolous about asking a Government to operate in a good and legal manner?

Mr. Friesen: There is nothing frivolous about trying to keep the Government on its toes. That is the job of that committee and it ought to do it with vigour and it ought to report its findings to the House. However, I seriously question the need to debate, for two hours, a report on a program which is no longer in force. There is no way to turn the calendar back.

I agree totally with the Member that it is the job of that committee to keep the Government on its toes and to ensure that its procedures follow the books and are in order. We ought not to have government by press release. However, this was not; it was simply forewarning. The Government did file the necessary Orders in Council. If Members were really serious about this report they would have had concurrence in the committee to file this report, including Standing Order 44, which would have called upon the Government to rescind. The very fact that they did not implement the provisions which have muscle indicates that they were not very serious about the report in that sense. I think it is unfortunate that we have spent two hours debating something which cannot be changed.

Mr. Waddell: Did the Hon. Member receive any applications for this grant between January 1 and January 17 in his office in Surrey? If he did, what did he tell the people? Were they eligible for 60 per cent or 33 per cent?

Mr. Friesen: I thank the Member for thinking that I have an encyclopedic and photographic memory, but I cannot answer that question.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it has been suggested that in the phasing out of the Canadian Home Insulation Program some householders were treated unfairly. Nothing can be further from the truth. The fact is that the Minister and her officials made special provisions in the phasing out process to ensure complete fairness for homeowners. The plain and simple reality is that the actions taken by the Hon. Minister were well within her mandate and 84,000 additional households qualified for the CHIP grants because of the Minister's concern for fairness. The concern of the Minister for the additional householders during this transition period should be significantly noted.

The phasing out of the Canadian Home Insulation Program was undertaken with fairness and market responsiveness as top priorities after consultation with the insulation industry. The facts are these. On November 8, 1984, in the spirit of restraint in government spending, the President of the Treasury Board (Mr. de Cotret) announced the phase-out of the CHIP program by March 31, 1986, and a reduction in the rate of contributions from 60 per cent to 33-1/3 per cent of eligible insulation costs. On November 9, 1984, the Minister announced that the lower rate of contribution would be implemented effective January 1, 1985.

On November 16, 1984, in recognition of the need for flexibility to allow both consumers and insulation contractors to meet the phase-out deadlines, the Minister announced that potential applicants would register their intention to have insulation work done. This registration process was available until December 31, 1984, and the work had to be completed by March 31, 1985. This ability to register was a special provision not contained in the standard rules of the program and was evidence of the Government's willingness to be fair and flexible. On January 17, 1985, the Order in Council was passed enacting the change to the regulations. Until January 17, 1985, all applications received, accompanied by proof of work done, were eligible for the 60 per cent level of contribution.

The Minister's objective was to devise an orderly, fair, and flexible phase-out of the CHIP program. The Minister extended the program for a full 17 months beyond the initial notice of its termination, providing a generous and responsive transition to the lower contribution rate, and responding to the realities of the market-place by consulting with and receiving the support of the National Insulation Contractor's Association.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Not only is the Hon. Member reading his speech, which is against the rules, but he is reading the same speech which the Parliamentary Secretary gave. That is not debate.

The Acting Speaker (Mr. Paproski): That is out of order.

Mr. Gauthier: It's the same speech. He reads better than the Parliamentary Secretary.

Mr. Gustafson: Mr. Speaker, the situation in the House is that the Opposition is wasting time after the Minister acted in the best interests of the people of the country. If you will allow me, I will continue.

Mr. Robinson: Mr. Speaker, I rise on a point of order. The Hon. Member refers to the Opposition wasting time. The Conservative members of the committee unanimously supported this report and I hope the Parliamentary Secretary will correct that reference.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Gauthier: No, but it is a good point to keep in mind.

The Acting Speaker (Mr. Paproski): I hope Hon. Members will allow the Hon. Parliamentary Secretary to continue. He

only has a minute remaining. I would like to hear what he has to say.

Mr. Gauthier: If he wants to call it one o'clock, we will agree.

Mr. Gustafson: Mr. Speaker, the policies and the Minister's methods for implementing the phase-out process are both fair and just. Those are the facts. The Minister and her officials were sensitive to the realities in the market-place during the phasing-out period. The fact is that the industry would not have been able to meet the increased demand for insulation work. Therefore, a special provision was made. The industry benefited and so did the consumers of Canada.

I would like to point out a misunderstanding in the second paragraph of section 3 of the committee's report. It says that no statistics were kept concerning the number of applications for a 60 per cent contribution which were rejected on the ground that a purchase commitment ought to have been registered before that date. This information was provided in response to a completely different question concerning the number of applicants who had attempted to register after December 31, 1984.

I see that my time is up, Mr. Speaker, and I would just like to say that the Minister acted in the best interests of the consumers of Canada and we are proud of that.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary's time has expired. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

INCOME TAX

TAX RETURNS—INFORMATION NEEDED BY TAXPAYERS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, today, the Minister of National Revenue (Mr. MacKay) has announced measures that will help employees responsible for answering inquiries. The Minister indicated that taxpayers must be able to count on Revenue Canada providing accurate information to help them complete their income tax returns. The Minister announced a number of measures that will help his employees achieve this goal. Measures that will be implemented next year! Who is going to help taxpayers who have yet to file their returns, now that they only have eight days left, Mr. Speaker? Who is going to pay the interest on the mistakes Canadians are going to make in filing their returns because Revenue Canada doesn't know the answers and gives the wrong information? Not a word about that from the Minister, Mr. Speaker. I trust he will come back with another press release to deal with this particular point.

* * *

[*English*]

HEALTH

PELVIC INFLAMMATORY DISEASE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is well known that pelvic inflammatory disease is a silent epidemic which has swept across Canada. In 1982 over 140,000 Canadian women were treated for this disease and the number increases each year. Despite these terrifying figures, there exists a deep silence regarding this disease and its consequences of infertility and disability. This has resulted in no major research on the disease being conducted in Canada.

Despite the fact that from 3 per cent to 9 per cent of IUD users contract PID, the copper IUD continues to be marketed in Canada while being banned in the U.S.A. The Kamloops Womens Resource Centre urges the Minister of National Health and Welfare (Mr. Epp) to ban the copper IUD immediately from the Canadian market, initiate research on pelvic inflammatory disease, and bring an end to this silent epidemic.

* * *

[*Translation*]

PENSIONS

FEDERAL PENITENTIARY EMPLOYEES—EARLY RETIREMENT AFTER TWENTY-FIVE YEARS OF SERVICE

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, yesterday I tabled a petition for early retirement after twenty-five years continuous service, a petition signed by a large number of employees at Correctional Service Canada, and more specifically, by a group from the riding of Duvernay.

The House will understand that this is a matter of particular concern to me, since I have five federal penitentiaries in my riding as well as the only training centre for Francophone prison guards in Canada.

Mr. Speaker, early retirement is of vital importance to people who have been exposed to high-stress working conditions for so many years. This request does not come out of the blue, since a report recommending such measures was presented about ten years ago to the Solicitor General of Canada, and, more recently, in 1984 in the Carson Report.

Federal penitentiary employees, in Duvernay and across Canada, have done more than their share, and I want to give

them the assurance they can count on the support of the Member for Duvernay.

* * *

[*English*]

STATUS OF WOMEN

IMPROVEMENTS ACHIEVED THROUGH GOVERNMENT MEASURES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, economic and social equality for women is a priority of the Government. Measures have been introduced which will improve the financial position of low-income women, improve job training opportunities, reform divorce law, improve the enforcement of maintenance orders, permit the Government to deal more effectively with abusive programming and pornography, remove discrimination from the Indian Act, and address other equality issues.

Between September, 1984, and March, 1986, some 293,000 jobs for women were created. Unemployment among women has fallen by 1.9 per cent since September, 1984. Contrast that with the last term of our predecessors wherein it rose by 3.4 per cent. Most promising of all, this Government will continue to build on these accomplishments and not rest until complete equality for women is a reality in our country.

* * *

NATIONAL REVENUE

REPORTED CLOSING OF COMPANY FOR FAILURE TO PAY TAXES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Government talks about consultation concerning Revenue Canada. We heard the former critic of the Minister being very hard on the Government. Yet the same Government is prepared to slam the doors shut on a company in Peterborough, Friedrich Industries, with 175 employees. This is being done because of taxes owing.

Even though the bank is prepared to refinance, the Ontario Development Corporation says the company is a good and viable deal, even though the company has made arrangements regarding repayment, and even though the Progressive Conservative Member for Peterborough (Mr. Domm) has been urging the Minister to reconsider this case, he has closed his ears and is going to shut this company down leaving 175 people in the city of Peterborough without jobs—all this because he is not prepared to listen to a refinancing package which would include a payment of $25,000 per week over a period of 10 weeks.

• (1405)

Is this a Government that cares? Is this a Minister of National Revenue (Mr. MacKay) who listens not only to the Opposition but to his own Members? I urge the Minister—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENERGY

ASSISTANCE URGED FOR OIL INDUSTRY

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the collapse of oil prices has created a crisis in Calgary. For example, the unemployment insurance claims centres are working 68 hours a week to process the avalanche of claims. If one compares the past seven weeks with last year's figures, the claims are up 57.5 per cent—yes, Mr. Speaker, up 57.5 per cent—to a total of 16,400 claims.

These are 16,400 stories of despair, of broken dreams, of hardship and being forced to move.

The Government must act, and act now to aid this industry.

* * *

IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN—SPONSORSHIP OFFER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise on behalf of an action group formed by the Ukrainian Canadian community in Winnipeg, headed by Professor Roman Yereniuk, which wishes that all six of the defecting Soviet soldiers now in Afghanistan be encouraged and permitted to come to Canada.

The action group is prepared to support one of the six, Egon Kovalchuk, and to take full responsibility for his well-being in Canada. It is actively looking for other ethno-cultural groups to sponsor the other five. The group believes that a major injustice has been done in raising the expectations of these defectors that they would be able to come to Canada. Unfortunately, the Government's mishandling of their case has left them marooned in rebel held territory.

This sincere offer made by concerned Canadians demonstrates public support for the rescue of these six men. As the representative of a constituency that is as ethnically diverse as Winnipeg North, I can assure the House that the offer of assistance represents the views of many immigrant Canadians, and that the action group's words will be matched by further actions to ensure that these prisoners of war will have the opportunity to find a new life in Canada.

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

[*Translation*]

EMPLOYMENT

SMALL BUSINESSES—YOUTH—GOVERNMENT POSITION

Mr. Michel Champagne (Champlain): Mr. Speaker, I would like to take a concrete example and prove to the House that money invested by our Government in the riding of Champlain is benefitting the entire population. Two hundred and twenty million dollars were given to the CLE company in Champlain to be used as loans for small businesses. This amount has generated investments that are vital to the economy of our region. In fact, over $1 million has been generated by our businesses and financial institutions to provide permanent and durable jobs for our people.

Mr. Speaker, I would like to point out to the people of Champlain that our Government is on the right track, and that with dynamic people who get involved we will be in a position to create permanent jobs and a strong Canada for the next generation.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

ASSISTANCE REQUIRED BY VICTIMS OF CRIME

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, often within our criminal justice system it is the victim of crime who is neglected. It is the criminal who is accorded the rights and privileges of the law and the victim who is forgotten.

Both the Minister of Justice (Mr. Crosbie) and the Solicitor General (Mr. Beatty) are aware of this and are to be congratulated on their recent initiatives.

Similar congratulations are due to those police forces which have established units to aid victims of crime.

Let us hope that in the future victims will have much easier access to the assistance and advice which ought to be their due, and that their interests will be no longer cast aside.

* * *

CANADIAN NATIONAL RAILWAYS

MONCTON SHOPS—EFFECTS OF POSSIBLE CLOSURE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my outrage at the way the Government has been treating the workers at the CN shops in Moncton. For almost a year now it has been apparent that the federal Government is going to abandon 1,200 workers employed there. The Government has steadfastly refused to guarantee that the shops would be kept open and that the jobs would be maintained.

According to the findings of a socio-economic study, commissioned by the Government of New Brunswick, the impact of the CN shops' closure on the economy of New Brunswick would be substantial: lost disposable income over two years, $13.5 million; increase in federal social benefits costs, $9.4 million; increase in UIC costs not funded federally, $8.8 million; loss of 680 additional jobs in the greater Moncton area; further lost incomes of $10 million to $12 million; lost retail sales over two years, $16 million; and a drop in real estate values of 5 per cent.

It is time for the Government to take some positive action for the people of Moncton, and for the workers at the CN shops in particular.

* * *

• (1410)

ORGAN DONOR AWARENESS WEEK

TRIBUTE TO MEDICAL PROFESSION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, this morning a well-attended breakfast on Parliament Hill was hosted by Transplant International (Canada) and the Minister of National Health and Welfare (Mr. Epp). This is Organ Donor Awareness Week.

It is our prayer that all Canadians will be made more aware of the magnificent progress achieved by the medical profession in the success rate of organ recipients. People receiving a vital organ such as a heart, a kidney, or a liver, now have an 80 per cent to 85 per cent chance of living a full and complete life thanks to cyclosporin, which has won the battle over the problem of rejection.

Our praise and thanks go to Bill Brady, President and co-founder of Transplant International, his outstanding board of directors from across Canada, and the hundreds of volunteers whose mandate it is to increase public awareness and commitment. The battle will be won and our prayers will be answered when the waiting list for organ transplants is reduced to zero.

* * *

[*Translation*]

SPORTS

VICTORY OF ANDRÉ VIGER AT BOSTON

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I would like to pay public tribute to André Viger from Sherbrooke, who won the wheelchair marathon in Boston yesterday and broke the previous record.

This international achievement honours Canada, and we may be justly proud of the success of this athlete, a Quebecer and a Canadian.

For all Canada's young people—and there are many here today, from Coaticook, Quebec to Port Ellis, British Columbia—André Viger is an outstanding example of determination, perseverance, tenacity and hard work.

Speaking for myself and on behalf of my colleagues in the House of Commons, I wish to offer André Viger our sincere congratulations.

* * *

[*English*]

THE ECONOMY

CRITICISM OF GOVERNMENT POLICIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, this afternoon we heard two earnest pleas from Conservative backbenchers. One was with regard to the need for early retirement benefits which, of course, would deny recipients unemployment insurance benefits, if they were able to retire; and the other was with respect to the collapse of oil prices, with the resultant hardship for many families in the Calgary area.

I wonder if these Hon. Members do not recognize that the very things about which they complain are a part of the Conservative free enterprise policy of the Government of which they are supporters. Perhaps they would do well to realize that the very things about which they are most concerned are brought about by the policies introduced by the Government. I wonder who they think they are kidding.

* * *

ENERGY

PETROLEUM AND GAS REVENUE TAX—CALL FOR REMOVAL

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise to draw the attention of the House to a very real concern facing my constituents in northeastern Alberta, particularly those in Fort McMurray. The Petroleum Gas Revenue Tax, a Liberal tax which was imposed years ago, is still charged on the production of oil from the Syncrude project. I urge all Members of the House to consider this matter very carefully. I urge the Minister of Energy, Mines and Resources (Miss Carney) to consider removing the Petroleum and Gas Revenue Tax from all oil sands development projects.

* * *

AGRICULTURE

REQUEST FOR PROTECTION OF FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, western grain producers are asking for a fair deal. They are asking the Government to give them the necessary support so that they can compete fairly with American producers. They are asking for the same return on a bushel of Canadian grain as on that for a bushel in the United States. They ask that the Government protect Canadian farmers to the same extent that the U.S. Government protects American farmers. Is that too much for them to ask?

* * *

ENERGY

RESCINDING OF TAX ADVOCATED

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, perhaps the best advice to give the Hon. Member who complained about the gas tax levied in the area of Fort McMurray would be to talk to his own Government and have it rescind the tax. After all, why does he complain to the House of Commons? He should be complaining to his own Government, since it is the one imposing taxes these days.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PRESIDENT'S LETTER TO U.S. SENATORS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the situation before the United States Senate remains a cliff-hanger whose uncertainty casts some doubt on the special relationship which the Prime Minister has with the American administration. My question for the Prime Minister relates to a letter from the President to American Senators calling for the support of U.S.-Canada trade negotiations in which he noted that Canada "has been very supportive of United States international initiatives, particularly in combating terrorism and maintaining a solid unity on major East-West and arms control issues". I ask the Prime Minister what those words of the President mean. Have we, in effect, sacrificed the independence of our foreign policy in order to buy an affirmative vote on this issue?

• (1415)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is really quite unbecoming of one who was a Prime Minister of Canada to make such a scurrilous suggestion in regard to the conduct and foreign policy of this country. The statement of the President of the United States was quite forthcoming. He views Canada as a reliable ally, and that is the way we want it to be. We do give our friends the benefit of the doubt. We do view ourselves as a reliable ally. As long as this Government is here, that is exactly what we will be.

[*Translation*]

PRIME MINISTER'S DISCUSSIONS WITH UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, our Prime Minister is deliberately trying to avoid revealing the substance of conversations and talks between him and the President of the United States.

Has he perhaps agreed to remain silent on world affairs until he gets an affirmative vote before the U.S. Senate?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the suggestion is unworthy and odious.

[*English*]

CANADIAN LUMBER EXPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister refused to participate in a recent debate. We wonder about the reason for his silence. In the same letter addressed to American Senators, the President also said that he was committed to the resolution of the lumber issue, obviously on the American side, and the U.S. trade representative wrote Arkansas Senator Pryor the following:

Dave, we'll get timber fixed.

Has the Canadian Government conveyed to the President or the U.S. trade representative the intention that lumber will be fixed? Have we got ourselves into a position in which the Prime Minister is really in the President's back pocket?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition goes from one elegant point to another. The fact of the matter is that, as with all Canadian Governments, we have conducted the affairs of this country in the national interest at all times and in all circumstances.

This initiative is under way in the United States. We do not know how it will end. It is designed to benefit Canada, to create new jobs, to lower the unemployment rate, and to bring new prosperity and opportunities to Canadians. We have always said that a good deal for Canada is a fair deal for our partners, and if it is good for us it has to be good for them. That is the way we view life, and we think that is the way to view it.

* * *

IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Secretary of State for External Affairs and concerns the six Soviet army defectors who are presently in Afghanistan. Today I received confirmation that the publisher of the Kingston *Whig-Standard*, as a result of yesterday's exchange in the House, has been in touch with the Minister to release confidential and important details on this very sensitive matter. Can the Minister confirm that discussion with the publisher? When will he meet with Mr. Davies? Can he assure the House that, with that information, he will immediately instruct his officials to travel to Afghanistan in order to give freedom to those six courageous young men?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, over the last several months the Government of Canada has taken a number of steps to secure the release of those six, including relaxing all of the health and security criteria that we normally require. In answer to questions in the House yesterday, I indicated that we would be prepared to discuss with journalists involved any co-operation which might bring those six Soviets to Canada.

I can confirm that, at my initiative, I have spoken today with the editor, not the publisher, of the Kingston *Whig-Standard*, and that we are examining some actions which might bring these six prisoners of war to freedom in Canada. I am prepared to brief privately a member of each of the opposition Parties on the nature of those arrangements, but I believe that further public discussion of this issue might jeopardize the success of the initiative we are pursuing.

OPPRESSED PRISONERS' PERMIT PROGRAM

Mr. Sergio Marchi (York West): Mr. Speaker, I thank the Minister for his projected consultations. However, yesterday he said that there was no instrument that could be used to bring those individuals here. Why did the Government not choose to exercise the Oppressed Prisoners' Permit Program esablished in 1982, a program that would allow those individuals speedy passage to Canada and would see that processing would be done on this side of the border? Canadian officials from the Minister's Department still wish to give urine tests to these six individuals in Pakistan. That is unfair. Will the Minister bring them here and process them from here?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the problem is not on this side of the border. That is the difficulty. What I have just indicated to the House is that I had discussions which I think might yield the release to freedom in Canada of those six Soviet prisoners of war. Certainly that is what I want. Certainly that is what the Government wants. Certainly it is clear that that is what the editor and the journalists of the Kingston *Whig-Standard* want. We are prepared to work together. I trust we will have the co-operation of the House of Commons in trying to bring those six Soviet prisoners of war to freedom in Canada.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the wheeling and dealing in Washington continue to go on. My question for the Prime Minister follows up on that of the Leader of the Opposition, but I ask for a more direct and precise answer this time. What secret arrangements have been made which led U.S. Trade Representative Clayton Yeutter to handwrite to Senator Pryor of Arkansas: "Dave, we'll get timber fixed"? What secret assurance is going to cost our lumber producers? Come out with some answers which give us an indication, please.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, none was given, as my hon. friend knows, nor would any be given.

PRESIDENT'S LETTER TO U.S. SENATORS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, if the Prime Minister feels that those kinds of assurances can be ignored, will he tell the House what President Reagan himself meant in his letter to those same Senators when he said: "I remain committed to obtaining resolutions of the lumber and other issues so that American industries will have fair opportunities to compete"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose he would have to ask President Reagan inasmuch as he wrote the letter. However, I know it will astonish the NDP that we, the Government of Canada, seek to obtain a good deal for Canada in any trading arrangement we enter into. We are satisfied that the longer term interests of the country require that a good deal for Canada also produces benefits for our trading partners. Clearly what President Reagan was trying to say in a civilized manner was that, if lumber is a problem for us, it is also a problem for him, and that within a liberalized trading arrangement he hopes it will be resolved, as do we.

[*Translation*]

POSSIBLE LUMBER PRODUCTION LOSSES—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary. Could the Prime Minister at least show that he is worried and concerned about all these indications of potential losses for our lumber production?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Hon. Member would be more successful as a writer for the soaps.

I may point out to him that we have expressed every possible objection and made every possible representation with respect to the lumber problem. This question is progressing quite normally, and we hope that everything will be settled in accordance with reasonable criteria and existing mechanisms. That is as difficult and as controversial as it will get.

[*English*]

IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the handling by his Government of the whole issue of the Soviets who we all hope will come to Canada. I should like to ask the Minister very directly why the mission, which had originally been given the green light by his Department, was aborted.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all the Hon. Member should not believe all that she reads, or all that she says.

• (1425)

Mr. Crosbie: Absolutely.

Mr. Turner (Vancouver Quadra): Even the *Whig-Standard*?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Second, just to make it absolutely clear, there has been no relaxation at all of the will of the Government of Canada to bring those six Soviet POWs to freedom and to Canada. There are some very practical problems on the ground that have to do with jurisdictions of other countries, and that have to do with the attitude of the people who are now presumably in control of those six prisoners of war. We believe we may have a way to resolve the problem. I would hope that it will not be jeopardized by irresponsible behaviour in this House of Commons.

Some Hon. Members: Hear, hear!

CANADA-U.S.S.R. RELATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I don't think it behooves the Secretary of State to be so smug about the fact that it took three journalists—

Some Hon. Members: Order.

Some Hon. Members: Question.

Ms. Copps: —if it hadn't been for three journalists from the Kingston *Whig-Standard*, these people would be—

Mr. Speaker: Order, please.

Ms. Copps: My question is for the Secretary of State. I want a direct answer. There was a statement made on public television last night that the reason—

Some Hon. Members: Order.

Mr. Speaker: Order, please. Order, please. The Hon. Member has a question, I think, now.

Ms. Copps: Does the Minister deny the reason the mission was scotched was because he wanted to improve relationships before his trip to the Soviet Union in April, 1985?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I deny that categorically. Let me also say that I have had some experience before with Canadian actions that might bring people from captivity to freedom.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, a week ago before the U.S. Senate Finance Committee, Clayton Yeutter had the following to say about softwood lumber:

A senior-level U.S. delegation is today meeting in Ottawa on this problem. It is imperative that we resolve this issue quickly, and this administration will spare no effort to accomplish that.

Is the Prime Minister today telling this House that there were no proposals made to Canada at that meeting a week ago here in Ottawa?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there may very well have been discussions back and forth. I assume that is what it was all about. If my hon. friend is asking whether there was a proposal or a suggestion that impacted on any decision in regard to the vote before the U.S. Senate, the answer is no.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question. Earlier in the Question Period the Prime Minister alluded that there might be free trade in lumber. There has been free trade between Canada and the United States for the last 40 years. Would the Prime Minister tell this House and tell Canadians just exactly what further discussions on free trade in lumber will bring about? Freer free trade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't know how funny the people in British Columbia will find that. Unlike the NDP, people know there are Members of the United States Senate determined to cripple British Columbia's forest resource industries and we are opposed to that. That is why we are taking the position that we are on behalf of the British Columbia forest producers.

Mr. Deans: What position?

CANADIAN NATIONAL RAILWAYS

LAY-OFFS AT MONCTON SHOPS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Transport. Last August the Minister assured the Member of Parliament for Moncton that he could not "support any massive reduction in the CN workforce in Moncton". In view of the seriousness of this particular issue to the people of Moncton, is the Minister prepared to live up to that commitment, to order CN to stop all lay-offs at Moncton and to rehire the 250 who are presently on lay-off?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the last information that I have would indicate that some 4,136 people are employed by CN in the Moncton area out of a total of 6,500 people in the whole Atlantic region. That is a pretty good proportion of the workforce of CN to be allocated to one region.

• (1430)

I think the Hon. Member is referring to the shop situation. As he knows, there are three main shops in Canada. There is excess capacity. CN is undertaking to review the excess capacity and to try to make the adjustments commensurate with the workload and the type of work which has to be carried out across the country.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO CN BOARD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I remind the Minister of the seriousness of this issue, not only to the people of Moncton but to the whole economy of Atlantic Canada. Will he not use the provisions of Section 99 of the Financial Administration Act to order the board members of CN to prevent all lay-offs at the CN shops in Moncton and to rehire the 250 on lay-off? Is the Minister going to live up to his commitment, or is he going to abdicate his responsibilities as Minister of Transport?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I repeat that there are over 4,000 people employed by CN in the greater Moncton area. I do take this matter very seriously, and that is why there are no precipitous decisions being made. We are trying to work the problem through to provide a long-term future for the people there commensurate with the realities of railroading in our country.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FISHERMEN'S UNEMPLOYMENT INSURANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. Is he aware that two American businessmen who appeared on *Canada AM* this morning said

that unemployment insurance benefits for fishermen would be on the table if we entered free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am the Minister responsible for monitoring *Canada AM*.

Some Hon. Members: Hear, hear!

Mr. Axworthy: You finally found a job for your talents, Joe.

Mr. Turner (Vancouver Quadra): Is that before you go to bed or after you get up?

Mr. Axworthy: You are under-qualified.

Mr. Deans: So that's what you do.

Mr. Clark (Yellowhead): Mr. Deans, that's what I do. What do you do?

Some Hon. Members: Hear, hear!

Mr. Deans: We try to get answers to questions.

STATEMENT ATTRIBUTED TO CANADIAN NEGOTIATOR

Mr. Rod Murphy (Churchill): Mr. Speaker, since the Minister has such heavy responsibilities, he will also be aware that the businessmen stated the reason they believe all these items, including UIC benefits for fishermen, would be on the table, is that that is what they were told by Simon Reisman. Is he aware of that?

Mr. Crosbie: That's called hearsay.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, would you please identify for me the question posed by the questioner so that my answer might be fully communicated on *Canada AM* tomorrow morning?

* * *

ADMINISTRATION OF JUSTICE

PROSECUTION OF JOURNALIST FOR AIRPORT ACTIVITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister and it arises out of the prosecution of journalist Bertrand de la Grange for mischief in connection with a service he performed in showing the inadequacy of the security system at our airports. Does the Prime Minister consider it proper for the Minister of Justice, outside this House and before the trial of Mr. de la Grange, to declare him to be guilty of a criminal act?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman knew when he asked his question yesterday, or if he did not know he should have known, that this proscution has nothing at all to do with the Attorney General of Canada. It is a municipal prosecution undertaken by the municipality in that area. Only the Attorney General of Quebec can intervene in the matter, if he so wishes.

Mr. Guilbault (Saint-Jacques): You'll call him guilty then.

Mr. Crosbie: I haven't found anybody guilty or not guilty. I find the hon. gentleman guilty of lamentable ignorance in bringing the matter up as he did.

Mr. Kaplan: Mr. Speaker, I am not asking questions about the actual prosecution. As usual, the Minister is wrong. The Canadian Security Intelligence Service Act gives him the authority and responsibility for cases like this, if he wants to take it.

MINISTERIAL RESPONSIBILITY

Hon. Bob Kaplan (York Centre): Does the Prime Minister not feel he has any responsibility at all for the behaviour of his Ministers and for statements that they make which, in this case, can lead to a serious deterioration of the integrity of our system of justice?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the case at hand I find in favour of the Minister of Justice.

Mr. Waddell: You're not on the bench yet, Brian.

Mr. Crosbie: That's a relief.

Some Hon. Members: Oh, oh!

Mr. Deans: It's also a surprise.

Mr. Speaker: Order, please.

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TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In his response to my colleague, the Member for Skeena, he indicated that the Government has a very clear position regarding softwood lumber exports to the United States to protect the Canadian forest industry. Would the Prime Minister simply explain what position the Canadian Government holds regarding softwood lumber?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the position of the Government of Canada is very clear on this matter. A free market presently exists between our countries. We wish to see that maintained. We do not, in any way, accept the contention of the Americans that we are in any way subsidizing our industry, either through stumpage fees or other methods.

Oral Questions

PHARMACEUTICAL INDUSTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is also with regard to the free trade issue. In response to the pharmaceutical industry lobby in the United States the National Association of Manufacturers said the following in their testimony: "The United States Government has received repeated assurances—"

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

Mr. Riis: My question is to the Right Hon. Prime Minister. Is it true that assurances have been given?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, no assurances have been given.

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AGRICULTURE

CROP INSURANCE—RECREATIONAL SEEDING INQUIRY

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Minister of Agriculture. There is a very real concern that this spring some prairie farmers will indulge in what they call "recreational seeding". Will the Minister confer with various farm groups and his provincial counterparts in order to examine federal-provincial crop insurance programs to find ways to deter those who would mine rather than farm their land?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, some of us may find the term "recreational seeding", which the Hon. Member used, to be somewhat interesting. I share his concern and appreciate the representations he is making. The federal-provincial crop insurance program has worked extremely well. We want to ensure that that program is widely used, but we must take all steps possible to ensure that the program is not misused. I can assure the Hon. Member that I will communicate his concerns to my provincial counterparts.

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EXTERNAL AFFAIRS

LIBYA—ADVICE TO CANADIANS TO LEAVE COUNTRY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last week he advised Canadians in Libya to use their own judgment on whether they should leave Libya. The Deputy Prime Minister said in the House: "There is no immediate threat to Canadians". With no apparent change in circumstances, the Government is now telling Canadians to leave. Why has there been this reversal? Why did he not advise Canadians to leave last week?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there has been no reversal in the advice given by the Government of Canada. There has been no reversal on this question at all on this side of the House. We have consistently been making clear to Canadians our judgment about the instability of the situation in Libya. As I indicated to journalists who asked this question outside the House yesterday, while there is a period of relative calm now, there is no guarantee that that calm will continue. Even with all of our contingency plans, we cannot guarantee that we will be able to come to the aid of each Canadian in that very large country. For that reason I extended the advice of the Government of Canada that Canadians now in Libya should leave.

PRESENCE OF CANADIAN COMPANIES IN LIBYA

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, if the Secretary of State for External Affairs and the Government believe that Canadians should now leave, would it not follow that the companies they work for in Libya should also leave as part of a meaningful economic boycott of Libya?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will know there are limits in law to the authority of the Government of Canada regarding the activities in another country of Canadian companies or citizens. We have done what we can do. We have taken one action regarding the export of certain kinds of Canadian oil drilling equipment with particular western technology. The Prime Minister has made it very clear that we are prepared to consider other actions in concert with other countries.

I think it is important for the House of Commons to recognize that the American action the other day was taken because they saw no alternative. What is essential now for Canada and other countries interested in stability is that we work together to find alternative ways to deal with states which encourage terrorism.

* * *

AGRICULTURE

REQUEST FOR DEFICIENCY PAYMENT FOR WESTERN FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. In Regina yesterday my leader, the Hon. Member for Humboldt—Lake Centre, and myself met with senior officials of some western farm organizations to discuss the crisis facing Canadian farmers. There was a strong consensus among those organizations that a deficiency payment is needed to offset the losses caused by low prices. Will the Minister accept the advice of the Saskatchewan Wheat Pool, the United Grain Growers and the National Farmers Union, and introduce a farm support program so that farmers will know where they stand?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, since as far back as the beginning of February we have been meeting with farm leaders on this topic. The Minister of Agriculture and myself had a chance last week to sit down with CFA officials in three meetings to talk about this very issue. We are monitoring the situation in line with what the Prime Minister has said, that we would like to do more, and in line with our fiscal restraints.

Let me say again that it is refreshing to have a Prime Minister who recognizes the problem and is prepared to deal with it on a first-hand basis, as opposed to a previous Prime Minister who went to western Canada and essentially gave us the finger and told us to sell our own wheat.

INTERNATIONAL GRAIN MARKETS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, does the Minister agree that a deficiency program would be a clear signal to the rest of the world that Canada cannot be pushed out of her traditional markets, and that Canada stands firmly behind her farmers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we sent out a very clear signal in the form of the Canadian Wheat Board which has been doing an excellent job of marketing our grain. I have said many times, and say it again, that we do not believe what the Europeans and Americans are doing is useful with respect to prices. The Canadian Wheat Board has an excellent reputation as a reliable supplier of high quality grain. We believe that will assist us in maintaining our markets. The larger question of depressed prices remains. We are doing what we can and will continue to monitor the situation and stay abreast of developments.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. SENATE COMMITTEE MEETING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. As he knows, the U.S. Senate Finance Committee has now gone into overtime on the trade question, with the score tied. Senator Dole has now presented a new alternative to try to break the impasse. He said there could be approval for tree trade fast-track negotiations subject to certain conditions, one being that Canada would recognize there should not be subsidies for exports. If that is the basis for Senate approval of fast-track negotiations, will the Government of Canada accept that particular notion as proposed by Senator Dole?

Mr. Speaker: I am prepared to allow the answer, but the Hon. Member knows it is very hypothetical.

Mr. Turner (Vancouver Quadra): He has introduced the resolution.

Mr. Speaker: Can the Hon. Member find a way to phrase it which is not hypothetical?

Mr. Axworthy: Mr. Speaker, with deference, there is nothing hypothetical about what is happening in the Senate or about the resolution. It is important for us to know the position of the Government of Canada.

Is the position of the Government of Canada simply that there must be no conditions attached, as opposed to the question of the resolution put forward by Senator Dole?

Right Hon. Brian Mulroney (Prime Minister): The position of the Government of Canada, Mr. Speaker, is that indeed the trade negotiations should be launched on a clean, no-condition precedent basis between two states. Therefore the resolution, which was brought forward in good faith no doubt, and is a draft resolution as I understand it which if it attaches preconditions of various kinds, would be unacceptable to the Government of Canada.

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CORPORATE AFFAIRS

GULF TAKEOVER OF HIRAM WALKER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, nine families control 53 per cent of Canadian business. Tomorrow a deal will be completed which will give the Reichmanns control of a substantial portion of the energy sector and open the door to the probability of ultimate control of much of the distillery industry by the Bronfmans. My question to the Minister of Consumer and Corporate Affairs is this. What benefit can I tell my constituents the Government sees in this increasing concentration of ownership which they know will threaten hundreds of jobs and a venerable community conscious employer like Hiram Walker?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would simply remind my colleague that some of Bill C-91 provisions will enable the Competition Tribunal to prohibit certain mergers. Therefore I urge Hon. Members and particularly my colleague on the other side of the House to make sure that the Bill will be passed as quickly as possible.

[*English*]

REQUEST THAT TAKEOVER BE BLOCKED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, will the Minister block the Gulf-Hiram Walker merger deal now through a directive to the Director of Research and Investigation to obtain an interim injunction so

that he can ascertain the implications for the economy, jobs, and cost to the taxpayers of this merger?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Like any other proposed deal, Mr. Speaker, this one is now being examined by the Director who will intervene immediately should he uncover a breach of the existing legislation.

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[*English*]

CUSTOMS AND EXCISE

EFFECT OF PROLONGED INSPECTIONS ON TOURISM

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of National Revenue. Recent reports claim that prolonged Customs inspections at the Peace Bridge have discouraged large numbers of American tourists from visiting Ontario. What assurance can the Minister give that there will not be unreasonable delays at the bridge during the coming tourist season?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I remind my colleague that Customs inspectors have a special responsibility in this regard. However, I have already initiated some inquiries into the matter and, to the extent we can properly make some accommodations, we will make every attempt to carry that out.

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HEALTH

REPORTED PCB LEAKAGE FROM HYDRO-QUEBEC INSTALLATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. On April 7 it was reported that for two years PCBs have been leaking from a Hydro-Quebec installation into the Sabrevois River which in turn flows into the St. Lawrence. What plan does the Minister have to protect public health from contamination of drinking water by toxic chemicals?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, my Department, along with the Department of the Environment, is well aware of the issue the Hon. Member has raised. The situation is being monitored carefully. The information I have is that there is no immediate health hazard or danger. However, the Department and officials will continue to monitor the situation.

REQUEST FOR INTRODUCTION OF SAFE DRINKING WATER LEGISLATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in light of these frequent developments will the Minister introduce a federal safe drinking water Act or, as a minimum, a set of stringent standards for toxic chemicals not covered by existing guidelines?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is a valid suggestion. My colleague, the Minister of the Environment, and I both carry responsibility in this area, he for the cleanup of the environment and I from the point of view of health safety. We are examining the question of whether, if we go that route, what should be the provisions to cover some of the issues which, under present regulations and legislation, have not been covered.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN PATENT LAW

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Prime Minister. He knows that the National Association of Manufacturers, in testimony before the U.S. Senate Committee on Finance, indicated that the U.S. Government has received repeated assurances that Canada's present compulsory licensing law, Section 41 of the Canadian patent law, would be amended. We have been told that is not true. Therefore will the Prime Minister undertake to contact all of the members of that committee who are about to vote on a very crucial question and inform them that Canada has no such intention?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not think there is any need for us to supplement the extensive reading of *Hansard* which is undertaken by members of that committee, particularly those portions which reflect the comments of the House Leader of the NDP.

• (1450)

CANADIAN POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am not exactly sure why the Minister feels that this is a humorous matter. I will direct my supplementary question to whomever wants to answer. It makes no difference to me, as long as someone gets up and says something. Is the Government prepared to inform the members of the Senate Finance Committee in Washington that not only are we not prepared to rescind Section 41 of the licencing Act of Canada as it affects pharmaceuticals, we are also not prepared to negotiate away UIC benefits for fishermen, and we are not prepared to see an

agreement on lumber that satisfies only the interests of the United States of America?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if there is one thing that is abundantly clear about the approach that this Government has taken to trade negotiations with the United States it is that we have insisted that, if they begin, they begin without preconditions. That has been our position consistently. It is our position today.

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INDIAN AFFAIRS

TREATY RIGHTS OF INDIANS IN NORTHEASTERN ALBERTA

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Minister will know that the enhancement program on fishing lakes in northeastern Alberta that was launched by the Alberta Government conflicts directly with the treaty rights of Indians in northeastern Alberta. What is the Minister doing about it?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a matter that has been brought to my attention. Since it involves treaty rights, I am sure the Hon. Member and other Hon. Members are aware that it is a complicated matter. The Department has it under review.

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NATIONAL REVENUE

INFORMATION GIVEN BY OFFICIALS TO TAXPAYERS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of National Revenue. Today the Minister outlined the measures that will assist staff in giving the right answers to Canadian taxpayers in the future. What measures has he taken to assist taxpayers in the eight days remaining to file income tax returns, since we learned a few weeks ago that 40 per cent of the answers to the questions addressed to Revenue Canada were wrong?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I think the Hon. Member knows that this matter has been dealt with by commentators and that I have answered questions in the House and outside the House.

We regret the situation where performance appears to be lacking somewhat. However, upon analysis it may well be that the performance is not as bad as was first indicated. In any event, as the Hon. Member knows, I have outlined some measures that we are taking to correct the situation. I can assure him that the staff has been interviewed and during these last few days we will attempt to be more diligent and more forthcoming with the answers we are giving to the public.

[*Translation*]

REQUEST THAT GOVERNMENT NOT SEEK INTEREST PAYMENTS ON TAX RETURN MISTAKES CAUSED BY PROVISION OF INCORRECT INFORMATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, will the Minister direct his officials not to seek interest payments on tax return errors caused by misleading information provided by Revenue Canada and identified as such by the *Toronto Star*?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I think it is well known that it is the policy of the Department to make redress whenever possible if it can be shown that we are in any way responsible for misinformation.

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EXTERNAL AFFAIRS

AFGHANISTAN—UNITED NATIONS INITIATIVE

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who gave an encouraging answer to the question posed by the Hon. Member for York West regarding certain Soviet defectors and the improved readiness of Canada to accept them. My question is essentially a supplementary, with a view to addressing the underlying problem of the conflict in Afghanistan. Does the Canadian Government support the United Nations initiative and proposal that were presented last week to Afghanistan and Pakistan regarding the withdrawal of Soviet troops from Afghanistan?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have supported those talks and those United Nations efforts throughout. We intend to continue to support them. Naturally, we intend to look for any other ways, if any can be found, whereby Canada might supplement the excellent initiatives taken by the Secretary General.

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IMMIGRATION

MEDICAL EXAMINATIONS OF PROSPECTIVE IMMIGRANTS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Government of Canada is conducting a cost justification study of doctors whose job it is to "ensure that prospective immigrants to Canada pose neither a medical threat to present citizens nor a financial burden to Canadian health services". Will the Minister confirm that the doctors

who deal with immigration matters have already received their lay-off notices in London, Bonn, and Paris, and that further lay-offs are contemplated in other countries?

Hon. Jake Epp (Minister of National Health and Welfare): First, Mr. Speaker, I must indicate to the Hon. Member what these medical officers have done abroad. It is not a matter in which the health of Canadians would be in any way jeopardized or that health checks will not be carried out.

The Hon. Member's information that there will not be medical doctors of Canadian citizenship in those locations is correct. As we have done for many years, we will have medical checks performed by doctors who are native citizens of a particular country. Those medical examinations will still take place and be checked here in Canada, as is done in many other countries where we do not have medical doctors.

Mr. Speaker: Order, please. This is long.

EXTENSION OF VISITORS' VISAS WITHOUT MEDICAL EXAMINATIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Government has also extended the medical examination-free period for visitors to Canada from three months to six months. In view of these drastic changes, why have the provincial Governments not been consulted or notified of these changes since it is their health systems that would bear the brunt of the cost of lowering health standards?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that also is not the correct interpretation of the situation. We have the Immigration Medical Review Board on which a number of provincial representatives sit as these questions are discussed and decisions are taken. For example, Manitoba, Ontario, Quebec, and New Brunswick are on that board at this time.

The Hon. Member should be careful when he assesses this. We receive many requests from Members to ease visitors' entry into Canada because of regulations in other countries. That is one side. On the other hand we have a responsibility to ensure that health is not jeopardized. When we see what has been done with the Department of Employment and Immigration, External Affairs, and my Department, we see that those principles remain. They have not been jeopardized in any way—

Mr. Speaker: Order, please.

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FINANCE

TAX CREDIT REQUESTED FOR VOLUNTEER WORKERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Finance. Hundreds of thousands of Canadians are involved in volunteer work with hospitals, charities, and many other worthy causes. Since this volunteer work often involves out-of-pocket costs for seniors and others with limited disposable income, will the Minister consider some form of tax assistance, such as a tax credit, for these worthy individuals?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Government values very much the work of the volunteer sector and has taken certain steps to encourage the volunteer sector. I suggest that the Hon. Member's proposal involves some complexities. It does lead to an increased administrative burden for a volunteer organization itself. However, it is certainly a worth-while proposal to consider, and I will do that.

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ENERGY

PRICE OF DIESEL FUEL

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. One of my constituents runs 35 diesel trucks from Richmond, British Columbia, through the interior of B.C. to the Kootenays. My question is one that he would put to the Minister if he were here. Why has the price of diesel fuel not gone down like gasoline? As a trucker he must pay this increased cost and he wants to know why the price has not gone down?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member asked that question in committee last week and I can only supply him with the same answer. The price of diesel fuel has gone down 7 cents a litre on average. However, the marketing circumstances are different from gasoline, generally, and it responds to the market depending on competitive pressure.

Mr. Waddell: One supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member for Algoma.

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AGRICULTURE

PRICE OF FARM FUEL IN MANITOBA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board. Last Thursday 600 farmers rallied at Carman, Manitoba, to protest grain prices and the high input costs.

Petro-Canada and other oil companies have eliminated their volume discount. World prices for crude oil have dropped by 60 per cent since last fall. The actual price for farm fuel in Carman, Manitoba, has dropped from 34.7 cents a litre to 32.6 cents a litre. Why is the Government not taking action to

reduce farm fuel input costs, especially in view of the fact that the Minister has reduced the grain prices?

• (1500)

Mr. Hnatyshyn: The premise of your question is wrong.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I farm in that area. My recollection is that the prices of diesel fuel have come down by something in the order of 10 cents a litre since they reached their peak. What the Hon. Member says is true, we have lost some of the discounts. I understand that some of those discounts are being looked at again. Since world oil prices started to come down, that 10-cent reduction equals something in the neighbourhood of 45 cents a gallon.

Mr. Foster: Supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. It is three o'clock.

* * *

BUSINESS OF THE HOUSE

ACCEPTABILITY OF PETITIONS PURSUANT TO FORMER S.O. 73

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among House Leaders and I think Your Honour will find a disposition to receive, by unanimous consent, and pass without debate, the following orders. The first is as follows:

That notwithstanding Standing Order 106, petitions signed before the implementation of the new Standing Orders on February 24, 1986, and clearly identified as such, may be filed with the Clerk of the House, provided:

That the said petitions be examined pursuant to practices and procedures and pursuant to the provisions of Standing Order 73 in effect on September 9, 1985;

That the petitions found in order by the Clerk of Petitions be recorded in the Votes and Proceedings and those petitions found out of order be returned to the Member filing the petitions;

That petitions be received pursuant to this Order no later than the last sitting day of June, 1986; and

That the Government not be required to table a response to any petition filed pursuant to this Order.

PRIVATE MEMBERS' BUSINESS—CHANGE TO CONFORM WITH PROVISIONAL STANDING ORDERS

Hon. Ray Hnatyshyn (President of the Privy Council): The second order reads as follows:

That the entries of all orders and items on the Order Paper and Notices under "Private Members' Business" be changed to conform with the terms of the provisional Standing Orders in effect on February 24, 1986, and that the Clerk of the House be authorized to make such changes.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motions?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motions. Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

Motions agreed to.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Monday, April 21, consideration of the motion of Miss MacDonald (Minister of Employment and Immigration), that Bill C-62, an Act respecting employment equity, be read the third time and passed; and on the amendment (Ms. Copps) (p. 12465).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in this important debate at the third reading stage of the employment equity legislation known as Bill C-62. In effect, this Bill represents yet another broken promise of the Prime Minister of Canada (Mr. Mulroney). Canadians will recall that throughout the 1984 election campaign the Prime Minister set out an ambitious program to implement full employment equity for all Canadians. I remind those Canadians who are watching the debate, and those who have been following it, of the words of the Prime Minister who said in August of 1984:

Our party will ensure that companies providing services to the federal Government hire increasing numbers of women to perform such services. When seeking Government business, these companies will be required to detail their action plans, timetables, and programs for attracting, training and advancing women within their operations—

The Prime Minister went on to say this:

We support the need for human resources planning within the federal bureaucracy, which includes goals and objectives to achieve parity for women, at all levels of Government operations, commensurate with their skills and expectations. Numerical goals are one of several goals required: training and retraining are others.

Canadians remember the promises made by the Prime Minister during the federal election campaign. Today, as we examine this legislation on employment equity, it is clear that those promises have been broken. In particular, the flaws in Bill C-62 are the promises which have been broken at the expense of groups in our society which have been historically disadvantaged when it comes to achieving equal access to labour market opportunities. In particular I speak of the disabled, of women, native people and visible minorities, all of whom had high hopes that the Tory Government would back up the rhetoric of the Prime Minister with concrete action.

That was not to be. Why is it that legislation such as effective employment equity legislation is so important? Time and time again we have had statistical studies, many of them referred to in the report of the Royal Commission on Equality and Employment, chaired so ably by Judge Rosalie Abella,

that provide a very bleak picture indeed of the employment opportunities and benefits for designated groups. There is an imbalance in both statistical and monetary terms. Women have lower than average incomes. They are employed predominantly in sectors and in jobs which are the lowest paid. Women do not earn the same amount as their male counterparts for performing the same or similar jobs. Disabled people suffer from extraordinarily high unemployment rates. When they are employed they tend to be concentrated in the low-paying, marginal sectors of the labour market. They have additional expenses which those workers who are not disabled do not face, such as medication, special aids and devices, and special transportation services. Native people have incredibly high levels of unemployment, something in the order of five times higher than the non-native population. Recent immigrants to Canada face particular difficulties in advancing in the workforce. They are frequently found in job ghettos or in the lowest paid, lowest skilled and most vulnerable sectors of the employment market. So there is a problem which should have been addressed by the Government in its employment euqity legislation.

I spent some three months touring the country with the Subcommittee on Equality Rights. We travelled from coast to coast to hold public hearings. We heard representations from Canadians representing women's organizations, native people, the disabled and visible minorities. They expressed their very serious concerns about the provisions of Bill C-62.

I wish to take this opportunity to remind the House and, through the House, Canadians, of some of the concerns which have been raised regarding the legislation we are debating today. One of the key spokespersons for the disabled, Beryl Potter, of the Coalition on Employment Equity for Persons with Disabilities, said this:

> Like the bill—it's not even worth the paper it's written on—I've never been so disillusioned in my life as I am with Prime Minister Mulroney. I was a supporter of him. I worked for him in his campaign and I am totally, totally disillusioned.

That from a former active Conservative and one of the heads of the Coalition on Employment Equity for Persons with Disabilities. The spokesperson for the Inuit Tapirisat of Canada said: "Bill C-62 is of limited value". The spokesperson of the National Association of Women and the Law, Suzanne Boivin, said:

> Nothing will change. Unfortunately, it is simply wishful thinking.

The groups which are affected by this legislation are unanimous in their condemnation of it. At the end of the day it is clear that the Minister of Employment and Immigration (Ms. MacDonald) and her Government have not effectively consulted with the groups affected by this legislation. In fact, they have ignored the major concerns raised by these groups and by their spokespeople.

I would like to take this opportunity to elaborate on why Bill C-62 is such a disappointment to the millions of Canadians who, in fact, were looking for concrete action, for decisive action, from the Government to ensure employment equity. First, I wish to recognize the excellent work done by Judge Rosalie Abella in this area. We in the New Democratic Party have drawn upon her report in outlining what we believe to be the correct approach, the philosophical underpinnings of strong employment equity legislation. As well, I wish to underline the outstanding contribution made by my colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), who in his work both in committee and in the House has reflected with eloquence the concerns of the groups which appeared before the committee seeking changes to the legislation.

When we examine Bill C-62 we see that the purpose of the Bill as spelled out is certainly commendable. The purpose of the Bill, as stated, is as follows:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

That is the guiding principle of this legislation. However, when we go on to read the Bill itself, we find that it falls far short of that.

• (1510)

Once again, I would note that consultation with the groups affected by this legislation was sorely lacking. Beryl Potter, a former active supporter of the Conservative Party who now says that she has been betrayed by the Prime Minister of this country has said the following:

> We have tried everything. We have consulted with the CEIC staff, appeared as witnesses before the Parliamentary Committee on the Bill, made pleas to the Prime Minister directly and rallied on Parliament Hill.
>
> We have demanded that the Bill be amended to include the Government's own Departments and agencies and to include a penalty for failing to comply with employment equity plans. The Government has not responded to any of our demands.

All Hon. Members will recall that a week ago yesterday the members of the Coalition on Employment Equity for Persons with Disabilities came to Parliament Hill and sat in the gallery. In many cases, these people were lifted into the gallery. They were bitterly disappointed with the response of the Government.

We have five underlying concerns with respect to the weaknesses in this legislation and I would like to deal with each of them in turn. The first and perhaps most fundamental concern is with respect to the lack of any effective enforcement mechanism or penalties large enough to act as a deterrent to the corporate sector. Shari Stein, the legal counsel for the Coalition on Employment Equity for Persons with Disabilities, has said the following about Bill C-62:

> How can anyone, the people, the provinces, the municipal Governments, take this legislation seriously when it has no teeth, it only requires voluntary compliance and the federal Government has exempted itself.

Furthermore, the Bill does not require that the so-called action plans with goals and timetables established by the firms be made available to the Human Rights Commission or the

Canadian Employment and Immigration Commission. In effect, there is no mechanism whatsoever to guard against plans which may be poorly devised and wholly inadequate to meet the needs of target groups. We have examined the response of the Government to the unanimous recommendations of the equality committee.

I see that the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) is present in the House. I know how strongly he supported the recommendations of the committee on equality and I know that he will want to have a chance to speak on that at the appropriate time. The committee recommended far more effective legislation. It recommended that the Government give teeth to Bill C-62 and ensure that there are adequate employment equity enforcement mechanisms. Those mechanisms are not there and I deeply regret that. Certainly the groups affected by this Bill regret that very much.

The Bill makes no reference whatsoever to equal pay for work of equal value. Here both Judge Abella and the National Action Committee on the Status of Women recommended that concrete and specific reference should be made to the important principle of equal pay for work of equal value and that it should be included in the legislation itself.

As well, there are no provisions for mandatory contract compliance for firms which may be doing business with the Government. Clearly the experience in the United States has shown that contract compliance can be a very effective tool in changing discriminatory practices which may be followed by firms selling goods and services to the Government. This was a major recommendation of the *Equality for All* report and the Government has chosen to ignore it.

The Abella Commission's recommendation No. 27 states that contract compliance should be imposed by legislation. The Government has ignored that important recommendation. In Bill C-62, we see that contract compliance only applies to firms with 100 or more employees and only if the value of the contracts exceed $200,000. Moreover, failure to comply with the equity proposals of the Government does not result in loss of a contract but only means that in the future, such a firm may be removed from competition. That is not much of an incentive to comply with employment equity. I know that the Minister of Justice (Mr. Crosbie) has fought a vigorous battle within Cabinet to strengthen this Bill but unfortunately was beaten back by the right wing of the Tory Cabinet and caucus.

The provisions with respect to employment equity and in particular contract compliance are set out in the report entitled *Equality for All*. The unanimous recommendation of the committee composed of five Conservative Members, one Liberal Member and myself was that contract compliance be a part of the employment equity legislation. We noted that in the United States, a similar executive order enforced by the office of federal contract compliance programs applies to contracts worth $50,000 or more granted to firms with 50 or more employees. The unanimous recommendation of our committee was that the ceiling of $200,000 and 100 employees is too high. That was a recommendation made unanimously by the committee with respect to this legislation that is now before the House. I know that some Hon. Members from the other side of the House fought for this but obviously lost out.

There were recommendations in other areas about which the Hon. Member for Surrey—White Rock—North Delta felt particularly strongly. I know that he fought hard in those areas. However, the reality is that that particular voice was not heard, and in some instances, perhaps we might breathe a sigh of relief that that was the case. However, I know that the Hon. Member himself may wish to comment with respect to his views on this important report.

Much of the wording of Bill C-62, particularly that of Clause 4 which deals with the duty of employers, is very loose and ill defined. What, for example, is the effect of not defining reasonable accommodation or positive policies and practices? This crucial question should surely be the subject of negotiation between employers and employees. Instead, there has been some vague process of consultation and even that was only included as an amendment later in the day.

Finally, the fifth major concern we have with respect to this Bill is that federal Government departments including the RCMP and the Canadian armed forces must be included within the scope of the legislation. Once again, this was a recommendation made very clearly by the special committee on equality rights. We said that the legislation on employment equity should apply to all federal public-sector employers and to employers under federal jurisdiction. Despite that unanimous recommendation, the Government once again told us to forget it, that it is not prepared to implement that important recommendation.

I think we can understand why the Government did that if we read an extract from the Government's response. The Government has said that it attempts to balance the needs of the designated groups against the Government's desire not to interfere unduly in the operations of employers. It is a pretty skewed balance and one which has left the groups which should be assisted by employment equity legislation, women, native people, the disabled and visible minorities, very critical indeed of the legislation.

The Government argued that federal Departments and agencies are covered by the 1983 Public Service policy on affirmative action. I would remind the Government that that policy does not apply to members of the RCMP or the armed forces. We know that those employers are some of the most reactionary and sexist employers in the country. We hoped that they would have been included under this legislation, weak though it may be.

I would like to conclude by reminding the House once again that during the 1984 federal election campaign, Conservative Members raised the expectations of groups which had historically been disadvantaged, groups which had hoped that the Government's promises would be kept. Rather than that,

we see a legacy of broken promises in so many other areas as well as in this fundamental area of social justice.

• (1520)

These groups had hoped that corrective action would be taken to deal with past abuses and ongoing barriers to workplace equity. They also recognized that the previous Government took no action whatsoever, and certainly they were critical of the former Government for its failure to act. It is interesting to see the spokesperson for that Party now standing up in opposition and railing at the Government in respect of action which should have been taken many years ago. Certainly many of us who were here when Liberal Governments were in power were critical of their inaction. We hoped that the Tories would keep their promises.

Instead of providing mechanisms in the Bill to ensure compliance through effective enforcement, Bill C-62 relies on voluntarism and invitations. Surely the past has shown us clearly that it is not good enough to leave it to employers to establish and pursue their own goals and targets. The Minister somehow believes that if the failure of employers to live up to these goals and timetables is published, employers will be shamed into action. The record of employers across the land is well known and has been clearly documented. Certainly they have not been shamed into taking steps which would involve the full participation of all Canadians in the workforce.

As the New Democratic Party understands it—and this is understood by millions of women, native people, disabled persons, and visible minorities—employment equity requires a solid commitment to using the instruments of Government to ensure that ideals become reality. We need enforcement mechanisms with teeth. We need provisions for contract compliance, negotiation between management and workers, and a clearly stated commitment to the overriding principle of equal pay for work of equal value. Those essential principles are lacking in this important piece of legislation.

Mr. Allmand: Mr. Speaker, the Hon. Member knows that the Opposition, both in committee and at report stage in the House, tried to amend Clause 7 of the Bill, that is the clause dealing with penalties. We tried to amend it so that the penalty would apply not only to employers who failed to comply with section 6 but also to employers who failed to comply with Clauses 4 and 5. While Clause 4 obliges employers to implement employment equity, the Hon. Member knows that there is no penalty in the Bill if they do not comply with it. Also, Clause 5 obliges employers to prepare an action plan with goals and timetables, but there is no penalty for non-compliance. Both his Party and my Party proposed an amendment to Clause 7 which read that if an employer failed to comply with Clauses Nos. 4, 5, and 6 they would be guilty of an offence and liable on summary conviction to a fine not exceeding $500,000, and it was turned down by the Government.

The Hon. Member for Burnaby (Mr. Robinson) is a learned attorney, and I should like his views on the argument given by the Government. The Government said that it was not necessary to make Clause 7 apply to Clauses 4 and 5 because by referring the reports under section 6 to the Canadian Human Rights Commission, Clauses 4 and 5 could be enforced under the Canadian Human Rights Act. I am a lawyer as well. I have read that Act from beginning to end and from end to beginning. In any case, I cannot follow the argumentation of the Government. If it were really in favour of enforcement, why would it not accept that simple amendment to Clause 7? I ask the Hon. Member, who is known to be a competent attorney, whether he has examined those arguments of the Government, which I failed to grasp, indicating that the Bill did not require an enforcement clause because the Canadian Human Rights Act would take care of that.

Mr. Robinson: Mr. Speaker, I thank my distinguished colleague and learned legal associate for his important question. I am not at all surprised that the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) has failed to comprehend the Government's reasoning. Indeed, all reasonable Canadians and all groups affected by the legislation do not understand the Government's reasoning.

The Bill is very specific. Only Clause 7 is specifically an offence section. It reads:

> An employer who fails to comply with section 6 is guilty of an offence and liable on summary conviction to a fine not exceeding $50,000.

Certainly an employer who fails to comply with Clause 5, the one dealing with so-called action plans or the amendment which was added in committee, or with Clause 4, the one dealing with the employer's general duty to promote employment equity, would be able to say that there was no provision in the law for mandatory compliance with those clauses. Clause 7 only deals with the failure to comply with Section 6. It is quite clear that by singling out one section for the purposes of enforcement and deliberately not making references to the two clauses which are at the heart of the Bill in real terms, the Government is saying to the corporate sector: "Please comply. This is what we would like you to do, but if you are not prepared to do it, we are not prepared to enforce it". It is certainly a betrayal of the hopes and expectations of the groups affected.

In response to the suggestion that the Canadian Human Rights Act would somehow give the Canadian Human Rights Commission the opportunity to enforce these clauses, I searched that Act, as did my colleague, and there was absolutely no provision for that. We could obtain a learned legal opinion from the Chief Law Officer of the Crown who is present in the Chamber today, the Minister of Justice and Attorney General of Canada. He might want to point to a section in the Canadian Human Rights Act which would give the Commission the power in fact to enforce these clauses or to put teeth into them. I do not want to take up any more time because I want to give the Minister of Justice an opportunity to clarify for all Canadians just how the Canadian Human Rights Commission will have the opportunity to enforce these clauses.

Mr. Gauthier: Mr. Speaker, I should like to deal with the position taken by the Hon. Member with regard to the enforcement policies and provisions in Bill C-62. As reported at page 12454 of *Hansard* for yesterday, the Minister made the following statement:

> The Government is committed to ensuring that employment equity becomes a reality. We intend to knock on the doors of employers who do not meet their responsibilities. I can tell you, Mr. Speaker, that we will be knocking with a firm fist.

That confirms exactly what we have been saying. The Government only has pious hopes but no way of enforcing them, because there is no obligation on any employer to report progress. Would the Hon. Member for Burnaby (Mr. Robinson) tell us how he thinks the Minister will be able to knock on the doors of employers with a firm fist? What kind of a result does he think the Minister will get? What about an employer who says: "I will not tell you the progress I am making on employment equity because it is none of your business; the law does not force me to do that"? How does he foresee the reaction of a medium sized employer with 100 or more employees? Of course employers will be required to fulfil a couple of obligations. They will have to plan for eliminating systemic discrimination and presenting a plan of action. However, I do not see anything in the Bill that forces them to report on progress made. Can the Hon. Member find anything in the Bill requiring progress made being reported to the Canadian Human Rights Commission?

Mr. Robinson: Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) quite correctly pointed out one of the very serious weaknesses in the legislation. There is no real clout in the hands of the Minister to enforce the legislation. All she can do is get down on bended knee and beg, plead, cajole, request, and urge. All she can do is knock on the door and say: "Please, Mr. Employer, hire more disabled persons and more women". That approach has been tried in the past for decades, and it has not worked.

When we in the New Democratic Party looked at the legislation, we worked hard to strengthen the Bill. Hon. Members of the Official Opposition also proposed amendments which would put some teeth into it. When the Hon. Member for Ottawa—Vanier talks about the Minister knocking on the doors of employers and insisting upon action, what we will find instead is the Minister standing outside corporate boardrooms and whimpering: "Please, please, please, we want you to obey this law, and if you do not obey it, we might amend it". In the law itself there are no sanctions or teeth whatsoever.

• (1530)

Mr. Gauthier: Mr. Speaker, I will quote further from the Minister's speech of yesterday. It is quite interesting how a Minister of the Crown could make such statements. I will come back to this later on in my speech about this because I noticed some interesting comments of hers yesterday. At page 12453 of *Hansard*, the Minister said:

> At the end of that year they will be required to report on the progress that they have made toward achieving these goals. These reports will be made public, open to media and public scrutiny—and this is the second half of the two-tiered system—

This is exactly what Judge Abella rejected, voluntary reporting on progress. She said that you cannot believe that public opinion will change an employer who has in his practices or has in his systemic employment practices actions discriminatory to the four groups we are talking about, namely, women, the handicapped, native peoples and visible minorities. If an employer has in his books or in his practices things that discriminate against these groups, how does the Member square what the Minister told us yesterday with the Abella Report which says: "Don't rely on voluntary reporting because it won't happen"? It has not happened yet and it will not start happening after Bill C-62 is passed.

Mr. Robinson: Mr. Speaker, I am pleased that the Minister of National Health and Welfare (Mr. Epp) has joined me today in this important debate. I would be quite prepared to seek unanimous consent to ask the Minister to answer that very important question.

Some Hon. Members: Oh, oh!

Mr. Robinson: In the short time available, I would note that the Hon. Member is raising a very important question. Under this legislation and, in particular, Clause 5 of the legislation it states that while an employer has to prepare a plan which sets out various goals and timetables, this plan remains a secret document. The employer has to keep it locked in his or her principal place of business for a period of at least three years, but the employer does not even have to give it to the Canadian Human Rights Commission. In committee, the opposition Party suggested that if we are going to be able to monitor effectively the progress of employers in achieving employment equity, we should at least make sure that we have access to the statement of the achievement of goals and timetables as recommended by Judge Abella. That amendment was rejected. For that, as well as the many other reasons that we have been enunciating during the course of this debate, we are opposed to the third reading of this Bill.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Eglinton-Lawrence (Mr. de Corneille).

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, Bill C-62, an Act respecting, as it says, employment equity, is a Bill which has been the subject of debate in the House now for some period of time. We have to ask ourselves, does this Bill in third reading, after we have tried to work on amendments and ways to improve it, fulfil its declared purposes? The purpose as outlined in the Bill in the second clause, in about the third sentence, sets forth what the alleged purpose of this Bill is. It is to achieve equality in the workplace. It says: "In the workplace".

First, Mr. Speaker, it is only in some workplaces, it is not in "the workplace". In fact, we have to say that "the workplace" only applies to those workplaces where there are more than

100 people employed, otherwise this Bill does not apply. Next, it does not apply to the entire private sector, only to a number of companies doing federal work. Further, it does not really apply to any federal Departments. It does not even apply to this House of Commons or to the other place, the Senate.

When we look at what it does apply to, we find that the Bill applies to some federal Crown corporations and about 800 federally regulated firms with more than 100 employees. Otherwise this Bill applies to no one else. It certainly does not apply in any way to "the workplace". It applies to only a very few workplaces in Canada. Therefore, from the beginning, the Bill is a sham in terms of its alleged purposes.

The Bill says that no person shall be denied employment. Clause 2 states:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfillment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities—

These are the people in the groups to which the Bill is supposed to apply and whom it is supposed to help. It says it is "to achieve equality". This Bill does not change a single solitary thing, Mr. Speaker. It does not change anything. It is supposed to attack systemic discrimination against certain groups. By systemic discrimination we mean the way the system works, the network, the basic underlying system as we know it, the ingrained system. Women know what this ingrained system is because they know that they have not achieved in any sense the positions of leadership and of power in any way equally to men.

The handicapped certainly know what the system is. They know in very many ways that they are regarded as useless instead of being regarded as excellent resources. Various minority groups, especially our native peoples, understand how the system works, but it does not work for them.

This Bill is suppose to change systemic discrimination. It is supposed to affect the system. It is a sham. The Bill is an absolute sham. Who says it is a sham, Mr. Speaker? I say it is a sham. The opposition Parties agree it is a sham.

In my work in the field of human rights, I have had some occasion over these months to talk to people in that field. There is not one single person who works in the field of human rights who does not regard the Bill as a sham.

If we look also at groups who are affected, at umbrella groups, because I would not want to read off the whole list of the names of the organizations that regard this Bill as a sham, let me just say briefly that the umbrella groups include the National Action Committee on the Status of Women, the Coalition of Provincial Organizations of the Handicapped, the Urban Alliance on Race Relations, the National Ethnocultural Council, the Canadian Association for Community Living, formerly the Canadian Association of the Mentally Retarded, the Canadian Labour Congress, the Canadian Congress for Learning Opportunities for Women, and the Coalition on Employment Equity for Persons with Disabilities. That is not the complete list. That is only a list of some of the umbrella groups. Hundreds and hundreds of leaders of groups across the country have spoken up and have written, and although they declare the Bill a sham, the Government persists in putting this Bill through unamended.

There have been certain comments that I think are worth putting on the record. For example, Carol Tator, President of the Urban Alliance on Race Relations, says:

> What the government has done has given us an empty, symbolic gesture toward the whole problem of achieving employment equity.

Shari Stein, a lawyer for the Advocacy Resource Centre for the Handicapped, adds that Bill C-62 is so weak it is potentially harmful. That is why the Opposition is so determined. If this legislation moved a small step in the right direction, one would not feel that one had to fight this to get it changed drastically. However, when groups like this call this Bill harmful, one must listen, take notice, and realize that a lot is at stake.

• (1540)

The purpose of this Bill is allegedly to ensure that no person is denied employment opportunities or benefits. Those are high sounding ideals, but what does this Bill do for our minority groups? My colleagues, who have analysed this Bill as I have, have pointed out that, in effect, this Bill only asks employers to file a report. The terminology of the report is not laid out. We moved amendments to clarify some of the terms, but they were not supported by the Government. Only employers who have more than 100 employees and fall into limited categories are affected by this Bill. They have to file some reports. We asked how the Government would ensure that employers would have a plan for the future to change their employment practices. After fighting against it as hard as possible, the Government finally saw fit to require employers to prepare a plan setting out their goals and timetables. The Government said employers should fill their drawers with their plans and keep them for at least three years. They are not to send these plans to the Government or the Canadian Human Rights Commission, but only to fill their drawers with them.

It is ludicrous that the Government, in all sincerity, could present such a Bill as this which is mocked by the people whom it is supposed to serve. The Government persists in refusing all of the recommendations which have been made to it by the minority groups and in ignoring the very reports which were presumably the cause for bringing forth this legislation. The Government consulted with these groups, commissioned the Abella Report, and appointed a committee on equality, which included Conservative members and unanimously called for the inclusion of various rigorous provisions, none of which are to be found in this Bill.

The women of Canada comprise 51 per cent of our population. As a group, they earn lower salaries than men and perform a higher proportion of part-time work. Very often they are the last hired and the first fired. Due to their frequent part-time employment, they are in a situation of great vulnerability. Over the decades the system has not corrected

itself. We cannot accept the views of the Member for Capilano (Mrs. Collins) that, because she is an eternal optimist and has faith in the Canadian people, things will work out.

It is not a question of the Canadian people, in whom we all have faith. It is a question of the employers who have to make a profit. Some of these employers are good citizens. However, it is not the good citizens toward whom we direct legislation, but the bad ones. There is no guarantee in this Bill that the bad citizens, or let us say the more self-centred citizens, in the corporate field are going to understand that we mean business. The Parliament of Canada is not a place to play games, and we resent that the Government is playing games with an issue as serious as equality for such a large proportion of our population.

Surely no injustice can be tolerated simply on the grounds that its correction will cost money. The complaint that the extra work of filling out these forms might be a bit expensive will not be accepted by Canadians any more than we will accept the view that we should not bother to keep the environment clean, because it will cost companies money. Let us keep the environment clean and let us keep the workplace clean and free of inequality and discrimination. Today women are supporting themselves and their dependants. They are working for a living and for survival. They have the right to equal pay for work of equal value. They have the right to take their rightful role as equal human beings. That is what Canadians want from the Government.

We sometimes hear from the less progressive elements of the business community that women must be moved from low-paying jobs into higher paying jobs through affirmative action. That is a laudable thought, but who will then fill the low-paying jobs which are left vacant? The problem is that those jobs are undervalued. If they continue to be undervalued because women fill them, we will not have solved the problem.

The lot of women has not been corrected by time and the so-called goodwill which exists. Despite educational campaigns and efforts by women's groups, the situation still has not changed. The claim that when the public sees what corporations and companies are doing they will make them change their ways is a vain and silly proposal of the Tories. It is not enough to simply rely on so-called public opinion and pressure. There must be legal requirements backed up by penalties for violation. There must be penalties for lack of compliance. There must be an enforcement mechanism. We all know this is the case, yet the Government persists in ignoring these obvious requirements to make this Bill meaningful.

Women's groups condemn this legislation as a sham. They constitute 51 per cent of the population. They were promised action but received a Bill with no compliance or penalties. I would like to deal with each of the minority groups, but time does not permit it. Time does not permit me to explore the loss of dignity which results from inequality. These people want the right to work. They do not want to be on the dole.

• (1550)

The reason a law with enforcement provisions is required is that very often, as Martin Luther King said, the law is a teacher. It helps to make all of us understand our role. I remember many, many years ago, about the time I was ordained, that a black priest came to Toronto from New York City. I tried to find him quarters in a motel or hotel near Toronto. I was told by the proprietors that they had nothing against him because they liked black people, but the trouble was that the people who came up from the States did not like black people. If there were a law, of course, they could point to it and say, "We have to do this". However, since there was no law, they could not comply and they felt it was best for their business that they did not provide this man with accommodations. I am not talking about the United States deep south; I am talking about an area in Ontario in the 1950s. Why am I telling this story? To point out that if people have something to point to and say, "I have to do this", it helps them to justify what they know they should do. This is what the law requires and this is what they will do.

We are talking about something which deals with making us all equal as brothers and sisters together. I think Archibald MacLeish summed that up when he was writing a poem about the astronauts when they were looking down from the moon upon the earth. He said: "To see ourselves as riders on the earth together, brothers on that bright loveliness in the eternal cold, brothers who now know they are truly brothersé", and one might say, sisters who now know they are truly sisters.

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. Nickerson: Mr. Speaker, I listened very carefully to a good presentation by the Hon. Member. He presents himself as an advocate for the end of discrimination against women. However, am I not correct in thinking that he is a member and supporter of a church which refuses to ordain women as bishops? Would he tell us why that is the case? Would he take this opportunity to stand in his place and tell us, if he is a man of conviction, that he thinks the church of which he is a member is wrong? Would he tell us, if he is a man of conviction, that the law he would have applied to Governments and businesses should also apply to churches, and end once and for all discrimination against women in the church of which he is a member, and also other churches who engage in the same discriminatory practices?

Mr. Friesen: Repent!

Mr. de Corneille: Mr. Speaker, I am not sure whether the Hon. Member for Western Arctic (Mr. Nickerson) is advocating support for the churches in such a stand or whether he is criticizing it. Perhaps he wants to know what my particular stand is. I could point out to him that the position which has historically existed in the Anglican Church, to which I belong, has forbidden the idea of the ordination of women as priests or as bishops. That position has been modified, at least in the

church in Canada, so that we ordain women as priests. I have certainly supported that move.

However, the argument put forward by those who are, if I may say, less progressive and more conservative, against ordaining women as bishops is that it will be a problem for us ecumenically in our relationships with other churches who do not ordain women as bishops. I think that argument is specious and reactionary. Therefore, I have to say to my hon. friend that I believe that the Anglican Church to which I belong should hastily reform its position and join the 20th century. I invite Conservative Members of Parliament to join the 20th century as well and see to it that women are given equality in all areas. There is no room for inequality in this day and age and certainly not in this country.

Mr. Keeper: Mr. Speaker, the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) is a member of a Party which formed the Government of this country for a good number of years. It lead us to the present circumstances in which, for example, there are very few women in senior management positions in the federal Public Service. His Government tolerated this situation while it was in office. It promulgated policies which did not change that situation. There was no contract compliance policy which worked. The Liberals did not force companies to take action on employment equity. I am wondering how he can stand up in this House and criticize the Conservatives for doing just what his Government did over a number of years.

Mr. de Corneille: Mr. Speaker, first I would disagree with my friend on his statement that the Liberal Government did not do anything.

Mr. Keeper: Nothing effective.

Mr. de Corneille: I think he has to realize that a very large number of steps were taken, step by step, starting with the federal Human Rights Commission. Guidelines in this area were brought into existence, the Charter of Rights and Freedoms was brought forward. It provides the legal basis on which all of these equality approaches are based and to which they are tied. Then of course we brought forward guidelines in the Treasury Board and we took other steps in the Public Service.

My colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), was trying to bring into legislation amendments which would make sure that government Departments fall under the requirements of this Bill. I certainly agree that more needs to be done. Following upon the establishment of Human Rights Commissions and the Charter, and Section 15 of the Charter, as well as following upon the guidelines, the Liberal Government appointed the Abella Commission in order to receive recommendations as to how the Charter and the law should be applied. The Charter was passed four years ago and there was plenty of time for this Government to know what was coming up. It has finally decided to turn to the Council on Social Development to deal with providing money to people for court challenges. That organization sent a list of these people to my friend, the Secretary of State, but he has not acted on it. Seven months have gone by and these people, who have genuine problems to take to court, are still waiting for the Government to act.

• (1600)

It is problems such as that which make me so concerned that this Bill is a sham. We will see more reports like this, with greater bureaucracy, but no action.

Mr. Allmand: Before I direct a question to my hon. friend, I want to suggest that no political Party, including the New Democratic Party, has much to be proud of in its past with respect to employment equity. After listening to some remarks yesterday, I looked at the record and found that in Saskatchewan where the NDP was in power for some time, there is no legislated mandatory affirmative action program. In Manitoba, they only passed a pay equity Act in June, 1985. That is the only measure of any consequence in the area of affirmative action. In British Columbia, where the New Democratic Party was in power for some time, there is no legislation at all dealing with this subject. I suggest that all of us have come to it a bit late and I would expect there would be some humility with respect to this subject.

The fact is that we did pass the Canadian Human Rights Act in 1977 and the Charter of Rights in the last Parliament.

Clause 4 of the Bill says that an employer shall implement employment equity by instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation in the workplace. There is no definition of reasonable accommodation in the Bill. All of the groups representing the disabled told us that there must be a definition or the Bill will be ineffective. As a Member who deals with disabled people very often, will he elaborate on this, because the Government has refused to accept our proposals for a definition of reasonable accommodation? Does he believe that this Bill can be effective for disabled people when it does not include a definition of reasonable accommodation?

Mr. de Corneille: Mr. Speaker, obviously the disabled and their organizations felt that this was a very essential and important definition to put in the Bill. Otherwise, the danger is that a disabled person could be defined as someone who has a sprained thumb. That is an exaggeration, but unless there is a definition of "disabled" and of "reasonable accommodation", the Bill will not provide any teeth at all as far as the handicapped are concerned. There are no terms of reference on which the the Government or the Human Rights Commission can act. The absence of this definition makes the Bill even more faulty than it is.

The disabled who came here last week were disappointed that they could not find a place in the gallery for their wheelchairs. This very place is limited in its facilities for the disabled, yet we are supposed to be setting an example for the

rest of the country. They came here and tried to cry out in protest in front of the House. They tried, through the media, to ask for these small amendments in order to give them reassurance that the Bill dealt with this issue seriously. Yet they were refused.

Some of the disabled who came here were blind. They may have been blind but they can see better than the Tories. They can look through the Tories and see the cynicism and hypocrisy.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Canadian Broadcasting Corporation—Incorrect reporting of gas prices alleged; the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)—Multiculturalism (a) White Paper inquiry (b) Request for consultations; the Hon. Member for Cochrane—Superior (Mr. Penner)—Native Economic Development Fund (a) Extent of expenditures (b) Request for increase in estimates.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (Minister of Employment and Immigration), that Bill C-62, An Act respecting employment equity, be read the third time and passed; and on the amendment (Ms. Copps) (p. 12465).

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, although Bill C-62 is supposed to achieve employment equity, it fails to contain many of the necessary provisions to achieve that goal. In fact, it has so many shortcomings in its structure that we have fairly said that it should be called at best a Bill to promote and encourage employment equity.

I am taking part in a debate on a motion which would give the Government an opportunity to reconsider seriously the representations that have been made in the House as well as in many other places about the flaws in the Bill.

First, I want to respond to the comment by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) about how slowly we have come to understand these matters. That observation does have some fairness to it. The proclamation of the Charter of Rights and Freedoms has demonstrated a growing sensitivity to these matters. The Hon. Member commented on the western provinces that have been governed by the New Democratic Party. Saskatchewan does not have a New Democratic Government at this time and British Columbia, of course, has not had a New Democratic Government for more than a dozen years. In Manitoba, I am pleased to say that the New Democratic Government was recently re-elected and that Government has been very concerned about making progress in this area, particularly as far as its own employment is concerned.

Members should be aware that in its negotiations with the union of Government employees, the Government of Manitoba took action in areas which the federal Government has refused to include in this Bill.

The Manitoba New Democratic Government negotiated an arrangement with the union of Government employees by which the proportion of women, native people, disabled and visible minorities in Manitoban society will be reflected in the composition of Government employees over a period of time. This is not a statement of what is desirable or a declaration that sets a goal. It is an agreement that was made with the union of Government employees by which workers will join with the Government in achieving these changes. Provisions have been made so that over a period of some 20 years the Manitoban Public Service will take up the characteristics we would expect if we are really going to practise the employment equity that we want. Of course, Judge Rosalee Abella, in her royal commission report over a year ago, set this forth as the basis for affirmative action and social justice in our country.

I have been handed a note stating that the study conducted for the Secretary of State (Mr. Bouchard) shows that the Saskatchewan New Democratic Government expected real affirmative action progress from the Crown corporations which it established in the province. I want to note one paragraph in particular. It states:

> Another strategy that was adopted in Saskatchewan that has, in the first instance, produced some results, was the approach taken in relation to the provincial crown corporations. Under the former Government—

Presumably, this is a document from the present Saskatchewan Conservative Government which states:

> Under the former Government, affirmative action encompassed special measures to eliminate systemic discrimination and to open up employment opportunities to the key target groups (native, women, disabled).
>
> The crown corporations were given a specific directive from the provincial government to develop affirmative action plans. Native people were designated the priority, although both women and the disabled were included as target groups.

• (1610)

The paragraph concludes:

The crown corporations were to demonstrate leadership and to provide an example to the private sector of effective affirmative action programs.

I am sure that some of my colleagues from Saskatchewan will be aware of these matters, even if the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) was not. I am sure that the Parliamentary Secretary is keenly aware of what the New Democratic Party in Saskatchewan is doing to ensure that northern development and mining development will provide opportunities for native peoople and, through those actions, ensure that affirmative action is being practised.

Having said that about two of the western provinces in which New Democrats have governed, I would like to return to the subject before us. More particularly, I return to the proposal that Clauses 3, 5 and 7 of Bill C-62 be referred back to committee for further consideration. It seems to me that it is important to give this opportunity to the Government so that it can take another look at the matter. After all, initially, there were fine statements of intention. The Minister of Employment and Immigration (Miss MacDonald) is nothing if not a most impressive speaker when it comes to stating fine intentions and putting them forward with a lovely smile on her face, making one think that all will be sunny in these particular areas.

That was not the case, however, when she was faced with the type of particulars seen in the City of Toronto. These were made obvious by a couple of reports last winter and spring which asked: "No discrimination here?" "Who gets the jobs?" It was clear that in the employment patterns of employers in the City of Toronto there was a pattern of discrimination in place against those who were regarded as alien in one way or another. Whether this came about because of race and colour, or whether it was a matter of accents or the names people bore, these persons had great difficulty in obtaining employment. They obtained far fewer job offers even though they had similar qualifications to persons who were white, who looked familiar and who spoke English as the mainstream of Canadians have learned to speak English. These demonstrations of discrimination and racist practices were certainly known to the Minister.

I made a point of writing to the Minister after each of these reports to say to her: "Here is the evidence. We require strong action. Are we going to get it?" Of course, she would reassure us. When she tabled Bill C-62 we were all concerned to see what was in it. Even on first reading of it we found it did not contain very much. We found that, primarily, it was a basis for determining what the composition of workforces in large companies would be. It was primarily large companies with which it dealt. Government Departments were not included. We were told that other action was supposedly being taken—again, government by press release. But the Government was not making itself subject to this reporting provision. Only large employers with 100 or more employees would be required to report on the composition of their workforces. That is all the Bill provides. Certainly, there is a penalty for not complying, but who will tell me that $50,000 is a large penalty for the type of corporations with which we are dealing here? It is not much of a penalty and not much will result in the way of action by employers.

We can be pleased that the argument which took place in the House, the debate here and in committee, produced the inclusion of one clause which actually opened the door to some real expectations, not demands on employers. At least with the addition of Clause 5 we have the following statement:

An employer shall, in respect of each year, prepare a plan setting out

(a) the goals that the employer intends to achieve in implementing employment equity—

(b) the timetable for the implementation of those goals.

However, there are weaknesses in this clause, as I will suggest in a few moments, following others which still do not go very far. Employers were not just expected to report on the results of their employment practices, they were to set goals. Nowhere in the addition to the legislation, in this limited improvement in the Bill, was there a statement with respect to the type of goals that Government and the Parliament of Canada would expect lawyers to follow. There was no demand, no setting of a timetable for real progress to be made. Again, this demonstrates that if the Government was responding to the barrage of criticism it was receiving with respect to this promotion of employment equity by the use of legislation, the response was still a very limited one.

Given the protests of group after group, there has been a real formation of coalitions to press the Government to give more. I underscore that point as it comes from the various groups across the country. If the Government does not do something now, then I am convinced that it will not do it in the life of its mandate which the electorate gave it in 1984. We will have to wait until the year 1990 before seeing anything in the way of stronger legislation. That makes it all the more imperative for the Government to take seriously its own statement of conviction and principle, the statements which have been uttered from one quarter after another to the effect that the Bill is inadequate. It must open up the possibility of looking at Clauses—and I will take them up in this order—7, 5 and 3 in order to strengthen the Bill so that the people of Canada have what they really want in the way of legislation which will achieve employment equity.

Clause 7 contains a provision for the levy of a fine. As I have already stated, the sanction here for employers who do not act on the provisions of the Bill apply only to the reporting provision. Surely, if Clause 5 means anything, if the formulation of plans with goals really amounts to something, then it makes sense that if employers are doing that then their action should be subject to a fine much larger than $50,000. Surely, sending the Bill back to committee in order to open up the possibility of adding to Clause 5 in such a way that employers will be under the onus of law to do something about it makes sense. It is surely necessary to open up the possibility of doing this for diverse employers. This will ensure that it is not only large employers employing more than 100 people who can so easily pay $50,000. The payment of a $50,000 fine could

become a mere business expense if an employer did not want to go to the other trouble. As a matter of fact, if we consider the money which might have to be spent in formulating plans, then surely $50,000 might end up being less than the cost of establishing an office of employment equity in a company. In fact, $50,000 would not buy that much time, if an employer has to have some skilled people working in the area. A fine less than the cost of following through with these measures is certainly tantamount to inviting a violation of the law.

These are some reasons for having the Government send this Bill back to committee and, in particular, to consider some significant additions to Clause 7 by way of an increase in the fine and an assurance that it would apply to more than simply the filing of reports.

• (1620)

Clause 5, the clause to which I was just alluding, ensures that employers do not simply report on their employment practices but actually implement plans. Surely if the Government is serious about achieving employment equity as it declares on the face of the Bill, then we need more strength in this area.

When thinking of the target groups, I think particularly of the visible minorities and people who belong to ethnocultural communities. This is not necessarily always a matter of visibility in terms of colour or race. Visibility can be a matter of accents or features that strike an employer or personnel officer as being alien. Then, of course, there are the native people of Canada who are entering the cities in large numbers seeking employment. For that matter, they are seeking employment outside cities. The needs and concerns of the disabled and women have been addressed eloquently by other Members of the House. Surely a Government that states all the good intentions the Minister and her Parliamentary Secretary have declared should do something more with Clause 5 if it believes in those principles.

The flaws in Clause 5 are overwhelming. Where will the plans be kept? Will they be kept at the head offices of the companies? There is no obligation to tell anyone about the plans. In another clause, there is a provision for consultation with unions. How can there be consultation if the unions or whatever representatives the workers put forward do not have a right to see the plans?

Surely Conservative Members are not so naive that they think that leaving employment equity up to the good intentions of employers will work when we have had so much evidence of discriminatory practices in Toronto. The most shocking thing that those surveys of Toronto employment practices demonstrated was that there was widespread discrimination and that employers did not think that there was anything wrong with that. In that kind of a context, surely we need to lay the provisions on the employer. Surely there must be a requirement that the plans be public documents and be freely available to anyone who wants to look at them. Surely the community groups and those who have been frozen out by employers have the right of access to these plans if there is to be any kind of action taken on them.

I realize that I am drawing near the end of my time. In conclusion, I wish to say that I hope devoutly, with the entire depth of my being, that the Government will take this seriously and will take the Bill back to committee. Last Thursday I had a terribly depressing experience when, in one vote, we took care of 19 amendments to the Bill. The Government voted every one of them down.

It seems to me that the words which the then Opposition Leader and now Prime Minister (Mr. Mulroney) said in June, 1984 ring very hollow now. He said then that there is no obligation more compelling, no duty more irresistible, than to ensure that minorities live at all times in conditions of fairness and justice. Bill C-62 does not do that. It flouts the principles the Prime Minister stated before the last election.

Mr. Keeper: Mr. Speaker, I have a question to ask of my colleague. Can my colleague possibly have any confidence that this legislation will bring about real change in the workplace and a greater equality between men and women in the workplace both in terms of the amount of money they earn and the positions they occupy given that there is presently great inequality and that companies have many other bases upon which to make their hiring decisions besides equity? Does my colleague have any confidence that this legislation will be a big enough stick to bring about the results that are so greatly needed today?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the question asked by my colleague. The answer is certainly that I have no such confidence. I think of the situation in which would-be workers find themselves across the country. I have been focusing on Toronto because the Urban Alliance on Race Relations along with the Metropolitan Social Planning Council carried out the kinds of studies that were required there. These were quite imaginative studies which demonstrated the depth of racist and discriminatory practices in that city. I am sure Toronto is not unusual.

People want to work and they seek the reality of employment equity. My colleague alluded particularly to the matter of equal pay for work of equal value and the insurance that people who are hired are not discriminated against once they have been hired. Those other concerns do face us. This Bill does not provide any kind of sanction for that kind of action. It provides that a fine ought to be paid if reports are not made, but there is no provision for action on any of these matters. For a broken reed to be offered the people of Canada as a big stick is surely for us to be left with the gravest disappointment in what the Government claims to be doing.

Mr. Keeper: Mr. Speaker, this Bill provides for a penalty of $50,000 if employers do not report on the level of employment equity in the workplace, yet many of the employers are very large firms and multinational corporations. I wonder if a fine of $50,000 would be effective if a very large firm simply

decided to ignore the law and not collect the information necessary to comply with the minimal provisions of this legislation. I wonder if the legislation should not provide for a larger fine in order that it be enforceable.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the matter of a $50,000 fine is worth some careful consideration. The cost of establishing an office to work toward employment equity in a company would, I suspect, on an annual basis, easily run to $100,000. The companies must employ officers with the kinds of skills required. I would expect that such a person would easily cost $35,000 or $40,000 per year. If one thinks of secretarial and other costs, I am sure it would exceed $50,000 in the way of costs. Surely to have a fine which is less than the cost of conforming to legislation is an open invitation to have it violated. If an employer saves money by paying a fine and being subjected to an employment inequity tax for a year as an alternative to employing people and establishing an office, I could imagine many cold-blooded employers saying: "Let's go ahead and pay the fine". It seems to me that that is a final declaration on the part of a Government which is not really serious about the matter.

• (1630)

Mr. Gauthier: Mr. Speaker, I should like to deal with the point just made by the Hon. Member regarding the $50,000 fine for non-compliance. Both the Official Opposition and the New Democratic Party attempted to get the Government to understand that $50,000 was not enough. We wanted $500,000 to be the fine for non-compliance. Does the Hon. Member not agree—and I think he alluded to it at the end of his remarks—that some employers will find it cheaper to pay the fine than to proceed with some important physical changes to their establishments to make them accessible to handicapped people? For example, I am referring to changes to their buildings so that handicapped people will have better access or so their establishments will be more secure and safe for those who may be blind, deaf, or whatever. I do not see any measure in the Bill for us to follow up on this with employers except to agree voluntarily that they will report on their plans after three years. Does he not agree that some companies will find it much easier to pay the $50,000 fine than to comply with sometimes expensive but needed changes to the systemic discrimination which is inherent in many workplaces today? For example, access to buildings can be difficult and there can be problems in terms of security and safety. Does he agree that perhaps it is merely symbolic to have a $50,000 fine for larger companies?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the Hon. Member is absolutely right. At best the Bill will be a symbol. We have had a number of such symbols since the early 1980s with the establishment of the Charter of Rights and Freedoms and the work of several committees of the last Parliament. Given my particular responsibilities for multiculturalism in our caucus, I am keenly aware of the work of the special committee on the participation of visible minorities which made recommendations in these various areas. In early 1984, two years ago, it declared the following in the title of its report *Equality Now.*

There were also reports dealing with the situation faced by disabled people, as another example. Whether or not the last Government was buying time in appointing Judge Rosalie Abella as a royal commissioner to investigate this area, I would not want to say just now. We are very grateful to her for having clarified for Canada what affirmative action could involve and the way in which we could make progress.

Given several advances over the last three years or so, there is a terrible responsibility on the shoulders of the Government to ensure that these beginnings continue. The Government should press for action so that these initiatives do not die as a result of half-hearted actions, whatever the protestations, which end up making people cynical about the stated principles. There is a terrible danger in that regard, and I see no readiness on the part of the Government to face up to that. If the Government accepts the motion and takes the matter back to committee, hopes would spring up somewhat.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I appreciate being given the floor at this time of day because I have several remarks to make on the motion before us.

[*Translation*]

And I would like to speak in support of the motion before the House, Mr. Speaker, namely, that:

"Bill C-62, An Act respecting employment equity, be not now read a third time, but that the Bill be referred back to a legislative committee for reconsideration of Clauses 3, 5 and 7 thereof".

Mr. Speaker, I think that today we have heard some very positive comments on the measures proposed to achieve employment equity. I have never claimed, and neither has my colleague from Notre-Dame-de-Grâce—Lachine-East (Mr. Allmand) that everything has been done and all problems have been dealt with. Of course not. And I must say that the Bill before the House is a step, maybe not the giant step we would have liked, but at least a step. Not a particularly energetic one, because we are convinced that this Bill is a bit weak and that it would be a good idea for the Government to take it back and give it more teeth, more backbone, and it could then come back to the House with an amended Bill that would be much stronger, not just a Bill proposing something the House can agree with but that will never materialize.

Mr. Speaker, I would remind the House that the three clauses in question—

[*English*]

Clause 3 of Bill C-62 deals with interpretation. I should like to remind Hon. Members that the Opposition wanted to include federal Departments and agencies under the Act to ensure that the main employer in the Government, the Treasury Board, complied with the principles of employment equity and indeed provided an example for the private sector. We also proposed that persons who employ 25 people or more should be subject to the provisions of the Act rather than

employers of 100 or more as defined in the present state of the Bill. I will return to my point about federal Departments and agencies being included in the Bill, but first I want to make sure that I deal with these clauses in order.

Clause 5 refers to the action plans of companies setting out their goals and timetables. We think, in all honesty, that they should be made public. Why should they be hidden in the vaults of the head offices of national organizations? It could be difficult for someone in Vancouver to know exactly what is the action plan of a company which has its head office in Toronto. It may be hidden in a vault and may not be accessible to anyone who wanted to see it. We consider Clause 5 to be weak and would like to see it strengthened by making the action plans of employers public and by setting out goals and timetables so that all of us can see them.

Clause 7 refers to the famous fine of $50,000, which I think is a concession to non-action in the sense that it will not be enough to force companies to comply with the Bill. They will prefer to pay the $50,000 fine than to become involved in capital expenditures or capital works which may be required to eliminate systemic discrimination. We are talking about two very different things here. We are talking about discrimination as a matter of fact toward four target groups—women, native people, visible minorities, and the handicapped.

Also there is systemic discrimination which is inherent in the system, in the workplace, in our habits, and sometimes even in our thinking. We do not accept easily—by tradition, by lack of understanding and sometimes by ignorance—that some people with the capacity, the competence and the quality to serve the Canadian community cannot do so because of their status. As far as I am concerned, they are discriminated against by a system which is unresponsive and irresponsible with regard to their employment.

• (1640)

I want to come back to the first point.

[*Translation*]

I may say I have done a bit of research on the matter of the Government's obligation as an employer to be subject to the letter of the law and thus to Bill C-62. Mr. Speaker, I simply wish to recall, before making my specific comments on the Public Service and before saying why it should be included in the Bill, that yesterday in the House, that when I was listening to the Minister making the usual preliminary remarks at the third reading stage, and I quote,

[*English*]

At page 12452 of *Hansard*, the Minister of Employment and Immigration (Ms. MacDonald) said:

> I can say quite frankly that in the years before this Government came to power I heard a lot of talk about fairness and equality but I saw no action. What we are seeing here today is a Government committed to action in this field.

Here we have a responsible Minister telling us such things as that she has been here for 12 or 13 years and has heard a lot about fairness and equality but has seen no action. Where was the Minister in 1982 when the Charter of Rights was adopted? She saw action there. As a matter of fact I will remind her of what was said either by me or by somebody else in this House recently because it is worth repeating. Although I am not very proud of our record, I am not ashamed of it. There have been efforts. I must remind the House that measures were taken.

[*Translation*]

I would like to remind the House of the following facts, Mr. Speaker: In 1971, Canada was the first western country to recognize the role of women at the highest level of decision-making by creating a Cabinet position on the status of women, and I may add that I came to this House in 1972; in 1975, we had an omnibus Bill to ensure an equal status for women; in 1976, we passed the Canadian Human Rights Act which forbids discrimination based on sex; in 1978, we proposed changes to the Canada Pension Plan to provide for the equal sharing of retirement credits, as well as amendments to the Canada Labour Code to remove pregnancy as a motive for lay-off or firing, and in 1982, we passed the Canadian Charter of Rights and Freedoms, and I could continue.

We did take action, Mr. Speaker. We did not do enough to satisfy many people including your humble servant, but I still say that efforts were made and that we have to recognize this. However, it would be an exaggeration to say that nothing had been done before the Minister of Employment and Immigration was appointed, and I think that the Minister is too serious to suggest such a thing. The Hon. Members opposite should not always try to say that the Conservative Government has reinvented the wheel since the last election and they should stop bragging that nothing had been done before they came to power.

Things were done, Mr. Speaker, but it was not enough. As I have already said, Bill C-62 goes part of the way, but it is not strong enough; it lacks teeth. I would like to remind the House that the Abella Commission was created in 1983, only one year after the Canadian Charter of Rights and Freedoms had been adopted. The Commission was created on June 24, 1983, under the chairmanship of Judge Rosalie Abella, and its report was tabled in this House on November 20, 1984.

If I may read the terms of reference of the Commission, it was asked to inquire "into the opportunities for employment of women, native people, disabled persons and visible minorities in certain Crown corporations and corporations wholly owned by the Government of Canada".

Mr. Speaker, employment equity means that no one should be refused a job for reasons which have nothing to do with his competence. It also means access to employment without any arbitrary obstacle, that is without discriminatory practices or attitudes which could hamper or even prevent access by individuals or groups to employment opportunities because of their particular characteristics, whether they be handicapped, women, native people or members of a visible minority. Indeed, for us, Frenchspeaking Canadians, Mr. Speaker, the native people are a visible minority. Thus we feel that three

groups might have been enough. At any rate, my view is that there was no need to add that. Visible minorities in our minds are people who, like myself perhaps, have a face like mine with the nose in the wrong place, and, well, when one is born with this kind of face one has to live with it!

Mr. Speaker, the quest for employment equity must cut through all practices that discriminate against certain groups which have long been subject to such a discrimination. There must first be an effort towards identifying and eliminating discrimatory barriers. And when I speak of discrimatory barriers, it may be relevant to mention that where practices or systems are concerned, discrimatory barriers to employment do now exist. And our goal in the Official Opposition is to try and have the Government understand that Clauses 3, 5 and 7 must be redrawn to put teeth into the legislation.

As we know, Mr. Speaker, people are discriminated against for a number of reasons and in a number of ways. Some are discriminated against because of their economic or social conditions. Well, what do you expect? Others, for political reasons or because they lack education or vocational training. God knows that in her report, Judge Abella, if we care to read it, mentions this question of education, even referring to our landed immigrants who come here and speak neither English nor French, neither of our official languages, and who have difficulty in entering the labour market because they face discrimination for the very reason that they did not have a chance to learn one of this country's official languages. In the Abella Report, it is suggested that our whole language training system would need reviewing and I support Judge Abella's recommendations in that area—in order to eliminate one of the situations causing discrimination against new Canadians. It is subtle, sometimes persistent and it is pervasive. The fact is, it is systemic.

I would like to quote from page 10 of the report, concerning what Judge Abella views as systemic discrimination.

> Systemic discrimination requires systemic remedies. Rather than approaching discrimination from the perspective of the single perpetrator and the single victim, the systemic approach acknowledges that by and large the systems and practices we customarily and often unwittingly adopt may have an unjustifiably negative effect on certain groups in society.
>
> The effect of the system on the individual or group, rather than its attitudinal sources, governs whether or not a remedy is justified.
>
> Remedial measures of a systemic and systematic kind are the object of employment equity and affirmative action. They are meant to improve the situation for individuals who, by virtue of belonging to and being identified with a particular group, find themselves unfairly and adversely affected by certain systems or practices.

Mr. Speaker, it could not be said any better. Judge Abella has described this quite well, and I agree with her.

During the remaining minutes, I should like to deal briefly with a problem which concerns a great many people in the Ottawa-Vanier and Ottawa-Carleton regions. I refer—to the issue of applying this Bill to the main employer and the Federal departments.

I want to do this because in a press release dated March 8, 1985, dealing with employment equity in the Federal Public Service, I read: "The President of the Treasury Board (Mr. de Cotret) announced today the various steps which the Government intends to take within the Federal Public Service and Crown Corporations to achieve employment equity for women, the natives, the handicapped and the members of visible minorities".

As you can see, Mr. Speaker, this is quite relevant to Bill C-62.

The measures announced are as follows: to reinforce the federal Government's Affirmative Action Program announced in June 1983, to which I referred earlier, and will include an immediate review by Treasury Board to detect any systemic barriers that may exist in the classification system for senior positions. I repeat: any systemic barriers that may exist in the classification system.

Mr. Speaker, as you know, the classification of a position depends on the number of points it is given, and the salary in turn depends on the classification. A definition of the word "classification" is given in the Treasury Board and Public Service Glossary: "Classification of Positions—Method for defining a job by category and occupational group and for evaluating the job and assigning it to a level within the group."

Mr. Speaker, this is a way to identify the relative value of jobs. Heaven knows we urgently need a thorough study of the situation and an answer to the classification problem!

In the 1984 election campaign, members of the Progressive Conservative Party told public servants: We will put job classification on the bargaining table. Everybody said it was a good idea. And then they said: We are going to do a study. And they did. And not long ago, when I asked how the classification study was progressing, the answer was: The study made by Treasury Board was finished today, but a second study Treasury Board had done by Thorne, Stevenson and Kellogg and which I am told has been completed, has been submitted to the Ministers responsible for Treasury Board, for study and consideration.

Mr. Speaker, it is now April 22, 1986. This Government was elected a year and one-half or more ago, and we are still at the study stage, trying to find out what systemic classification is and what the possible barriers are.

Mr. Speaker, I would like the Government to tell us what is going to happen with position classification, so public servants will know exactly what is being done about this problem. In the classification process, the person who does the classifying decides how the position is rated and what the employee is going to earn. And these are very important points for public servants. They want to negotiate the classification of a position. They want to know the classification criteria and want to sit down at the bargaining table and say: We think the system should be improved. We think there are obstacles in this system which sometimes discriminate against certain people, and we want to correct that. In my opinion, Mr. Speaker, ours is a reasonable position. Since the Government made that an election promise, it should at least keep its word on this and give public servants

the advantage of being able to negotiate job classifications in the near future.

In the same March 8, 1985 statement, Mr. Speaker, the President of the Treasury Board talked about the immediate establishment of a Treasury Board review process to uncover any systemic obstacles, and about greater emphasis on strategies aimed at implementing specific affirmative action plans related to results in the various departments.

Mr. Speaker, I asked the question: Where are these plans? I was told today that 41 strategy plans are available directly from the departments. Three departments have failed to produce their plans. We will see. I asked whether they were available to the public, and I was told it would take a truck to transport them. Can somebody on the Government side tell us why the affirmative action plans in the departments... Perhaps somebody might tell us what this is all about. Are they satisfactory? Have they been assessed? Has anything been done as a result of this important affirmative action initiative?

Then, Mr. Speaker, in the same press release the President of the Treasury Board states: "The unions will be invited to sit on a committee dealing with the equal pay for equal work issue."

Mr. Speaker, I am all for it. And I think every Member of this House will agree. That is why we should go back to the Committee and listen to what the President of Treasury Board has to say about this action plan to implement equal pay for equal work or work of equal value policy. I know that thirteen unions are having meetings with the Treasury Board representative every two months, and that a report is to be submitted by March 1987.

Mr. Speaker, I will therefore have to wait another year to find out what is happening, and they want us to adopt a Bill that has no teeth, and which I find is totally unsuited to meeting this challenge, a Bill that systematically excludes Government departments. The latter are hesitant and have yet to explain to me, as a politician, what has been done about job classification affirmative action and in the departments and how the committees that are supposed to work out a plan for equal pay for equal work or work of equal value are progressing.

Mr. Speaker, it all boils down to the fact that I think referring all this to committee for study and consideration is a reasonable suggestion, and I hope the House will decide this is the right thing to do. I hope I can come back at a subsequent stage to continue my remarks.

• (1650)

[*English*]

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have a comment on some of the statements the Member made, and I have a question for him as well. There was debate earlier this afternoon dealing with the strength or weakness of provisions for affirmative action in the Province of Saskatchewan. I note that under the previous New Democratic Government in Saskatchewan affirmative action provisions were implemented for Crown corporations, particularly in northern Saskatchewan. Progress had been made.

I have a report of a human rights consultant to the Department of the Secretary of State. The report notes that when the Conservative Government came into power in Saskatchewan it made the policy voluntary for Crown corporations. The consultant notes that the respondents are discovering that these affirmative action plans are in no way entrenched within the employment systems of all the Crown corporations. With the change in Government, the political commitment has waned. Each Crown corporation now decides its own policy, with the result that the program has become fragmented and dependent upon the particular commitment of the individual corporation. The report indicates that the respondents have concluded that the weakness of their strategy lies in its voluntary nature.

To what extent does the Hon. Member for Ottawa—Vanier (Mr. Gauthier) feel that Bill C-62 reflects a similar turn by the federal Conservative Government to a voluntary approach? How dramatically does he think the Bill will fail in achieving employment equity?

Mr. Gauthier: Mr. Speaker, in order to do justice to that rather important question, I invite the Member to read some of the speeches that I have made in the last while on this Bill. In the last election campaign in Manitoba all Parties paid homage to employment equity and said that they would commit themselves to that program. I take it that Manitoba was moving in that direction. I am told by my colleague, the Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), that in Saskatchewan only five Crown corporations have an affirmative action program. According to press reports, the Government is cutting funds to these companies and there is also a hiring freeze. The present Government is not, therefore, as enthusiastic as the previous Government was. Let us hope that it comes to its senses. We are told not to believe everything we read, but from press releases I understand that some actions were being taken in Saskatchewan with regard to employment equity.

British Columbia has yet to come up with employment equity legislation. My research does not show the existence of any such legislation in B.C. at all. We are hoping that a more sensitive and sensible Government will come into power there some day and bring some equity to employment practices.

• (1700)

I call this the smoke and mirrors Bill. That is the title I put on my copy. It reflects what we all like but it does not do much in the way of action. Despite the fact that the Minister spent quite some time yesterday telling us how she was committed to action on employment equity, I fail to see in this Bill any real action. I invite the Hon. Member to read some of the comments we have made regarding the improvements to the Bill through the 20-odd amendments we tried to get through. They

were all turned down by the Government because Members opposite do not like constructive and worth-while amendments to their legislation. They feel it is sacred and therefore untouchable. I disagree. This House should have more understanding of the issues and should debate them a little longer. That is why I want the Bill to go back to committee.

Mr. Speaker: Any further questions or comments? Debate.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to be recognized in order to say a few words at this stage of the deliberations on Bill C-62, dealing with employment equity. As my friend just indicated, it should be called a smoke and mirrors Bill, or a fluff and puff Bill, or a magician's Bill. Now you see it, now you don't.

In my deliberations with friends and colleagues across the country there seemed to be the impression that the Government is acting on employment equity to some extent. The important words there are "to some extent". It is a minute step in the right direction on a very long and difficult road. In one sense it does more damage than good in that it gives the impression that employment equity is finally being recognized. Finally we are going to do something to help the disabled, native people, women and visible minorities to experience equality and equity in the workplace.

Unfortunately, those who are knowledgeable about this subject, those who possess expertise, those who have studied the issue, or those who are representative of the various groups this Bill is directed towards, have a certain uniform reaction to the Bill. That reaction is that it is not adequate. It fails to meet the purpose of the Bill. It is not surprising that people have been misled a little when you read the purpose of the Bill. It says:

> The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

We have no concern regarding that purpose as stated. The point is that the Bill does not do any of that. It fails to meet this purpose, this goal, this objective. It falls far short. I am sure you would take my word for it but you do not have to. You can take the word of Suzanne Boivin of the National Association of Women and the Law. She says:

> Nothing will change. Unfortunately, it is simply wishful thinking.

The Inuit of Canada say that, for aboriginal peoples:

> Bill C-62 is of limited value.

Beryl Potter of the Coalition on Employment Equity for Disabled Persons had this to say:

> Like the Bill—it's not even worth the paper it's written on—I've never been so disillusioned in my life as I am with Prime Minister Mulroney.
>
> I was a supporter of him. I worked for him in his campaign and I am totally, totally disillusioned.

Here are perhaps the most knowledgeable people in Canada on this issue commenting on Bill C-62 and they say it is inadequate, incomplete, inappropriate, wishful thinking, and will simply not do the job it sets out to do.

I will not read the words of the Prime Minister (Mr. Mulroney) on this issue in the election campaign of 1984. I do not think it does him justice to point out what he said in that campaign regarding bringing in all sorts of employment equity initiatives to ensure there would be no discrimination in the workplace, to ensure there would be encouragement and support of strategies for native people, visible minorities, the disabled, and women. He has failed to deliver. I would not want to spend too much time pointing that out because I suspect everyone is well aware of it anyway.

The purpose of the Bill is primarily to prevent employment practices which act as barriers to employment for some very specific groups such as women, the disabled, native people and visible minorities. In a previous career I had an opportunity to work with the disabled, young native people, and those who would be classified as visible minorities in an attempt to find employment opportunities for them. I suppose I should include women in that as well, but my main experience was with those groups I mentioned. Of course they all included women. That was not many years ago. When I identified a workplace for someone among these groups, my job was to send that person down to the place concerned for employment experience of one kind or another, on-the-job training in a sense. I am afraid I have to say that when the employer found that the individual was not a white Anglo-Saxon, but rather someone from a visible minority, he or she inevitably found a reason to cancel the job training opportunity. I could present literally hundreds of names of individuals for whom I found a job opportunity, without mentioning the fact that they were, let us say, a native youngster, and when that individual showed up they were inevitably turned away. Then we went through that process the next day and the same people would be turned away again. Yet, when they phoned me they would inevitably say, "Mr. Riis, I am not prejudiced. I don't discriminate against people but I really cannot afford to hire a native person", or someone who was disabled, or a member of a certain ethnic group. Quite frankly, that is a racist attitude. It is discrimination. It indicates prejudice. Therefore, when I look at the provisions in this Bill and see what it is attempting to accomplish, it hits very close to my heart. It reminds me of a very close personal experience that occurred to me for a number of years. It was an embarrassment to me as a Canadian citizen that in spite of all the glorious comments about being tolerant, open minded, non-discriminatory, liberal and progressive in our thinking, when push came to shove almost inevitably that discrimination existed in the workplace.

• (1710)

I was encouraged when I heard in the post-election period that the Government would introduce a Bill that would finally bring about employment equity in Canada through a program to encourage employers to hire native people, the disabled,

visual minorities and women. However, once one had an opportunity to examine this Bill and hear the witnesses who came to speak to the committee about this Bill, it became obvious that it was rife with flaws and filled with inconsistencies. It was simply an inappropriate piece of legislation.

One might ask why it is inappropriate. One of the shortcomings is that there is no mandatory equity, no enforcement and no real penalties. This legislation must be viewed as voluntary equity with mandatory reporting of workforce data. Those businesses over a certain size that carry out transactions with the federal Government over a certain amount must submit an action program. So what? Big deal. Although the employer must draft an action plan, there is no requirement that the employer must fulfil that plan or necessarily introduce it. However, there is a penalty pursuant to Clause 6, with a maximum summary conviction of $50,000, if the employer fails to act.

We in the New Democratic Party attempted to make this penalty realistic. Heather Reisman, who works with the Nesbitt Consulting Group which provides advice to these firms which are interested or essentially forced to introduce a program of equity in the workplace on paper, said about the penalty: "It's squat". The effectiveness of the maximum $50,000 fine for failing to report workforce data annually is something that she says a large company will simply write off as a cost of doing business. Fifty thousand dollars is irrelevant to a corporation of the size essentially contemplated by this Bill. She says that it is "squat". There really is no effective penalty for making no progress. It is somewhat Pollyannish and naive to believe that employers throughout Canada will implement equity programs for their employers that will require them to hire people whom obviously they are not interested in hiring. Nevertheless, that is the purpose of this Bill.

The target groups who appeared before the committee made it clear that a firm must be obliged to develop an action plan with goals and timetables, including how it will remove discriminatory practices, and take the positive steps needed to bring about employment equity.

These action plans were not included in the original Bill. Indeed, the Minister claimed before the committee that an action plan was inherent for the company introducing equity. In a sense, the Government itself did not consider that an action plan ought to be part of the Bill. It is an example of how this Bill has not been clearly thought through and needs to go back to committee for reconsideration. After all, we are theoretically launching a major new initiative for Canada. We are giving the impression that employment equity will become a reality in our country, but the fact is that it will not happen.

When one considers the importance of this Bill and the success of a similar Bill in the United States, we should be taking much more time to ensure that this is a good Bill that employers and employees from all parts of Canada will support. While some enforcement is needed, in order for these legislative requirements to work it is necessary to have the general support of the people. The fact is that the initiatives in Bill C-62 simply will not accomplish that.

I want to comment on equal pay for work of equal value. On many occasions members of the Government turned aside attempts to include in the Bill a reference to equal pay for work of equal value. The National Action Committee on the Status of Women urged that this Bill contain a reference to Section 11 of the Canadian Human Rights Act so that the equal pay matter could be addressed by employers. We attempted to introduce that equal pay provision without success. The Government argued time and again that the presence of equal pay in the Canadian Human Rights Act as it stands is good enough. However, that is not the case.

Judge Rosalie Abella is perhaps one of the most knowledgeable people in this area. She stated in her landmark study that equal pay is an integral element in the implementation of employment equity and that it must be included in any undertaking by employers to make the practices in the workplace more equitable. I suggest that the most knowledgeable person in the land sums it up very well when she says that we must include these provisions in the Act if we are serious about equal pay for work of equal value.

The clause on contract compliance is a major weakness in the Bill. I would remind the House that in 1980, the Canadian Government had contracts with some 25,000 firms in Canada; $6.5 billion worth of private sector business and some $5.5 billion of business to Crown corporations.

In 1982-83, the Department of Supply and Services alone signed with federal firms literally over 333,000 contracts worth $5 billion. Such a major undertaking in terms of Government business begs the question: What is the nature of the Government's contract compliance policy? It applies only to firms with 100 or more employees and only if the value of the contract exceeds $200,000. The only obligation on the contractor is simply to implement equity in the workplace. Failure to do so does not mean a loss of a contract, although such firm may be removed from the competition for future contracts. The firm "may" be removed.

There is either a commitment in law or there is not. The fact that a company may not do further business with the Government if it does not comply indicates that this is a rather limp wristed, milque-toast approach to the whole matter.

The Government's compliance policy does not require a contractor to file a report on workforce data as is required by those firms that come under Bill C-62.

These are hardly owners' requirements and certainly are far inferior to the demands made upon firms contracting in the United States. The approach in the United States is quite different and much more serious than the one reflected in Bill C-62.

In conclusion let me say that our Party has five concerns. First, there is the absence of real enforcement and adequate penalties under mandatory equity schemes. Second, there is no

reference in the Bill to equal pay for work of equal value. Third, no contract compliance is included. Fourth, there is no obligation to negotiate equity where there is a bargaining unit. Perhaps, most important, the coverage of the Bill is inadequate in that it does not include federal Departments. If we are serious about asking people to take this Bill seriously, then surely its provisions should be extended to include those people, including federal Departments.

• (1720)

Mr. Speaker: Are there questions or comments? The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

Mr. Allmand: Mr. Speaker, I was interested in the Hon. Member's remarks about his own experience with designated groups, I presume in British Columbia, and his attempts to find work for them. He mentioned the fact that sometimes they ran up against this systemic discrimination. Based on the Hon. Member's experience, what does he think about the attempt to deal with this matter through voluntary enforcement? We have said all along that the Bill is not an enforceable employment equity Bill. It is a Bill which provides information about different workplaces. That information is to be made public in the hope that the public will comment on what is happening and, through public opinion, force employment equity. The Government does not seem to give us an answer to the question. However, when the Minister spoke on Monday, she said:

> The Government is committed to ensuring that employment equity becomes a reality. We intend to knock on the doors of employers who do not meet their responsibilities. I can tell you, Mr. Speaker, that we will be knocking with a firm fist.

It seems to me that if this were an enforceable Bill for employment equity then the poor Minister, or members of her caucus, would not have to go around knocking on doors. What they should be able to do is lay a charge. The charge would go to a court and the court would say whether or not employment equity was being implemented.

So she admits in her speech that this is not really an enforceable employment equity Bill. It is one in which, through the publication of information, the Government hopes that there will be voluntary compliance. Can the Hon. Member tell us from his experience with what he was trying to do in British Columbia whether that really worked? Or do we need Bills with teeth in them under which charges can be laid and offenders prosecuted when there is not the employment equity which we all seek?

Mr. Riis: Mr. Speaker, I thank the Hon. Member for his thoughtful question. No, I do not think for a moment that voluntary compliance will work. I think that a Bill without teeth is simply not worth the paper upon which it is written. Quite frankly, I do not want to be part of any Bill which requires the poor Minister responsible to go out across Canada banging on doors. I hope she has something better to do with her time. If she is serious about providing employment opportunities for disadvantaged groups, then she should do it through this Bill. From her comments it seems as if she really does not believe that this will be an effective Bill. She is already looking forward to going out door-knocking, although it is probably not the type of door-knocking she was anticipating.

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

Some Hon. Members: Question.

Mr. Speaker: The question is on the amendment. Ms. Copps, seconded by Mr. Rossi, moved:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-62, An Act respecting employment equity, be not now read a third time, but that the Bill be referred back to a Legislative Committee for reconsideration of Clauses 3, 5 and 7 thereof."

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 239*)

YEAS

Members

Allmand	Garneau	MacLellan
Baker	Gauthier	McCurdy
Benjamin	Gray (Windsor West)	Murphy
Blaikie	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Caccia	Heap	Nunziata
Copps	Henderson	Nystrom
Deans	Hopkins	Orlikow
de Corneille	Hovdebo	Riis
de Jong	Johnston (Saint-Henri-West-mount)	Robinson
Dingwall	Kaplan	Rodriguez
Epp (Thunder Bay-Nipigon)	Keeper	Rossi
Foster		Skelly
Fulton		Waddell
Gagliano		Young—39.

NAYS

Members

Attewell
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais-Grenier
Blouin
Bouchard
Bradley
Brightwell
Browes
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clifford
Clinch
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Dick
Domm
Dorin
Edwards
Fennell
Ferland
Fraleigh
Fraser
Fretz
Friesen
Gagnon
Gass
Gérin
Gormley
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Hamelin
Hamilton
Hawkes
Hicks
Hnatyshyn
Horner
Howie
Jacques
Jelinek
Kempling
Kilgour
Ladouceur
Landry
Lanthier
Lawrence
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacKay
Mailly
Marin
Masse
Mayer
Mazankowski
McCuish
McDermid
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Mulroney
Murta
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Plamondon
Plourde
Reid
Reimer
Ricard
St. Germain
St-Julien
Scott (Hamilton-Wentworth)
Shields
Stackhouse
Stevens
Taylor
Thacker
Toupin
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Wise
Witer—118.

• (1800)

The Acting Speaker (Mr. Paproski): I declare the amendment lost. Is the House ready for the next question? I will recognize the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*Translation*]

Mr. Gauthier: Mr. Speaker, I welcome this opportunity—

The Acting Speaker (Mr. Paproski): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

NATIVE ECONOMIC DEVELOPMENT FUND—EXTENT OF EXPENDITURES. (B) REQUEST FOR INCREASE IN ESTIMATES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, would you call the House to order, please?

The Acting Speaker (Mr. Paproski): Would Hon. Members either sit down and listen to the great speech which the Hon. Member for Cochrane—Superior (Mr. Penner) is going to make, or leave the Chamber.

Mr. Penner: Mr. Speaker, I draw to the attention of the House that under the previous administration, a $345 million native economic development program was established. That amount was to be expended over a four-year period, beginning in April of 1984. The purpose of the program was to enable native people to break free of their dependency on social assistance. It was to create among native people an entrepreneurial group who would be economically self-sufficient in time and then become employers of other native people. The program was directed at the development of native-owned businesses, including individual entrepreneurs, corporations, and community-based businesses.

• (1805)

I would like to remind the House that in their struggle to have aboriginal rights recognized and implemented, native people have had to focus an inordinate amount of time on the political process. As a result, there are a large number of very competent, articulate and successful political leaders in the native community. As a matter of fact, we in this House of Commons could learn a lot about political leadership by looking at the very able political leaders in the native community and recognizing their talents and skills. They have begun to see that the judicial route is a promising avenue for some degree of redress of grievances over long-standing historical injustices.

An increasing number of native people are turning to the study of law as a result. Their accomplishments in that field are many. However, it is in the field of economic development where bold new action is required. Hence the reason for the native economic development program. It was designed to help native people break through the poverty barrier and open the way for full participation in the business life of this nation.

My concern is that I detect a distinct lack of commitment by this Government to that avenue of endeavour. My evidence is no less a source than that despised Nielsen task force report on natives and Indians, the so-called Buffalo Jump Report. On page 68 it says that although halfway through its mandate the native economic development program has approved only 34 projects at a total cost of $11.7 million, 21 additional projects have been recommended for approval. In the year 1985-86, $122.1 million was approved by Parliament with a strong Conservative majority. Nevertheless, in the last fiscal year the Minister allowed $90 million of that to lapse. It seems to me the Government wants to bury the native economic development program. I find it difficult to blame the Minister of State for Small Businesses (Mr. Bissonnette) because I know that his orders come from the Minister of Regional Industrial Expansion (Mr. Stevens). Having been associated with that Minister for a long time, we know his ultra-conservative and archaic philosophy could never support such a program. We also know that the Deputy Prime Minister (Mr. Nielsen) is no friend and ally of the native economic development program. In fact, he

was instrumental in having turned down the very promising Yukon Indian Development Corporation project.

I conclude very simply and quickly by asking why the Government does not admit that it wants to kill this program just as it did Katimavik? Why not be forthright and say so? Do not let the native people of this country go on believing there is such a program when it does not exist. So far there have been 900 proposals under this program. The applicants have been disappointed and frustrated by delays, postponements and, finally, turn-downs in most cases. Economic development is not a priority with the Department of Indian Affairs. Only 4 per cent of its budget is directed to that avenue, and most of that money is diverted elsewhere. Therefore, we need the native economic development program. The Government has failed to recognize that, failed to respond to it, and I argue that in doing so it has made a gross error.

• (1810)

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I would like to address the question raised by the Hon. Member for Cochrane—Superior (Mr. Penner) concerning the Native Economic Development Program.

[*Translation*]

First of all, Mr. Speaker, contrary to what the Hon. Member just said, I was given responsibility for this program by the Prime Minister, and never have the Minister of Regional Industrial Expansion (Mr. Stevens) and the Deputy Prime Minister (Mr. Nielsen) interfered with the way the program was managed. First of all, I can give the House the assurance that the Conservative Government is working very hard to safeguard the economic and social interests of Canada's native peoples. The native community is aware of the Native Economic Development Program and it uses it. This is borne out by the fact that more than 900 project applications were submitted, and out of that number, unlike the erroneous figures you had, 145 were approved, representing a value of $59.3 million. The program is very popular with our native people, no doubt about that.

Mr. Speaker, the NEDP which is aimed at helping native people achieve economic independence is administered by the Department of Regional Industrial Expansion but directed by the Minister of State for Small Businesses (Mr. Bissonnette), and has a budget of $345 million spread out over a period of four years, starting in 1984-85. This funding has not been affected by budgetary cutbacks. The NEDP plays a very important role in native economic development. It is the only program that is specifically aimed at developing the economic independence of native people.

Mr. Speaker, perhaps the Hon. Member would feel better if he met with representatives of the following organizations: the Central Interior Trust Company in Kamloops, British Columbia, which received a contribution of $6.9 million; the Saskatchewan Indian Loan Company, which received a contribution of $2.6 million, and so forth. It has been estimated that this $2.6 billion federal contribution to the Saskatchewan Indian Loan Company would generate more than $46 million of new investments in the provincial agricultural economy. The same might be said about the Association of Reserves for Improving Social Economics which was given $1.3 million. Thanks to this contribution, it is expected that 100 new businesses and 400 new permanent jobs will be created in the next few years.

Mr. Speaker, these propositions are perfect examples of the dynamic and creative force of native people. They also emphasize the importance of the program's effective assistance to the native people of Canada.

Finally, Mr. Speaker, I would say to the Liberal Member that he is quite misinformed, and that the native people are pleased to work with the department and the Minister of State for Small Businesses to improve the program.

[*English*]

MULTICULTURALISM—WHITE PAPER INQUIRY. (B) REQUEST FOR CONSULTATIONS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, on November 18, I addressed several questions to the Minister of State for Multiculturalism (Mr. Jelinek). These questions reflected my understanding that the multiculturalism sector was working on a White Paper on multicultural policy but that this work had been given up under the instructions of the Minister. The answers that I received did not really clarify that question, and that is why I asked to have a further opportunity to debate the matter.

Now, more than five months later, it is even more appropriate to ask what the Government's multiculturalism policy is. On March 7, less than four months after the Minister's statement that there would be full consultation, particularly with the new Standing Committee on Multiculturalism, it was reported in *The Globe and Mail* that he was in fact involved in creating a totally new multiculturalism policy.

• (1815)

Those are the words of the Minister aimed at bringing ethnic minorities out of, as he said, "ethno-cultural corners" and into the economic mainstream of Canada. He declared that the policy was in the final stages of preparation for Cabinet. He then went on to suggest, without any doubt about what the result would be, that he was not going to Cabinet for additional funds. Given that he was talking about re-orienting spending, he said that it would be a redirection of existing funds. There is no doubt that some organizations will be cut out. He went on to say that the organizations might be involved in the retention of culture and that henceforth there was no question that their grants would have to be an investment in Canada. He concluded by stating:

"We're not going to be spoon-feeding these people, giving them grants or financial assistance or any form of assistance—What we have to do is open the doors and give them an opportunity to get involved instead of having a multiculturalism conference and talking about various cultures".

That statement has been taken by ethno-cultural, multicultural, race relations, immigrant settlement and other organizations as just short of a declaration of war by the Minister of State for Multiculturalism against their intentions. Across the country there is the most intense unease about what the Minister has in mind. Thus I address this question.

Surely what was needed was a White Paper on multiculturalism in the terms suggested in my question of November 18. Surely it was necessary for the intentions of the Minister to be laid out. It is necessary for him to turn back to the ethnocultural communities, since he clarified a need for redirection, in order to publish a paper to which they can react.

Some of the strongest reactions to this move have come from groups in the Province of Manitoba. They feel left out of the process. They feel neglected and rejected by the Minister. Two days before I asked this question in the House he met with executive members of the Manitoba Intercultural Council. He promised them there would be no change in multicultural policy without full consultation. People who recently had the pleasure of having a Manitoba Member of Parliament as Minister of State for Multiculturalism had been promised that regional priorities and regional concerns would be reflected upon by the Government as it dealt with these matters. They were promised that there would be full consultation.

It is not surprising that in Manitoba and in Alberta there is unease with what is happening. I spoke to a leader of the Urkrainian-Canadian community in Alberta late last week and he expressed his unease. He was convinced that this was a play to the City of Toronto and groups in Toronto, particularly to business groups. The most reassuring thing I could tell him was that when I was in attendance at the Multiculturalism Means Business Conference in Toronto, it was patently obvious that the policy shift suggested by the Minister on March 7 is not acceptable to large numbers of people. We might think that the first concern would be with respect to those organizations involved with multicultural retention. In many cases, those might be groups of European origin.

I was impressed that the questions asked of the Minister and of the panelists came as much from those we would think of as visible minority groups, groups which are surely concerned about race relation matters, employment equity, and matters as diverse as immigrant settlement and the establishment of credentials for those who have been trained outside Canada. These people are convinced that the Minister may forget their needs and not fund them adequately. They deeply resent the suggestion that he has been spoon-feeding them when, in fact, they have received precious little money. They now see the limited funds upon which they have depended in the past to stimulate their efforts being lost to them as the Government turns to other business-oriented efforts.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, first I would like to respond to my colleague from Thunder Bay—Nipigon (Mr. Epp), with whom I took part in several meetings of our Committee on Multiculturalism and enjoyed working.

Today it is my duty and pleasure to respond for the first time in my new capacity as Parliamentary Secretary to the Minister of State for Multiculturalism.

First I want to reassure my colleague by telling him that, even though I had an opportunity to talk very briefly to the Minister, I wanted to be sure that what I was going to say would reflect the views of the Minister, and we agree on one point: our colleague should stop worrying so much, for the department and the Minister have been holding ongoing consultations with all ethnic communities throughout Canada.

The Minister has no intention of making a policy shift, as the Hon. Member has suggested. Quite the opposite, we want to make an improvement and an up-date as this paper and the proceedures of the Department go back to 1971.

There have been many changes since 1971, Mr. Speaker. The only thing that is still the same is that the grass is still green.

There is certainly room for improvement, but always in consultation. From what I have seen, that is what my Minister is now doing and he has travelled throughout Canada. However, there will probably be some change.

There will not be a complete reversal, but as far as the changes are concerned, the Minister will tell us about them in committee. The Hon. Member will probably be the first to ask questions of the Minister since he is always present at the sittings of this committee. The Minister has assured us that he would certainly consult the Hon. Member when he goes before the committee as he did about the question asked by the Hon. Member on November 18, 1985. I remember this quite well, Mr. Speaker, as it was my birthday. The week after the Hon. Member for Thunder Bay—Nipigon asked this question, the Minister appeared before our committee and discussed the White Paper in detail. Many questions were asked and if we refer to the *Minutes of the Proceedings*, we see that he made the same promise that he would speak to the multicultural and ethnic groups of all Canada. This is what he has done, perhaps not completely, but it has been done. I do not have all the data yet as I was appointed Parliamentary Secretary only around 11 o'clock this morning, but I can tell the Hon. Member that this subject will be discussed at our first meeting, and the second time that I have the opportunity to speak in this House, I may be able to provide him with additional information. However, I trust that our Minister will continue to consult, and what we all want him to do is to consult and improve this proposal.

• (1820)

[*English*]

CANADIAN BROADCASTING CORPORATION—INCORRECT REPORTING OF GAS PRICES ALLEGED

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I recently asked the Parliamentary Secretary to the Minister of

Communications (Mr. Edwards) a question concerning the need to ensure that the CBC reports to Canadians in an unbiased and balanced manner. The particular example I cited was from *The Journal* of March 7, 1986, in which a reporter doing a story about gas prices in Canada and the United States neglected to convert American dollars to Canadian dollars and American gallons to litres. Of course, this resulted in a very inaccurate statement of the comparison between Canadian and American gas prices. This is but one example of inaccurate and biased reporting by the CBC.

• (1825)

I have had some correspondence with Mr. David Spanjer of Elliotwood Court in my riding of Don Valley East. Mr. Spanjer has devoted much time to analysing the content of CBC Radio programming, and he feels that the coverage provided is not balanced. In a letter to me, he describes travelling by car through northern Ontario and how the reception from the CBC comes through loud and clear when all other stations have faded. He wrote:

I have no quarrel with this if the reporting of the news, the choice of the discussion subjects and the selection of the persons interviewed was objective. Unfortunately, exactly the opposite is the case—

Mr. Spanjer has written to the CBC on several occasions and has been very frustrated by the response he has received. Also he wrote:

As a taxpayer I believe I have the right to response to any reasonable request for information and a reply to any complaint that is properly documented. What in fact has happened is that the CBC has stalled for almost a year. They have refused to provide all the information requested . . . and now, rather than reply to my analysis of the program information that I received, they have arbitrarily declared the matter closed.

This is no way for a publicly owned corporation to treat one of its consumers and in effect one of its shareholders.

The Parliamentary Secretary in his response to my question pointed out that programming and content were the direct responsibility of CBC management and its Board of Directors. I appreciate the independence of the CBC and the need for its independence. However, it is no justification for inaccurate and biased reporting. This is clearly unacceptable to most Canadians.

On April 3, the President of the CBC, Pierre Juneau, announced the following:

Although the CBC received an increase in its parliamentary appropriations and although the corporation anticipates an increase in advertising revenue, this still leaves the CBC with a $48 million shortfall in 1986-87.

He went on to say that the shortfall resulted from the financial impacts of government cost-cutting measures and general economic factors, such as inflation and the devalued Canadian dollar, increasing the cost of goods and programming from outside Canada. He continued:

This year the corporation has not been able to avoid cuts in programming. Even the reductions in administrative and support expenditures will have an impact on programming and distribution services.

The CBC will eliminate 122 hours of network TV programming—77 hours of English language TV and 45 hours of French language TV. Several programs, such as *This Land* and *CBLT Morning* in Toronto, have been dropped. Others have had their schedules curtailed.

In the April 14 issue of *Maclean's* magazine, an article dealing with CBC cut-backs indicated that officials at both the Treasury Board and the Department of Communications had calculated that in fact the CBC would have a deficit of less than $10 million in 1986-87 rather than the $48 million shortfall reported by Mr. Juneau. The article in *Maclean's* also indicated that the CBC earned more than $33 million in unexpected advertising revenue in 1985-86 which the corporation was permitted to keep. The article also pointed out that the Government was giving the corporation an increase of $22 million or 2.1 per cent for 1986-87 operations and capital expenditures. The Main Estimates of the Government predict a $55 million increase in CBC advertising revenue.

In terms of advertising revenue, the CBC expects an increase of only $8 million over the 1984-85 actual revenue and only marginal increases for 1986-87 due to increased competition in several Canadian markets. Perhaps that sends out a message about the quality of programming. In addition, interesting and important questions were raised in the *Maclean's* article and in the CBC's own response about the corporation's budget, accounting practices, and ability to live within its means.

In the same week that the programming cuts and elimination of jobs were announced, Mr. Juneau and three senior Vice-Presidents departed on a 10-day trip to China to explore the potential for an export market for Canadian programming. This effort to sell Canadian programming abroad is hardly consistent with the cut-backs in Canadian programming. Not only are examples cited of biased and inaccurate reporting, but of biased and inappropriate spending practices as well.

• (1830)

Cut-backs of any sort are difficult. I have had that experience in my own business career. However, it appears that the Canadian Broadcasting Corporation needs to re-examine its priorities in terms of its mandate. It needs to get at the structure, the number of senior vice-presidents, the number of vice-presidents and perhaps even to merge departments. The provision of balanced and accurate news and original Canadian programming is a vital duty of the CBC. It should also be managed according to sound business principles and practices.

I would ask my colleague, the Parliamentary Secretary to the Minister of Communications (Mr. Edwards), to share these real concerns with the management and directors of the CBC on behalf of myself, my constituents and, I am sure, I am speaking for hundreds of thousands of Canadians.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the issue of balanced coverage in our broadcast media is important to all Canadians. The free flow of information is vital to the functioning of

democracy. I can well appreciate, therefore, the Hon. Member's concern about the item on gas prices broadcast by the CBC which was aired on *The National* on March 7.

As I stated on March 21, broadcasters themselves are responsible for program selection and content, subject to the general rules and regulations of the CRTC. Thus responsibility for CBC programming matters lies entirely with the CBC's management and board of directors. I assured the House when the Hon. Member for Don Valley East (Mr. Attewell) brought this matter to our attention that the CBC would be informed of his concern, and the corporation has since issued a response. I will be forwarding to the Hon. Member a copy of the full text of that response, but I would like at this time, with your permission, Sir, to provide a brief summary of it.

According to the CBC, the report in question was reviewed by senior TV news personnel and they found it to be fair and balanced over all. However, the CBC acknowledges a factual error in the comparison the Canadian pump price of gasoline with the American pump price in that the news item erroneously compared 95 cents per gallon U.S. with 20 cents Canadian per litre without adjustment for the U.S. exchange rate on the U.S. gallon. The CBC expresses its regret for these two errors.

The CBC has an internationally recognized reputation for the quality of its news and public affairs reporting. I can say with some knowledge, Sir, as a former broadcaster that omissions can occur in the reporting of information, particularly in the television medium where deadlines are often tight and a strict economy of time must be observed.

Parliament recognized when the Broadcasting Act was passed in 1968 that while programming autonomy must be assured, broadcasters must also assume certain responsibilities in conveying the information they broadcast. That is why Section 3(g) of the Act, which sets out CBC's mandate, begins by stating that the CBC should:

—be a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion.

[*Translation*]

I am certain, Mr. Speaker, that these provisions of the Broadcasting Act have proven generally very useful and that the broadcasters have faithfully lived up to their responsibilities.

The Corporation has examined this report and prepared a detailed answer in which it recognizes the mistake and expresses its regret. In my opinion, Mr. Speaker, the reply of the CBC in this case shows how conscienciously the Corporation takes its responsibilities as a public broadcaster.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:34 p.m.

HOUSE OF COMMONS

Wednesday, April 23, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXPO 86

DISTRIBUTION OF TICKETS TO POLITICIANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put on the record the fact that a CP story has confirmed what we in British Columbia already knew, namely, Progressive Conservative MPs from British Columbia have been given 4,100 tickets to give to the public for the opening ceremonies of Expo 86. The New Democrats and the Liberals are splitting four tickets between them.

Expo is going to be a great national festival. Not only will it celebrate the future of British Columbia and Vancouver as the host city, but it will also be a great credit, as Expo 67 was, to the country as a whole. For the Government to convert this into a political extravaganza rather than a national and provincial festival is directly contrary to the unanimity with which people from all three political Parties are approaching this particular event.

I call upon the Government to take politics out of Expo, give it back to the people, and give it back to Members of Parliament across the board.

Mr. Speaker: Order, please. Sixty seconds.

* * *

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, multicultural organizations across Canada are outraged by recent actions of the Minister of State for Multiculturalism (Mr. Jelinek). These organizations have provided input to the Government more than once recently on the direction they would like multicultural policy to take. They have indicated shortcomings in Government action on the policy and have asked for more support for their own community acitivities.

While these groups waited for the opportunity to discuss these policy matters, they were suddenly told that the Minister was developing a totally new multiculturalism policy which was in the final stages of preparation for cabinet consideration. The Minister did not ask for advice on this determination. He did not invite reaction to a draft statement. Instead, he said he was already acting on the new policy and was reviewing the whole funding and granting procedures in line with the development of the new policy. The members of our ethnocultural organizations and communities deserve a better lesson in parliamentary Government than the Minister has provided.

Mr. Speaker: Order, please. Sixty seconds.

* * *

ABORTION

THERAPEUTIC ABORTION COMMITTEES' APPROVAL PROCEDURES

Mr. Jim Jepson (London East): Mr. Speaker, the death of a young Ottawa woman on January 23, 1986, while undergoing a therapeutic abortion, has confirmed what everyone suspected. In many cases therapeutic abortion committees are no more than a rubber stamp.

Erin Shannon's abortion was listed as approved at 8 a.m. even though the committee did not meet until 10 a.m. Her abortion was initiated by 10.05 a.m. Apparently this is not unusual. The committee routinely approves 40 abortion applications at its weekly meetings which last only 20 minutes. That gives about 30 seconds to the consideration of each case.

• (1405)

Under our laws a therapeutic abortion committee should guarantee that a woman contemplating a pregnancy termination has received reliable information about her own and her baby's health, as well as information about the more positive alternatives to an abortion. These factors should also influence the decision of a committee on an application for abortion. This does not happen now, and the entire committee process is a meaningless farce.

I urge Hon. Members of the House seriously to consider changing our laws—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN MASSACRE

Mr. John Oostrom (Willowdale): Mr. Speaker, 1986 will mark the seventy-first anniversary of the massacre of over 1.5 million Armenians—men, women, and children. The latest text of the United Nations' committee report on genocide lists the massacre of the Armenians alongside such horrors as what the Nazis did to the Jews. In 1982 the Government of Canada, the champion of human rights, passed a resolution condemning the Armenian massacre. On April 24 Armenians all over the world will be holding a silent vigil to commemorate the martyrs of the genocide. Let us all pause and reflect upon the Armenian experience.

The commemoration of this day will serve as a warning signal against other similar atrocities. No act of human destruction of such great magnitude can be prevented if we permit one to be forgotten. Tomorrow, and every April 24 hence, should be remembered as Armenian Memorial Day, for nothing threatens our future more than a refusal—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

GOVERNMENT'S DECISION TO CUT BENEFITS—CITIZENS' OPPOSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Last week, Mr. Speaker, I was in the ridings of Trois-Rivières and Champlain. Yesterday I went to the riding of Saint-Hyacinthe—Bagot and visited Montreal's *Salon de la femme.*

Mr. Speaker, the people are increasingly angry with the Prime Minister (Mr. Mulroney). He was booed in his own riding. The representatives of the Members for Trois-Rivières and Champlain were booed in these ridings. The absent Member for Saint-Hyacinthe—Bagot (Mrs. Champagne) was booed in her riding.

Mr. Speaker, all those people are against the Government's decision to cut off unemployment insurance benefits and, sure enough, they rallied the support of the Hon. Member for Champlain (Mr. Champagne) who has voiced his opposition to his Government's decision to deny unemployment insurance benefits to people who have worked and are entitled to them, people who have been misled by the Prime Minister of Canada.

MULTICULTURALISM

IMPORTANCE OF ETHNIC AND CULTURAL MINORITIES

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, today I pay homage to distinguished guests and to businessmen of my riding's Italian community.

Mr. Speaker, we are growing ever more aware of the leading role played by cultural and ethnic minorities in Canada's economic growth. Our Government provides the ideal climate for them to contribute to our country's economic expansion.

In addition, Mr. Speaker, the Standing Committee on Multiculturalism to which I belong has been established to foster and monitor the Canada-wide implementation of federal multiculturalism policies.

[*Editor's Note:* The Hon. Member expressed her best wishes to the businessmen in Italian.]

* * *

[*English*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—APPLICATION REFUSALS IN WINNIPEG

Mr. David Orlikow (Winnipeg North): Mr. Speaker, residents of Winnipeg are angry at the way in which the Residential Rehabilitation Assistance Program has been unilaterally altered by the Minister responsible for housing. This program has been responsible for regenerating entire neighbourhoods in Winnipeg. Without it and the Core Intiatives Program, parts of downtown Winnipeg could have gone the way of central cities in the United States.

Last year 1,200 homes were rehabilitated under these programs. This year no money has been released as yet. A quarter of the year is thus gone. Winnipegers have warmly endorsed the program and have co-operated fully with it, but now they find their RRAP applications have been cut off because of changes in the income requirements set by the Minister. People with applications dating back as long as two years have been cut off. Forty completed and processed applications, just awaiting CMHC signature, have been turned down. A full 600 of 900 applicants have been disqualified although they acted entirely in good faith, yet the Government will not see fit to judge their applications under the criteria under which these people applied—

Mr. Speaker: Order, please. Sixty seconds.

SHIPBUILDING

NEEDS OF INDUSTRY IN BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, Canadians were pleased by the decision of the Minister of Transport (Mr. Mazankowski) to award the contract for the building of the new CN ferry to a Canadian shipyard. Now, however, is the time to focus our attention on the urgent needs of the shipbuilding industry in British Columbia. Now is the time to proceed with construction of the promised Class 8 Arctic icebreaker.

The icebreaker will provide important logistic support, and protection of Canadian sovereignty in Arctic waters. It must incorporate the most up to date technology, be efficient, and be built at reasonable cost. All these elements can be delivered by the shipyards in North Vancouver, British Columbia, which are renowned for their expertise in icebreaking technology and utilize the most advanced and productive techniques of design and construction. I hope the Ministers involved in making the decision on the icebreaker will move quickly so that our West Coast shipbuilding industries will have this opportunity to contribute to Arctic development which they so justly deserve.

* * *

• (1410)

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF DR. VLADIMIR BRODSKY

Mr. Jack Shields (Athabasca): Mr. Speaker, Dr. Vladimir Brodsky is a Russian physician who has been sentenced to three years in a labour camp for malicious hooliganism. The KGB has offered Dr. Brodsky his freedom if he renounces an independent peace group he helped establish in 1982.

This doctor is guilty of working for peace through association with "The Group to Establish Trust Between the U.S.A. and the U.S.S.R.". This case symbolizes the concern Canadians have for efforts physicians in Canada and other places have made to remove the threat of nuclear war.

Dr. Brodsky's internment relegates the status of Dr. Chazov and his Soviet Physicians for Peace Group to that of a Russian progaganda tool. It ridicules Mr. Gorbachev's peace overtures as being only gestures.

I respectfully request this House and its Members to regard the treatment of Dr. Brodsky as representative of Soviet regard for non-governmental peace groups in Canada, and I hope all Members will join me in requesting the Soviet leadership to restore his basic freedoms to Dr. Brodsky.

S.O. 21

POLITICAL PARTIES

PRINCE EDWARD ISLAND—ELECTION OF LIBERAL GOVERNMENT

Mr. George Henderson (Egmont): Mr. Speaker, on Monday night Joe Ghiz and the Liberals captured 21 of the 32 seats in the provincial Legislative Assembly. They will form the next Government, and a strong Government at that. The winds of change were so strong that even a Premier could not hang on to his own seat.

There is a clear message in this resounding victory for the Prime Minister (Mr. Mulroney)—Canadians are fed up with Conservative policies. As I travelled door-to-door with the provincial candidates, the response was the same—the Mulroney Government's policies are hurting all Canadians.

Islanders were outraged by this Government giving less and taking more. It is also quite obvious to Islanders that the Prime Minister is not delivering on his promise to create jobs, jobs, jobs.

Yes, Mr. Speaker, the Mulroney Government has failed Prince Edward Islanders. We now have a strong Premier who will stand up and fight for a fair deal for all Prince Edward Island.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. Guy Ricard (Laval): Mr. Speaker, as we all know, Canada is on the road to prosperity. More Canadians have jobs, more people are buying homes, and more people are seeing an improvement in their standard of living thanks to the implementation of Conservative policies. However, this new prosperity is not always equally distributed, and that is why our Government has introduced an unprecedented range of employment programs. Under the direction of the Minister responsible, these programs are aimed at increasing participation by Canadians in the labour market and will enable greater numbers of Canadian men and women to take advantage of our economic renewal.

And I agree with all those people who have gone back to work since the September 1984 election: "What a relief to have a job again and to get your pay at the end of the week."

We in the Progressive Conservative Party realize that the best social program is a job, and that is why we are working so hard to create new jobs for Canadians each month.

[*English*]

POLITICAL PARTIES

CRITICISM OF GOVERNMENT BACK-BENCHERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as occurs every day, today the Hon. Member for Capilano (Mrs. Collins) tells us about the need for shipbuilding on the West Coast. It was not long ago that a Member on that same side was speaking about the need for shipbuilding on the East Coast. This is another example of Conservative double-speak because the Conservative Cabinet refuses to recognize the need on either coast.

I suggest it is about time that Conservative back-benchers understood that the public know that Conservative back-benchers do not represent them adequately, otherwise action would have been taken by the Cabinet.

* * *

[*Translation*]

AVIATION

INTERNATIONAL AIR SHOW—STUDENTS' PARTICIPATION

Mr. Richard Grisé (Chambly): Mr. Speaker, I wish to draw the attention of the House to a special event that will start tomorrow at Saint-Hubert in the riding of Chambly, when the Sixth International Aeronautics Show is officially opened by our astronaut, Commander Marc Garneau. This impressive show is a concrete example of the vitality of Canadian youth.

In fact, this show, one of the biggest in Canada, is organized by students of the National Aerotechnical School, who, with the co-operation of industry and our Government, have succeeded in giving us a remarkable presentation of what they can do. In addition, this show is a unique opportunity for the Quebec and Canadian aeronautics industry to make itself known.

Mr. Speaker, I invite all Canadians to come and see for themselves what the energy and entrepreneurship of the students of this institution have been able to achieve, and I would like to take this opportunity to wish them every success.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. SENATE COMMITTEE MEETINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Trade negotiations with the United States are not yet under way, yet the matter is bogged down in the United States Senate by conflict, confusion, and capitulation. Democratic Senator Max Baucus of Montana said: "It is the backroom closed-door, arm-twisting stage—the stage where politics is at its most foul. We're at the foul stage period". I know that you may find those words unacceptable, Mr. Speaker, but they were uttered in the United States Senate.

What backroom deals are being made by the Prime Minister and his Government to try to keep these negotiations on track? Will he tell the Canadian people what is behind these discussions? What is going on?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition clearly does not believe that kind of question himself. He makes little effort to disguise his amusement with his own questions. What is going on in the United States Senate is germane to their own democratic process. The administration is following the prescribed formalities.

I assume that what is taking place in the United States is their own special brand of democracy, in much the same way as Question Period is ours. When the response is forthcoming, the Government of Canada will respond. Meanwhile we think it is the normal functioning of a democracy, and we will have to wait to see what comes out of the United States Senate.

[*Translation*]

INQUIRY IF GOVERNMENT MADE CONCESSIONS IN NEGOTIATIONS WITH UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker. It would be amusing if there were not so much at stake for Canada. If the talks start from scratch, are we going to put everything on the bargaining table? The Prime Minister has made a commitment to remove our cultural industries, the auto pact, marketing boards and other economic sectors from the bargaining table. Has the Prime Minister made any concessions with respect to these restrictions, with a view to the results of the U.S. Senate vote?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as far as Canada is concerned, we submitted a program that responded to existing demands. We have conducted thorough consultations with all sectors in this country. We followed the proper procedure in expressing to the United States the interest of the Government of Canada in pursuing trade talks with the United States—as I had the pleasure of announcing here in the House on September 26—and everything was done according to the rules.

That being said, I may point out to the Hon. Member that we are waiting for the results from the Senate Committee, and I am sorry to hear how negative the Leader of the Opposition is about this vote, because today, Mr. Bourassa, speaking on behalf of all Quebecers, expressed the hope that the Senate Committee would approve trade talks with Canada.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Bourassa will be interested, as will other Premiers, in what backroom deals are made to secure that consent. If there are backroom deals in the United States between the administration and the Senate, there are backroom deals between this administration in Canada and the provinces.

Some Hon. Members: Oh, oh!

Some Hon. Members: Question.

REQUEST FOR PARLIAMENTARY DEBATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Canadian people will not have confidence in what is going on unless the Prime Minister consents to a full parliamentary debate at an early opportunity in order that we can understand what concessions were given in Washington, and what is being done with our provinces on this side of the border.

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if indeed there are negotiations I think a debate of some kind would be appropriate. First and foremost it would finally flush out where the Liberals stand on this issue. No one knows where they are on any issue. They are either on both sides, or none.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister as well. Yesterday in the House he said categorically that he would never accept the U.S. Senate proposals which outlined guidelines and conditions. Canadian officials in Washington are quoted in a CP wire story today as saying that the Prime Minister would not automatically refuse to negotiate under the Senate proposals. What kind of two-faced game is going on? Why are Canadian officials saying one thing in Washington and he is saying another thing in this Parliament? When are we going to find out what the real Canadian stand is, and when is he going to control his officials in Washington so that they represent this Government properly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the only two-faced game going on here is that this is one face of Liberal trade policy, and over there is the other face. They are both opposite.

I have indicated many times that we are looking for a clean launch without preconditions. We expect that will be the case. We hope there will be a positive—I do not want to interrupt the Right Hon. Leader of the Opposition and the Hon. Member from Winnipeg.

Mr. Turner (Vancouver Quadra): No, keep going.

Mr. Mulroney: Is the conversation over?

Mr. Turner (Vancouver Quadra): Keep going.

Mr. Mulroney: All right. I thought he might want to hear the answer.

Mr. Turner (Vancouver Quadra): Go ahead.

Mr. Speaker: Order, please. Perhaps just a supplementary question.

Mr. Turner (Vancouver Quadra): The clean launch is going under water.

Mr. Axworthy: I always say that every time the Prime Minister looks in the mirror he is getting two points of view.

Some Hon. Members: Hear, hear!

STATEMENTS ATTRIBUTED TO CANADIAN OFFICIALS IN WASHINGTON

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Prime Minister has not answered the question. Are Canadian officials in Washington saying to their American counterparts that he would be prepared to accept conditions as outlined by the Senate which would involve complete agreement by the provinces and acceptance of the fact that Canadian subsidies on resources would be wiped off the table? We want to know what Canadian officials in Washington are promising or committing to on behalf of the Government.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to the Hon. Member's question is of course not. The Prime Minister of Canada spoke for Canada in the House of Commons yesterday on this question. That position stands. It is consistent with the position this Government has been taking throughout the long debate, a claim which cannot be made by the Liberal Party of Canada.

CANADIAN POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a very simple and straightforward question for the Prime Minister.

Mr. Crosbie: That's a change.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Langdon: It is possible—

Mr. Crosbie: First one this session.

An Hon. Member: A simple question for a simple-minded Cabinet.

Mr. Speaker: Order, please. The Hon. Member has the right to put his question.

Mr. Langdon: Clearly the difficult questions have become too much for him so I will ask a very straightforward question.

If the policy of the Canadian Government is to have a clean launch, why are Canadian officials in Washington saying the contrary? Did he authorize it? Will he stop it if it is taking place?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, to answer that very simple question very simply, they are not.

CONDITIONS SUGGESTED BY U.S. SENATE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, having left our officials in Washington to play their game while the politicians here appear to play their game, let me pose this question. Will the Prime Minister here and now reject the conditions suggested by the Senate, including equal treatment for U.S. investors here, more government purchase of U.S. goods, and full protection of U.S. intellectual property, as totally unacceptable, damaging to jobs here, and against our economic sovereignty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is making a false accusation.

* * *

• (1425)

FINANCE

INTRODUCTION OF SALES TAX CREDIT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Finance. The report from the National Council of Welfare now confirms what the Opposition has been saying all along; Conservative budgets are Robin Hood in reverse, the rich get richer and the poor will get poorer.

How can the Minister of Finance justify gloating over the introduction of a sales tax credit when the Minister knows that a Canadian family of two children, earning $20,000 a year, will not qualify for the sales tax credit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member has looked carefully at the facts. What is very clear is that real disposable income for all Canadians is up this year and will be up again next year. Taxes for those who are in the lowest income brackets are going to be down this year, and he has commented on one of the reasons for that. The third comment that I would make is that the reason for this policy is to improve the economic situation of the country, to get interest rates down, to improve the position of middle income Canadians and to provide them with the ability to get a lower cost mortgage on their homes. I point out to him that mortgage rates today are at the lowest level they have been since 1978.

Some Hon. Members: Hear, hear!

FAMILIES' DISPOSABLE INCOME

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister not agree that through his own measures introduced in two consecutive Budgets the Government is pushing down the disposable income of the people who struggle the hardest in this country, the working poor, and he is asking those who earn between $20,000 and $30,000 a year to lose over 2 per cent of disposable income over the next four years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, for those most in need, taxes are lower. That is a fact. The other point I make is that one of the results of the lower interest rates and the lowest mortgage rates since 1978 is that housing starts are up, more jobs are being created—

An Hon. Member: They are nowhere.

Mr. Wilson (Etobicoke Centre): The Hon. Member opposite says they are nowhere. Well, I will tell you jobs are being created in many parts of the country. Five hundred and eighty thousand jobs have been created, and that is because of the policies of this Government.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister rise and state categorically, unequivocally, that if there are any conditions of any kind attached to the American negotiating position in free trade, we will not take part in the negotiations?

Mr. Speaker: Order, please. The Hon. Member knows that is a hypothetical question.

Mr. Deans: It is not; it is not.

Mr. Speaker: It is.

Mr. Deans: It is not hypothetical.

Mr. Speaker: The Government Members will come to order now, and that includes the front bench.

The Hon. Member knows that is a hypothetical question. Order, please. If he has a question on Government policy I am prepared to hear it.

Mr. Deans: Mr. Speaker, it has been reported repeatedly that Canadian representatives and U. S. representatives in Washington are speaking about a deal being worked out that has conditions attached to it in advance of the negotiations. I ask the Prime Minister, that being the case will he say categorically that Canada will not negotiate at all unless such conditions are absolutely out of the picture?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for the third time today, that allegation about activities of Canadian public officials in Washington is false. The Prime Minister stated the position of the Government of Canada with regard to preconditions in this House of Commons yesterday.

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY WHETHER FAMILY EARNING $21,000 CAN HAVE SAME REVENUE LOSS AS FAMILY EARNING $100,000

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Mr. Prime Minister, this morning, the National Welfare Council revealed the disastrous consequences of your Government's policies and demonstrated clearly that the poor are getting poorer and the rich are getting richer. Could the Prime Minister inform the House whether he was aware, when the two Budgets were brought down, that a two-salary family with an income of $21,000 would lose $2,000 in income, while a family with an income of $100,000 would also be losing no more than $2,000? Is that his kind of social justice?

• (1430)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe we all know that the members of the National Council of Welfare are responsible people who want to look at these areas objectively. However, I suggest that the Hon. Member also look at the assumptions underlying the projections of the council. For example, the council made the assumption, on the conclusions drawn by the Hon. Member, that no measure will be brought in by the Government between 1986 and the end of the decade to improve the financial condition of those in lower- income groups. It also makes the assumption that there will be no increase in real earnings between 1986 and 1990. I think most Members of the House would be realistic and say that that is an assumption that cannot be substantiated.

Some Hon. Members: Order.

Mr. Epp (Provencher): It should also be noted that they are making the assumption that no one—

Mr. Speaker: Order.

Mr. Epp (Provencher): I could give more examples.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR EXPLANATION CONCERNING $10,850 SALARY EARNERS AND $100,000 SALARY EARNERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. I hope the Prime Minister will have the courage to answer these people himself.

Could the Prime Minister inform the House why—and these are his own Government's figures—an employee with an income of only $10,850 will get only $905, while a family with an income of $100,000 will get $517?

Does the Minister have the courage to rise in the House and say—

[*English*]

Mr. Speaker: Order.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister had the courage to start getting the economy back on its feet so that the very poor whom the Member pretends to represent, but is not representing, will begin getting some benefits.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I can go on, Mr. Speaker. For example, there is the assumption that the surtax will remain until 1990. It also makes the assumption that the Ontario taxes raised by Mr. Nixon and Mr. Peterson, are an example for all of Canada and that those are reflected across the country. Furthermore, no provincial surtaxes or credits are taken into account. Lastly—

Some Hon. Members: Order.

Mr. Epp (Provencher): In September, 1984, five year mortgage rates were 14.25 per cent; this year, in April, they are 10.75 per cent. Those are the facts.

Some Hon. Members: Hear, hear!

EFFECTS OF BUDGET

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Will he comment on the report of his advisory council which states that a single parent family earning $14,000 will lose $1,000 in disposable income, but with the present legislation a single parent family with an income of $80,000 will actually gain $777 in disposable income? In other words, certain people will gain while others will lose disposable income. Is that his concept of fairness? How can he live with that kind of Budget that has been introduced by his Minister of Finance?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can live with a Budget and an economic plan that have brought confidence back into the economy. I can live with a Budget and an economic plan that have been the

backbone for 580,000 new jobs, almost all of them permanent jobs. I can live with a Budget and economic plan that have shown the mortgage decrease that I just reiterated. I am sure the Hon. Member, as finance critic, might even have the objectivity to know what some of the savings would be on a typical mortgage for an average income family. That is what I can live with.

PERSONAL AND CORPORATE TAX PROJECTIONS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I will ask the Hon. Minister once again if he can live with something the Minister of Finance tells us is going to happen, and that is that 50 per cent of the tax revenue for Canada four years from now will come from the people of Canada and only 15 per cent from the corporations of Canada? Does he think that is fair and equitable?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of tax fairness I think the Member should also know, as finance critic for the New Democratic Party, that it has been this Minister of Finance who has said there will be fairness in the tax system. It is this Minister of Finance who came in with the minimum tax. Those Members are not very enthusiastic now, after they were touting it throughout the country in the last election. It is also this Minister of Finance who said that he wants to bring tax reform and greater fairness to the system. Those are the facts, and I wish he would start being honest about some of those issues.

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CANADIAN NATIONAL RAILWAYS

MONCTON RAIL SHOPS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. He will know that the Government of New Brunswick has commissioned an economic impact study on the possible closure of the CN shops in Moncton. The loss of jobs and the social costs would be horrendous. Will the Minister explain to the House why he is refusing to take any positive action to protect those 1,200 jobs in the CN shops in Moncton?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Government is not refusing to take positive action. We are working very closely with CN and others to ensure that the excess capacity within the main shop system of the CNR can be alleviated and handled in a fair and equitable manner.

REQUEST FOR PROTECTION OF JOBS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, will the Minister give an undertaking to live up to the commitment he gave to the Member of Parliament for Moncton, as well as to the Senator in the other Chamber, with regard to protecting those jobs in Moncton? Will he categorically agree that those 1,200 jobs will be protected and the 250 people on lay-off will be rehired?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I said yesterday and I repeat today that the excess capacity situation in the CN main shops is being closely examined. We hope this will be completed by mid-1986. At that time any action that may be contemplated with respect to rationalization or adjustment will be announced, and any action will be taken in a fair and equitable manner.

* * *

CHALLENGE '86

CREATION OF JOBS FOR STUDENTS BY PRIVATE SECTOR

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister challenged the private sector to create career related summer jobs for students in 1985. According to her Department's own program evaluation, the private sector failed to deliver. Will the Minister explain why she has placed yet more emphasis on the private sector under Challenge '86 when her own evaluation says that the non-private sector is at least three times more effective at creating jobs for students?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, in 1984, 10 per cent of jobs created for students in the summer came from the private sector. In 1985, 32 per cent came from the private sector.

Some Hon. Members: Hear, hear!

Mrs. Champagne (Saint-Hyacinthe—Bagot): In 1984 effectively 12 per cent of the jobs were related to the careers for which young people were studying. In 1985 the figure is 67 per cent. In 1986 it will be even better.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Ask another one, Howard.

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, perhaps the Minister—whatever her portfolio is—will beat the air a few more times to explain why her report says that many of the jobs in the private sector would have existed anyway. Career related jobs were more frequent in the non-private sector. Why is she playing this game with the taxpayers and the students in respect to job creation rather than putting money into the hands of the non-private sector to create jobs for those who need them?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, last year 80 per cent of the private sector employers

said that those jobs would not have been created if it had not been for Challenge '85. In 1986 greater emphasis is being put on the private sector for career related jobs and many young people will gain the experience they need to obtain permanent jobs once they graduate. That is what this Government is working to achieve.

NON-PROFIT PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and it concerns the same matter that was just raised. The quota on non-profit projects is still too inflexible under Challenge '86. Many excellent volunteer community projects are not being funded. Will the Minister change the quota on non-profit applications under Challenge '86, while she still has time, so that the best projects in each area can be selected and implemented?

• (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when the proposals for this year were drawn up, I have to assure the Hon. Member that, yes, indeed, emphasis was placed on the private sector. I can say now that the program Challenge '86 is a runaway success.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Absolutely.

Mr. Orlikow: The money isn't used up.

Miss MacDonald: The fact is that we have received 58,000 proposals, the largest number of proposals which have ever come in. Many of them are from the private sector and they bring with them $150 million more for jobs for young people this summer.

Mr. Allmand: Mr. Speaker, I do not know how she knows Challenge '86 is already a great success when it has not even started yet.

An Hon. Member: More applications than ever.

Mr. Darling: Wake up.

Mr. Allmand: But her evaluation program for Challenge '85—

Mr. Speaker: Order, please. Supplementary question.

VANCOUVER FOOD BANK PROPOSAL

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Why is it that many excellent non-profit projects such as the Vancouver Food Bank are being turned down by the Challenge '86 Program while many questionable business projects are being accepted? Will the Minister explain that? Will she not change the rules while she still has time?

Hon. Flora MacDonald (Minister of Employment and Immigration): Once again, Mr. Speaker, I have to advise the Hon. Member that he is wrong. That proposal was approved.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

EMPLOYMENT

INQUIRY WHEN COMMUNITY FUTURES PROGRAM WILL COME INTO EFFECT IN QUEBEC

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Her department has announced the Community Futures Program. Can the Minister tell the House when Quebecers will be able to benefit from the practical application of this program?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as Members of the House of Commons will know, we are at the present time briefing all Members on the Community Futures Program. We will continue to do that. I can assure the Hon. Member and, indeed, all Hon. Members, that the first community to be named under the new Community Futures Program will be announced within a couple of weeks.

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EXTERNAL AFFAIRS

NICARAGUA—VIEWS OF UNITED STATES PRESIDENT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Prime Minister. Does the Canadian Government share President Reagan's view that Nicaragua is part of "the international terrorism network" with Libya and should also be dealt with by force of arms?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have made clear on a number of occasions that in our judgment the problems in Central America are problems which are economic and social in their root and nature. That is why the policy of Canada has been directed along two channels. One has been the encouragement of development assistance, and the second has been the encouragement of the Contadora process. That remains our policy.

U.S. SPONSORSHIP OF CONTRAS

Mr. Derek Blackburn (Brant): Mr. Speaker, I direct my second question to the Prime Minister and I hope he will reply. Will the Prime Minister tell President Reagan at the upcoming Summit that the United States might get more help in fighting

State-sponsored terrorism if the American Government were not sponsoring a group which is trying violently to overthrow the Government of Nicaragua?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are some people in this House who want to use the threat of terrorism as a means of expressing their political point of view.

Mr. Blackburn (Brant): What?

Mr. Riis: Name one.

Some Hon. Members: Shame!

Mr. Clark (Yellowhead): There are others here who want to use the influence that Canada has to mount an effective world response to the causes of terrorism. The problem, as was evidenced in Libya, is that the Americans found themselves in a position where there was no alternative—

Mr. Blackburn (Brant): Oh, yes, there was.

Mr. Clark (Yellowhead): —but a military alternative. Our challenge must be to work with our allies and friends to build alternative responses to international terrorism.

Mr. Blackburn (Brant): There is an alternative and you know what it is.

* * *

PETRO-CANADA

ENDING OF VOLUME DISCOUNTS TO WESTERN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the genial Minister of Energy, Mines and Resources. Can the Minister explain why Petro-Canada and other principal oil companies have stopped giving volume discounts to prairie farmers so that the prices in farm communities like Carmen, Manitoba, are only two cents less now than they were last fall even though the world price for fuel oil has dropped by some 60 per cent? What is the Minister going to do about this unfair and inequitable arrangement, especially when our western farmers are facing such difficult times?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have said many times in this House that I do not as Minister interfere in the day-to-day operations of Petro-Canada. I suggest the Hon. Member take this issue up with the company concerned.

REQUEST THAT MINISTER INTERVENE

Mr. Maurice Foster (Algoma): Mr. Speaker, the problem is that all companies, including Petro-Canada, operate in the same way. Since that is the case, Petro-Canada can give some leadership. Would the Minister contact the President of Petro-Canada and ask that company to reinstate the volume discount it had given in previous years, which amounted to about eight cents per litre?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I will take that as representation and get back to the Hon. Member.

* * *

CUSTOMS TARIFF

KOREAN STEEL IMPORTS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Finance. On March 13, the Minister in response to my question concerning the preferential tariff for South Korean steel, said that the import tribunal was the route that Ipsco and other steel companies would have to go. Now apparently the tribunal has found that the import of cheap Korean steel is hurting Ipsco and other steel operations in Canada. I ask again why Canada is the only country still giving the Koreans preferential treatment? And will it be terminated soon?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe I have indicated to the Hon. Member that this matter is something which should best be dealt with by the Tariff Board. That is the normal process which should be followed. Once that process has been completed we can then consider our options.

Mr. Rodriguez: Supplementary?

Mr. Speaker: Supplementary question, the Hon. Member for Nickel Belt.

PRIME MINISTER'S FORTHCOMING VISIT TO SOUTH KOREA

Mr. John R. Rodriguez (Nickel Belt): Thank you very much, Mr. Speaker. My question is directed to the Prime Minister. Does the Prime Minister think it appropriate for him to visit South Korea next month at a time when there is great concern about the undue influence which seems to be exerted within its Government which puts its Opposition Leader under house arrest and violates human rights?

Mr. Darling: That's supplementary to what?

Mr. Hnatyshyn: That is about as supplementary as—

Mr. Speaker: Order. It is very difficult to find that a supplementary question to the first question.

Mr. Rodriguez: Mr. Speaker, I am sorry, that is a supplementary question.

Mr. Speaker: Order, please.

Mr. Rodriguez: That is a supplementary question.

Mr. Speaker: Order.

Mr. Rodriguez: That is a supplementary question.

Mr. Speaker: Order. The Hon. Member for Nickel Belt—

Mr. Rodriguez: That is a supplementary question, Mr. Speaker.

Mr. Speaker: Not in my view. The Hon. Member for Gatineau.

Mr. Rodriguez: That is a supplementary. No, that is a supplementary.

Mr. Speaker: The Hon. Member for Nickel Belt will resume his seat.

Mr. Rodriguez: My colleague has referred to what seems to be preferential treatment for South Korean steel and I am asking the Prime Minister about—

Mr. Speaker: I give the Hon. Member for Nickel Belt my last warning.

Mr. Rodriguez: —his visit to South Korea and the support of this Government for South Korean steel. That is what I am asking.

Some Hon. Members: Out. Out.

Mr. Speaker: I am forced to name the Hon. Member for Nickel Belt. He is required to leave.

Some Hon. Members: Out, out.

Mr. Rodriguez: He knows I am right.

Mr. Speaker: I am required to name the Hon. Member for Nickel Belt. I must ask him to leave.

Mr. Rodriguez: He knows I am right.

Some Hon. Members: Out.

Mr. Rodriguez: He knows I am right.

Mr. de Jong: The great Korean connection.

Mr. Blackburn (Brant): "The Manchurian Candidate".

And Mr. Rodriguez having withdrawn:

Mr. Speaker: The Hon. Member for York West.

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IMMIGRATION

RUSSIAN ARMY DEFECTORS IN AFGHANISTAN

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. A *Globe and Mail* report today indicated that his Department had issued ministerial permits waiving all medical and security clearances for the six Soviet defectors in Afghanistan, thus ensuring speedy passage to Canada.

Can the Minister confirm that his Department issued or was in the process of issuing ministerial permits? And if so, why are those six individuals not here now? Who vetoed his order?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I tried to indicate to the House yesterday that there is an initiative under way designed to try to bring those six Soviet prisoners of war to freedom. Certainly we on this side of the House want to do everything we can to bring those POWs from captivity to freedom. I would hope there would be some understanding this time within the Liberal Party of the sensitivity of this kind of operation, and that we would have co-operation on the floor of this House.

Mr. Marchi: Mr. Speaker, there is growing evidence that there is clear political interference by the Minister of State for External Affairs.

ALLEGED MINISTERIAL CORRESPONDENCE

Mr. Sergio Marchi (York West): I will direct my second question to the Minister of State for Immigration. If he is not prepared to answer my previous question will he confirm or deny that he wrote to his colleague, the Minister of State for External Affairs, complaining bitterly about the obstructive role of the Department of External Affairs? And will he table that letter so we can find out the truth?

• (1450)

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to confirm to the Hon. Member that the officials of my Department have indicated clearly that they are working in close collaboration with officials of the Secretary of State for External Affairs and we are seeking in every way to expedite the matter, as the Minister has just indicated in his response.

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

FINANCING OF CHARITABLE ORGANIZATIONS

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I should like to put a question to the Minister of Finance. This being National Volunteer Week, can the Minister tell us the status of discussions with the National Volunteer Organization concerning the funding of charitable organizations?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in my Budget Speech, we have had a number of

discussions with members of the National Volunteer Organization to try to arrive at a fair and more effective means of encouraging support of charitable organizations. These discussions will continue. That is a matter that is best dealt with in a Budget. I would expect that there will be something that we could discuss at the time of the next Budget.

* * *

TRADE

SYRIAN GRAIN MARKET—PROTECTION OF CANADIAN FARMERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister will recall that on Monday I asked him a question and he promised to look into the matter of what the Government was doing to protect our traditional grain market in Syria in the face of the Americans, through the subsidized BICEP Program, going after our traditional market there.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of the pressure brought upon Canadian grain producers by the trade war between the United States and the European Community is one that was addressed very strongly by the Minister of Finance at the OECD. The Prime Minister has indicated that he and the Government are going to make representations to the Government of the United States to protect the interests of Canadian grain growers with regard to markets that are traditionally ours in Syria.

I should add that we do not intend to limit our action to the protection of Canadian grain markets in Syria. We are going to protect traditional Canadian grain markets anywhere in the world where they are threatened.

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister knows that the BICEP Program is being used now to take away our traditional market. What action has the Government taken to protect that very important Canadian market?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member should know that the reason that has happened is because of the large-scale agricultural war—no other word can describe it—between the United States and the European Community. Canada has begun at the OECD to raise strong warnings about the dangers that provides for Canadian producers, and indeed for producers in the Third World. We will also be using all of our diplomatic instruments to bring to the attention of the United States authorities that we regard it not only unfair but inappropriate action on the part of France for their subsidy programs to be depriving Canadian grain producers of traditional markets.

PHARMACEUTICAL INDUSTRY

VIEWS OF PROVINCIAL HEALTH MINISTERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the provincial Minister of Health for Newfoundland, Dr. Twoney, said this morning that Ministers of Health across the nation are opposed to the federal Government's proposed legislation banning generic drugs and that they will be coming to Ottawa next week to lobby against the legislation. My question is directed to the Minister of Consumer and Corporate Affairs. Is the Minister aware of this opposition by provincial Health Ministers, or is this just another example of the Government's lack of consultation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member should know that there is not a lack of consultation. Not many months ago the argument was that we should quit consulting and start taking decisions. Now it is the other way. I would like to tell the Hon. Member that I will be meeting with the Health Ministers on April 28.

CONTENT OF PROPOSED LEGISLATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Ministers have written to the Minister of National Health and Welfare opposing this legislation and the provincial Health Minister released details of that this morning. Since the Health Ministers of the provinces are opposed to this legislation, will the Minister now admit that the legislation just will not wash?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member keeps acting this way, he might need the pharmaceutical industry a lot sooner than he thinks. I think my relations with provincial Health Ministers are pretty good. On April 28 I will discuss this or any other issues they wish to raise with me.

* * *

NUCLEAR ARMAMENTS

ACCIDENTS ON U.S. NAVAL VESSELS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. A recent United States freedom of information lawsuit revealed that since 1965 there have been 630 accidents involving nuclear weapons held aboard U.S. naval vessels visiting the ports of Hawaii. Will the Minister today advise us that he is prepared to release to Canadians information on accidents involving nuclear weapons held aboard any vessels visiting ports such as Vancouver, Victoria, or Halifax, or is he not aware that such information exists?

An Hon. Member: Ask your seatmate, the Hon. Member for Yorkton—Melville.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am prepared, of course, on this matter to defer to my temporary seatmate.

Mr. Mulroney: Welcome aboard!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The practice of the Canadian Government will conform with Canadian law respecting access to information. If the Hon. Member wishes to make an application under that law, I can assure him I will facilitate a response to it.

VISITS TO VANCOUVER

Mr. Jim Fulton (Skeena): Mr. Speaker, of course I have already applied under the freedom of information legislation. My supplementary question is directed to the Prime Minister. As the Prime Minister is probably aware, Vancouver has voted itself a nuclear weapons free zone. I wonder if the Prime Minister would make clear that vessels carrying nuclear weapons are not to be tied up in downtown Vancouver, because Canada's policy is clear that we do not allow nuclear weapons in our country, or is downtown Vancouver not in our country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for Skeena has been away from his province for too long. I can confirm that not only is downtown Vancouver in this country but it is in the heart of the preoccupation of the Government.

The Hon. Member will also know that the Government of Canada has followed for some time, and intends to continue to follow the practice followed by various Governments of not publicizing information regarding the possible transit of nuclear materials on the vessels of our allies. That is one of the policies to which we are committed as an ally.

* * *

TOURISM

CANADIAN PAVILION AT EPCOT CENTRE

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of Tourism. He and I have received many complaints about the Canadian Pavilion at the Epcot Centre at Disney World in Florida. It certainly does not reflect accurately our country or our people. What action is the Minister prepared to take to get Disney World to make some changes so that we can have a Canadian Pavilion which truly exhibits the beauty and grandeur which await potential tourists to our country?

Mr. Speaker: Order, please. Order. It is difficult for me to find that any Minister of the Crown has any responsibility for Epcot Centre.

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, it just so happens that we do have jurisdiction for that particular part of the country. My officials and the officials of Disney Productions met on April 10. The objective of that meeting was to see whether or not we could get official government participation at Epcot Centre for three basic reasons: one, of course, to improve our image; two, to relieve an irritant; and three, to make sure that we can project the best possible image for tourists visiting this country.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

CONSEQUENCES OF CHANGE IN REGULATIONS—REQUEST FOR CLARIFICATION CONCERNING ANNOUNCEMENT

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. On several occasions the Minister stated in this House that she had given ample notice of the consequences of regulations on unemployment insurance and pension income. Could she explain why unemployment insurance offices were so advised by telex on December 30, 1985 and not before?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I have mentioned many times and as the Hon. Member has said, the decision to make changes to the unemployment insurance regulations was announced on November 8, 1984, and indeed, Sir, on December 21, 1984, that announcement was noted particularly in the House of Commons. That day a press release which received wide publicity was also issued and that press release said: "The treatment of pension income as earnings will come into effect starting in January 1986. Claimants then receiving pension income from previous employment will have this pension income taken into account for UI purposes only after that date."

[*Translation*]

MINISTER'S ATTITUDE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, will the Minister admit that her November 26, 1985 letter to the Hon. Member for Trois-Rivières and the telex to the unemployment insurance office prove that thousands of Canadians have lost thousands of dollars as a result of her incompetence?

• (1500)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in addition to the number of times this matter has been raised in the House, it was discussed with

individual corporations and with individual Members of Parliament. Also it was discussed widely across the country. I can assure—

Mr. Deans: How many Members accepted it?

Miss MacDonald: The Hon. Member for Hamilton Mountain asks me how many Members accepted it. The question was whether or not it was known. I can assure him that he and many others in the House raised the issue on a number of occasions so that it was widely know. I cannot say that everyone accepted it, no.

* * *

PRIVILEGE

CHALLENGE '86—FUNDING OF VANCOUVER FOOD BANK

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, during Question Period the Minister of Employment and Immigration (Miss MacDonald) told the House that the Vancouver Food Bank had been funded under the Challenge '86 Program. We have just received a telephone call from Vancouver during which those responsible said that they had no knowledge whatsoever of being funded under that program. Is the Minister now announcing approval for the program in the House of Commons when we ask questions?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would be pleased to comment on this. Approvals come from my office, and I want to make sure the Hon. Member knows that I indeed approved that project.

Mr. Speaker: There is no point of order or question of privilege.

TERRORISM—STATEMENT OF MINISTER

Mr. Derek Blackburn (Brant): Mr. Speaker, my question of privilege arises from Question Period and a question which I directed to the Secretary of State for External Affairs (Mr. Clark) in respect of state-sponsored terrorism in Latin America. In answer to my second question, the Minister stood up and said: "There are people here who are using terrorism".

I should like to know the implication of that answer. Was he referring to me as using terrorism? Was he referring to any members of my caucus as involved in or using terrorism? Was he referring to members of the other opposition Party? To whom was he referring? It was a very serious statement.

Mr. Speaker: Order, please. The Hon. Member knows full well that that is not a question of privilege.

Mr. Blackburn (Brant): Mr. Speaker, it impinges upon privileges.

Mr. Speaker: Order, please. There conceivably could be an arguable point of order, but it is certainly not a question of privilege.

Mr. Blackburn (Brant): I will do it on a point of order, then.

Mr. Speaker: I let the Hon. Member finish because I took it that he was raising what in fact was a point of order. No reference was made to any Member to my knowledge. I listened.

Mr. Blaikie: Check the "blues".

Mr. Blackburn (Brant): With due respect, Mr. Speaker, when a Minister of the Crown—

Mr. Speaker: Order, please. Is the Hon. Member asking me to check the "blues" to determine whether in fact there was unparliamentary use of language?

Mr. Blackburn (Brant): Yes, please.

Mr. Speaker: I would be happy to do so.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 200 petitions: Nos. 331-130 to 331-139 inclusive, 331-141, 331-145 to 331-165 inclusive, 331-168 to 331-181 inclusive, 331-185 to 331-187 inclusive, 331-189 to 331-192 inclusive, 331-197 to 331-247 inclusive, 331-254 to 331-277 inclusive, 331-279 to 331-283 inclusive, 331-288 to 331-306 inclusive, 331-310 to 331-335 inclusive, 331-337 to 331-340 inclusive, 331-349 to 331-355 inclusive, and 331-374 to 331-384 inclusive.

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[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF FOURTH REPORT OF CANADIAN-NATO PARLIAMENTARY ASSOCIATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the fourth report of the Canadian-NATO Parliamentary Association, which was prepared by the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey).

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

PRIVATE MEMBERS' BUSINESS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Private Members' Business in both official languages which, pursuant to Standing Order 36(1)(b), is deemed adopted when laid upon the table.

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

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[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 116.

[*Text*]

NATIONAL ARTS CENTRE

Question No. 116—**Mr. Robichaud:**

1. Does the National Arts Centre plan to close its doors during the peak tourist season in order to compensate for the $1 million budgetary cuts?

2. Was the Minister of Communications advised that the NAC was unable to assume such cuts?

3. Was the Minister advised that in order to compensate for such cuts, the NAC would have to close its doors and lose prime tourist input?

4. Did the Minister request a report and seek the advice of NAC management prior to the cuts?

Hon. Marcel Masse (Minister of Communications): I am informed by the National Arts Centre as follows:

1. The National Arts Centre Corporation will implement such cost-saving and revenue-increasing programs as may be required to operate within the financial resources at its disposal, including the recent reduction to its parliamentary appropriation of one million effective April 1, 1985. In doing so, every attempt will be made to preserve both the quality and quantity of onstage programming; so far as may be feasible, therefore, reductions in net expenditures will be effected from "support" services. It is not likely, however, that onstage programming will be totally unaffected.

Programming which falls within the "regular" season (September through May) is less exposed, principally because it is sold on a subscription basis with a probable higher net return and a lower box office risk than single event selling. Programming during the "summer" season (June, July and August) is more likely to be affected: it presently appears the NAC will continue to be able to present some summer programming, but nothing like the quality, nor the quantity, it has offered in the past. Moreover, past summer seasons have included a high level of "subsidized" programming: in the present circumstances, a strong move to "commercial" entertainment will be unavoidable.

It is during the "summer" season that foreign tourists and Canadians normally resident elsewhere visit the National Capital Region; nevertheless, the quantity, quality and timing of NAC programming will suffer unavoidable alterations in order for the Centre to live within its significantly reduced means and to fulfil its primary responsibility of using its resources to the best advantage of Canadian artists.

Media coverage of the effect of the government reductions in funding to the NAC left the impression that the Centre has decided to "close its doors during the peak tourist season"; as explained, this impression is inaccurate.

In so far as the Department of Communications is concerned, the reply to the above question is as follows:

2. The Minister of Communications was not advised that the National Arts Centre was unable to sustain a budget reduction.

3. No.

4. The Minister of Communications expressed his interest, at the time, to conduct a review of the role and mandate of the National Arts Centre. The Minister announced, on January 28, 1986, a task force to examine the role and mandate of the NAC as well as focussing on the current managerial and administrative structure of the Centre.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 22, consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the third time and passed.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am pleased to participate today in third reading of Bill C-62, an Act respecting employment equity which, as has been indicated in previous debate, could be titled the smoke and mirror Bill. Of course the Bill deals with employment equity. It results from the recommendations of Judge Abella in her report released in November, 1984.

Indeed we have come some distance since 1870 when the first two women were employed by the Public Service of Canada and 1882 when the Toronto Labour Council first supported equal pay for equal work. It has been a difficult struggle for many groups. It has been a tiring and long fight for the target groups about whom we are talking, to gain their rights. Of course I am talking about native people, visible minorities, handicapped, and women.

In our view there is no question that the Bill must be strengthened. Bill C-62 requires teeth and some real action. We are disappointed that the Government has not seen fit to accept the many amendments which we proposed to strengthen the Bill. There is no way we can expect movement toward full employment equity unless the federal Government and Parliament set an example. I remind Hon. Members that Parliament is excluded from Bill C-62, which means the House of Commons, the Library of Parliament, and the Senate. The Bill also excludes all Departments and Ministries which fall under the jurisdiction of the Treasury Board as the employer. In our opinion we need a much more comprehensive Bill. It should affect a greater number of employers and employees. It should have real teeth, and real enforcement of employment should be in the Bill. The Bill falls short of the expectations of the target groups for whom it was meant. What seems obvious to us is that it is an advance, but a timid advance.

[*Translation*]

Mr. Speaker, this less than forward-looking approach with respect to the affirmative action legislation is tantamount to an outright betrayal of the hopes of about 60 per cent of Canadians who expected this Government to come up with a mandatory program to guarantee equity in a society which barely a year ago proclaimed Section 15 of the Canadian Charter of Rights and Freedoms, thereby entrenching equality in this country.

• (1510)

[*English*]

Bill C-62 demonstrates again that the Tories talk a good line on fairness but a type of fairness only they can see. Companies, I remind Members, are not required to submit operational plans for approval or to report specifically about their initiatives to the Minister, or to the agencies responsible for administering this Act. The Minister, of course, can issue guidelines. We all know that, but that is somewhat of a weak position. Nothing in the Bill says that she can apply them, except that she may, if she wants. "We will knock on the door", she said a couple of days ago, and knock again and again and say: "Please put into effect the principle of employment equity".

[*Translation*]

Mr. Speaker, I would like to re-emphasize something, because we are now at third reading of this Bill which is bound to be passed by the Conservative majority in the House, and we must clearly explain why our position differs from theirs.

The Bill does not contain a clear definition of employment equity. There is no definition, no commitment pertaining to equal pay for equal work, no specific statement on the establishment of the necessary standards or criteria to define obstacles to employment, no guidelines on the removal of discriminatory practices, no methodology, and no date for the implementation of the directives.

Mr. Speaker, Crown corporations and companies engaged in federal work must submit reports within three years. That is what it says in the Bill. Analyzing and consolidating this information can be done by the Minister.

Mr. Speaker, I would like to get back to what I was saying yesterday, about our conviction that the principal employer, namely Treasury Board, the departments for which it is responsible, and Parliament, should be subject to Bill C-62. We feel that in this way, we could set an example to which perhaps the private sector could look for guidance, an example set in good faith. I did a little research last night to find out whether progress had been made with respect to the Affirmative Action Program—step by step or, even better, by leaps and bounds—being implemented in the Canadian Public Service today. As I said before, and I have said it several times, since 1971 Parliament has adopted a number of measures. In 1983, the Liberal Government announced a comprehensive affirmative action plan for the Public Service, for which the President of the Treasury Board would be responsible. Interestingly, things have changed, and a real effort has been made within the Public Service to be fair and to restore a measure of equity to hiring procedures.

Mr. Speaker, I would like to mention a few statistics. In 1983, the number of women working for the federal Government, that is, in the federal Public Service of Canada for which Treasury Board is responsible, was 90,816 or 40.6 per cent. In 1984, 92,093 or 41.1 per cent were employed by the Public Service of Canada. In 1985, 92,800 or 41.6 per cent. Mr. Speaker, these increases are not exactly breathtaking—1 per cent, .5 per cent—but they are more encouraging for women and also show that a measure of equity has been established.

However, if we look at a breakdown of the jobs held by women, and I am getting back to this subject because it is interesting, we see that in 1983, Mr. Speaker, out of 90,816 women or 40.6 per cent, only 5.4 per cent were in management positions. In 1984, this figure rose to 7 per cent, and in 1985 a little higher, to 7.8 per cent.

We can therefore say that roughly 8 per cent of employees in management positions are women.

Now if we look at the other end, in the administrative support category, we find out that, in 1983, 82 per cent of employees working as clerks, typists or in other administrative support jobs were women. The percentage rose slightly to 82.6 in 1984 and 82.7 in 1985. So the rising trend is unmistakable.

Therefore, despite public service reductions and Government cut-backs, there have been increases of 0.8 per cent in the number of women in the management group, and 0.5 per cent in over-all employment in the Public Service of Canada.

Mr. Speaker, I wanted to say that because it is important to have indicators or signs showing where we are headed with respect to employment equity.

Mr. Speaker, I referred to this program to promote hiring and employment, particularly the one concerning women, because I had said in an earlier speech that as far as the handicapped are concerned, for example, everybody knows that Mrs. Suzanne Azziz has been doing a tremendous job under the federal Government program for the handicapped. If my information is correct, close to 400 physically handicapped people have been hired recently by the Public Service Commission and integrated into the system.

But yesterday, Mr. Speaker, I alluded to the systemic resistance which exists even in this Parliament, a resistance which perhaps is not sought or even planned that way, but which is there nonetheless. Excuse me if I get a bit personal, but I would like to talk about the problems the physically disabled have in coming to the House and even working on Parliament Hill, Mr. Speaker. We all know this. We had a demonstration recently when disabled people wanted to come in their wheelchairs. We had trouble getting them into the visitors' gallery. We all know that our elevators are difficult to operate for people with physical handicaps, for instance, people in a wheelchair. Just try and press the button to call the elevator, just try not getting stuck while the doors are closing, when you are in a wheelchair. It is well-nigh impossible, Mr. Speaker.

We even have one interpreter in the House who is blind, and he has been taking our elevators for years without knowing where he is going because no one thought of providing braille or sound in the elevator. These are things we could reasonably expect to be provided by an organization, by a system that claims to have all the latest technology. Mr. Speaker, these things do exist right here in Ottawa.

Last night, I went to see one of my friends, Roger Thibault. His apartment building has an elevator that calls out "up" and "down" and the floor number, and also has braille, for the benefit of people with a hearing or sight disability. However, here in the Parliament of Canada, a public place, a place where we should make it possible for everyone to come and listen and meet the Members, we have yet to install a sensible system or to ask someone to modernize our system. I think this is shocking!

It is quite unacceptable that we should go on like this, that we should not be included in Bill C-62; we are an employer, we have employees here, and I know some of them who find it difficult to work here. We are not fully aware of this because we have not made any special effort to improve the situation. I hope there will now be a movement for us in Parliament to show leadership. The situation is the same in all Government buildings—physical access difficulties, mobility obstacles, and safety problems for the handicapped.

Mr. Speaker, I would rather not spend too much time on this point because I think I have made myself very clear. We must admit there are systemic arrangements, systemic problems which are not necessarily planned that way but which we will have to solve. We will have to find solutions with serenity.

• (1520)

[*English*]

Various statistical studies, some of which were referred to in the report of the Royal Commission on Equality in Employment, provide a bleak picture of employment for women, disabled persons, native people, and visible minorities. They demonstrate, without a doubt, that there is an imbalance, both in statistical and monetary terms. Everyone knows that women earn lower average incomes. It is a fact of life. If one looked at the statistics of the public service one would see that women do not earn the same amounts as their male counterparts for performing, in most cases, similar jobs. There is nothing in Bill C-62 which touches upon that important problem.

Disabled persons suffer from extraordinarily high unemployment rates. When they are employed, they tend to be concentrated in low paying, marginal sectors of the labour market. Added to an already difficult position are expenses which non-disabled workers do not face but are part of the everyday life of disabled people. These include expenses for medication, special aids, and special devices for transportation.

I do not like to say this, but it should be noted that most of the people in the Public Service of Canada who were hired under the program to assist disabled people and to encourage the hiring of disabled people were hired in term positions. When the Government lets people go, the first to be let go are usually term employees who, in many cases, are disabled people. I thought they had acquired a right to work in the

Public Service of Canada and were doing a competent job for us.

Native people experience a level of unemployment about five times higher than that of the nonnative population. When they are employed, it is usually in the unskilled sectors of the labour market and they have disproportionately low incomes.

Yesterday I referred to the difficulties which landed immigrants have in adapting to the two official languages of the country. We must review our programs of language training and we must ask the provinces to co-operate. Judge Abella reported on this extensively. She said that we must do something to modernize the methods and to make those courses more acceptable so that new Canadians will have less difficulty advancing in the workforce. In my riding landed immigrants frequently fill the lowest paid jobs in the lowest skilled sectors. They are usually the most vulnerable because their jobs are the first to be abolished in tough times.

From a purely economic point, employment equity is needed to ensure that human resources are not wasted because of discriminatory practices. A healthy economy needs the contributions of all qualified people who are willing to work and are competent. That is the only judgment we should make—not whether they are native, handicapped, disabled, or women. If they are competent they should be allowed to compete and to obtain jobs. The exclusion of women, visible minorities, disabled people, and native people from job opportunities and benefits can only contribute to the high cost of social service programs.

In conclusion, we are disappointed with the Government's refusal to amend this Bill. We would like to have had included in the Bill a higher penalty, and have it relate to the action plan as well as the reporting clause. We would like to have seen the penalty at $500,000. We would like to have had the designated groups which speak strongly for the disabled, the native people, and women's groups included in this Bill so they would be consulted when things need to be improved.

We would have liked to have had a better definition of "reasonable accommodation". The Prime Minister (Mr. Mulroney) promised the handicapped people that he would study this issue personally. He did not study it very long or hard and he did not do a darn thing about it. We would have liked a requirement that the action plans be sent to the Minister for review and be available to the Canadian Human Rights Commission, upon request, for examination.

We would have liked those things to have been included in the Bill but, unfortunately, they are not. The Bill will be accepted as it is, but it is a smoke and mirrors Bill. Everyone in the House accepts the principle of the Bill, but its lack of teeth frustrates us. We would like to have had a Bill with more power and equity. We would like to have had a stronger Bill.

[*Translation*]

Mr. Nystrom: Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has made a good speech. He is a good Member of Parliament and a very progressive one. However, I wonder why the Liberal Party did not do this during its 20 years in power. His party formed the Government in 1963 under Mr. Lester Pearson with 168 seats in the House. It then came to power once again under Mr. Pierre Trudeau. My question, therefore, is this: Why did the Liberal Party do nothing in 20 years to ensure employment equity in Canada?

Mr. Gauthier: Mr. Speaker, I am happy that the Hon. Member has asked this question because it gives me a chance to point out that it is quite untrue to suggest, as do the Parliamentary Secretary and the Conservative Party, that we did nothing. It is completely untrue, and I would like to remind the House that, in 1971, Canada was the first country in the Western world to recognize the role of women at the highest level of Government by creating a Cabinet position for the advancement and promotion of women.

A non-governmental advisory council on the status of women was established in 1973. In 1972, the Federal Government endorsed the convention of the World Labour Organization on equal pay for work of equal value. The Liberal Government also introduced an omnibus Bill to ensure equal status for women in 1975. In 1976, we gave passage to the Canadian Human Rights Act, which forbids discrimination based on sex. In 1978, we amended the Canada Pension Plan to provide for the equal sharing of retirement credits, as well as the Canada Labour Code to eliminate pregnancy as a motive for lay-off or firing. Then, in 1982, we had in this very House a debate of nearly one year on the famous Canadian Charter of Rights and Freedoms, which was finally passed by Parliament after being introduced by the Liberal Government and in which Section 15 guarantees equality for all Canadians. Afterwards, we also created the Abella Commission because this issue had to be examined. The Abella Commission was therefore established in 1983 and it presented its report in 1984.

Unfortunately, the Canadian public decided to throw us out, and I am not blaming anyone. However, the Government in power certainly had lots of advice. Now I have been in the House for at least fourteen years now, and we have been discussing the subject for at least that long. That is my answer, and that is what I said three or four times in this House, and if I am asked the same question again, I will repeat my answer once more.

Since 1971, Mr. Speaker, a lot has happened here. We took care of native people, we took care of housing, we took care of the disabled, we took care of women. Projects and programs were set up. I am certainly not ashamed to say it. I am not saying that I am satisfied with what was done. I didn't say that. I didn't say I was satisfied. I merely said, Mr. Speaker, that I am one of those people who believe that by doing a lot more we will get a lot further in this area and get there faster.

• (1530)

[*English*]

Mr. Keeper: Mr. Speaker, I have a question for my friend. I have heard a number of Liberals criticize this legislation as being unenforceable. We, too, have made that criticism and it is valid. However, is this just criticism the Liberals are able to make now that they are in Opposition, or is their policy one of enforceable affirmative action? Can the Member tell me the Liberal Party policy or are they just criticizing and sitting on the fence?

Mr. Gauthier: Mr. Speaker, I know the Hon. Member to be a serious Member and I know why he puts that question. I know exactly what he is trying to get at. I refer him to the speeches and amendments we have moved over the last little while concerning how this Bill should be enforced. NDP Members are good at asking questions like that, but it was very interesting to read some of the research material concerning the NDP in Manitoba.

In June, 1985, the Hon. Member's Province of Manitoba passed Bill 53, the Pay Equity Act. That is as far as Manitoba has gone on employment equity although all three parties in the last election promised very strongly to be much more aggressive on employment equity.

Mr. Keeper: They also announced that since the election.

Mr. Gauthier: That was the only initiative in many, many years. I can point to affirmative action groups starting with the handicapped. I can talk about women's groups and Francophone groups in my riding. I can talk to you about that for maybe an hour and a half or two hours.

Mr. de Cotret: No, no!

Mr. Gauthier: The Minister says: "No!" If you want to talk about affirmative action programs—

Mr. Blaikie: Don't threaten us then.

Mr. Gauthier: —the best affirmative action program we ever had was the encouragement of minority groups. One of them I can talk about is the Francophones. I think I will because it is an important question.

The President of the Treasury Board (Mr. de Cotret) is here. I am getting a lot of correspondence these days from such people as the *Société francophone Manitobaine* and the *Société Franco-Ontarienne*, all the Francophones outside Quebec, who are very worried about the Government's budget cut-backs and how the Treasury Board is going to deal with the programs these people need. This morning I had a letter from the *Collège St. Boniface* saying that the Treasury Board decision to cut their funds for education will have a direct impact on their capacity to operate in Manitoba. I could talk about TV Ontario. That is affirmative action. The Government is hesitant about giving it the $50 million it has been asking for.

Mr. Keeper: Where does the Liberal Party stand on employment equity?

Mr. Gauthier: Then there is the question of Newfoundland and access to the courts. Is there a better affirmative action program than letting individuals go to the courts and ask that their rights be respected? Is there a better Court Challenges Program? Yes, there is, one that works like the one we had before. This Government has taken the Court Challenges Program, under the Minister of Justice and the Secretary of State, and has put it—

[*Translation*]

—on the back burner, as they say. We don't know what is going on, no decisions have been made, and we have people who want to go to court to have their rights recognized under Sections 15, 23 and 27 of the Canadian Constitution, these are all programs—

[*English*]

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper) on a point of order.

Mr. Keeper: I wonder if the Hon. Member would allow a supplementary question rather than talking it out?

Mr. Gauthier: I am answering your question.

[*Translation*]

Mr. Speaker, I want to go on because this is so important. Bill C-62 deals with employment equity and is connected chiefly with Section 15, because it is all in line with the Canadian Constitution that was adopted by this Parliament. Through Section 15, with the help of Judge Abella, we wanted to achieve employment equity. It is Section 15 that will be tested in the courts, so that we will know what it means. Section 23 will be tested in the courts. We must help these people, because if we tell minorities and the disabled, if we tell native people and women: Do it on your own, without the help of the federal Government, without the help of the majority, they will certainly have a lot more trouble and it is going to take a lot more time to achieve the equity they are seeking.

The Hon. Member's question is a good question, Mr. Speaker, because it goes to the heart of the matter. How can the majority help the minority to better defend itself? And that is why we have a problem with access to the courts financed by the majority. And I hope this damned program is going to work, because someday, our minorities are going to be fed up with all this begging for funds to defend what are basically their fundamental rights.

[*English*]

Mr. Keeper: Mr. Speaker, that was a great oration by my friend and I appreciate every word of it. However, he failed to say concretely and specifically where the Liberal Party stands today regarding enforceable affirmative action. I would like to hear him speak to that. I know he is capable of criticizing the

Government but is he capable of enunciating the Liberal Party position, or does it have a position on affirmative action?

Mr. Gauthier: Yes, Sir, we have a full policy. How much time have I got? We are fully in accord with a positive approach to affirmative action. We have proven that over the years.

Mr. Keeper: Define "positive"?

Mr. Gauthier: It is our policy to support those who are least able to defend themselves. If the Hon. Member wants to know exactly what the Liberal Party thinks about a specific program I am willing to talk to him about that. Is he talking about women? I think our record shows we have acted in a positive manner on affirmative action for women. Is he talking about the handicapped? I can repeat what I said a few minutes ago. We had several programs. In my riding the co-op movement, which is a good movement, put up housing for the handicapped under a pilot project. That was 10 or 15 years ago.

Mr. Keeper: What about today?

Mr. Gauthier: Is he asking about native people? I was Parliamentary Secretary to the Minister of State for Urban Affairs in 1976-77. I went around this country looking at native housing and saw how badly housed the native people were. I could see how hard we should try to give them what they wanted, affordable and decent housing. We did that with several programs. I can refer the Hon. Member to the RRAP program, a sweat equity program which got an awful lot of people doing for themselves what should be done. Sweat equity is what you contribute to the construction of your own house. We calculated that amount as part of the mortgage. That program, plus the Neighbourhood Improvement Program, along with all kinds of other programs—

Mr. de Corneille: CHIP.

Mr. Gauthier: The CHIP program is dead. The Conservatives killed a good program. I am speaking about affordable accommodation for those with low incomes, for example. In my riding we built more social housing in 15 years than anybody else did in the Ottawa area. I am very proud of that. I have got a good housing stock which we worked very hard at, and it was mainly directed at Ottawa-Vanier.

• (1540)

An Hon. Member: What about the rest of Ottawa?

Mr. Gauthier: The rest of Ottawa does not need it because they are so rich. I represent the poorest part of Ottawa, and the oldest too, but I am very proud of that. In lower town, Overbrook, Vanier, and all those areas, that part that was the original Ottawa, was poor. It needed assistance and we went out there and gave it to them, and we did support them in their housing. Thank you.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-99, to provide borrowing authority, without amendement.

* * *

[*English*]

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Sir,

I have the honour to inform you that the Honourable Gérard V. J. LaForest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 23rd day of April, 1986, at 4.30 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Leopold H. Amyot,
Secretary to the Governor General

* * *

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald, that Bill C-62, an Act respecting employment equity, be read the third time and passed.

Mr. Deputy Speaker: Resuming debate, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie).

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, perhaps I should begin by suggesting, with all due respect, that you have the time mechanism, which I know you keep in front of you, checked for any faults it might have, because that was certainly the longest 10-minute comment period that I have experienced since it came into being.

I want to say that the now standard tactic of pointing out, and quite rightly, the inconsistencies between what Liberal members of the House now say about employment equity—and for that matter about a great many other subjects—and what was actually done while the Liberals were in power, is fair ball.

It is also fair, I suppose, to note that many of these issues are issues which evolve over time, and that Governments respond to the degree of social consensus that develops around issues. I say this, not in defence of past Liberal Governments, but to point out that I think the social and political consensus for affirmative action developed long before the Liberals had

the opportunity to be defeated, an opportunity they so richly deserved and took advantage of in 1984.

Long before 1984 the consensus had been created that it was time for real employment equity in this country, and real affirmative action. We went so far not so long ago as to enshrine in our constitution a reference to affirmative action, which highlighted that as a mechanism for bringing about greater equality in this country. I do not think, with all due respect to the individual and local initiatives that the Member from Ottawa-Vanier pointed out, the Liberal Party can be let off the hook for the lack of action which it demonstrated with respect to this particular issue while it was in Government.

I want to say also that I think it is a good time to reflect on what I suppose is tragically common in the political life of this country, and perhaps others as well, and that is the gap, sometimes a horrendous gap, between promise, expectation and reality. In August, 1984 the then Leader of the Opposition and now Prime Minister (Mr. Mulroney) said, and I quote:

> Our party will ensure that companies providing services to the federal government hire increasing numbers of women to perform such services. When seeking government business, these companies will be required to detail their action plans, timetables, and programs for attracting, training and advancing women within their operations . . . We support the need for human resources planning within the federal bureaucracy, which includes goals and objectives to achieve parity for women, at all levels of Government operations, commensurate with their skills and expectations.
>
> Numerical goals are one of the several goals required: training and retraining are others.

That was offered to the Canadian public by our current Prime Minister when he was running for office in 1984. The result of that rhetoric, which was part of an over-all and considerably transparent election strategy, was to promise everything to everybody. The Conservatives in 1984 were going for broke. They were not going to offend anybody. Whatever you wanted, they were on your side. If you did not want to test the Cruise missile, neither did they. If you wanted to test the Cruise missile, so did they. It did not matter what your position was you could find a Tory who would respond positively to your feelings and to your concerns.

This Bill has become an example of the disappointment and the cynicism which that kind of election strategy, however successful—and certainly no one would argue about the success of it—eventually results in. There was an expectation with respect to this issue that the Government would live up to its promises in this regard, an expectation that has been sorely violated by the reality of the legislation that we have before us. We can quote now from Beryl Potter of the Coalition on Employment Equity for Persons with Disabilities the following statement:

> Like the bill—it's not even worth the paper it's written on—I've never been so disillusioned in my life as I am with Prime Minister Mulroney. I was a supporter of him. I worked for him in his campaign and I am totally, totally disillusioned.

A good example of the gap between promise, expectation created and promoted by the Conservative Party, and now the disappointment that comes with legislative reality, is the fact that the Progressive Conservative Government has not been willing to respond to a social consensus that is already there. It is not as if the Conservative Party was being asked to do something terribly radical. I feel, as I think others feel, that for some time we have been at a point in our social and political thinking where governments could afford to move on this without any great danger to themselves. We have to ask ourselves the question, why does the Progressive Conservative Government, having taken the trouble to devise legislation and to cause the House of Commons to debate this for many, many hours, not take the trouble to do the job right while it was taking the trouble to do the job at all?

I think the reason for that is that when the Conservatives got into the business of promising everything to everybody as an electoral strategy they were involved in contradicting themselves at a great many turns, particularly when they made the kinds of promises they made with respect to employment equity, as well as in some other areas. I say that because I do not think any member of the Conservative caucus would deny that they have a fundamental commitment to the market-place as the arena where certain kinds of decisions are made, indeed, where a great many important decisions are made as far as Progressive Conservatives are concerned, and where those kinds of decisions ought to be made according to Progressive Conservatives. The Progressive Conservatives believe that the market-place is the final arbiter of who will get what job, how they will be paid and organized, et cetera.

• (1550)

When the Progessive Conservative Party promised employment equity, it was either unconsciously engaged in a form of intellectual self-contradiction or it was consciously misleading Canadians about what was intended. In the final analysis, I believe the Progressive Conservative Party was true to its own principles.

While that is understandable, it should have been honest enough to say long ago that the ideal of enforced employment equity in the market-place, which these groups have called for, was against its fundamental principles about how the economy should run. A proper democratic debate could then have occurred.

There could have been a real debate in this country about how our economy should be organized and what should be properly left to the market-place and what should be properly accomplished through the enforcement mechanisms that these groups and the New Democratic Party have been calling for. However, that debate has not taken place because the Progressive Conservative Party decided in 1984 that it would not have any real debate. The Conservatives were going to keep their cards close to their chests and would indicate to the public only that which it wanted it to know.

We have discovered that the Conservatives did not mean what they were saying, that our criticisms of the Conservatives over the years have been correct. The fact is that the Conservative Party is not capable of acting against the wishes of the business community in this country. Clearly, that is the

rationale behind the weakness of the legislation before us today.

That unwillingness is evident in other areas as well. Recently, the Hon. Member for Bow River (Mr. Taylor), who I see listening intently, I hope, talked about the insurance industry and complained that many groups were putting themselves in risky situations because they could not afford to renew their insurance. That is a clear example of how the market-place is not serving ordinary Canadians and their community organizations, particularly those smaller local organizations.

This has not happened as a result of an international Communist conspiracy. It might appropriately be called an international capitalist conspiracy because Lloyds of London and other very powerful institutions have made a decision to use a few court judgments as an excuse to hike insurance premiums for many individuals and groups in Canada beyond all reasonableness. While those Hon. Members quite correctly point out that something should be done, they do not point out that it is the fault of a particular system.

I will tell the Hon. Member that nothing will be done in this and other areas of concern unless the Government musters the political courage to take on some of the institutions that it is in the habit of defending. This Bill is a good example of a general philosophy not to interfere in the market-place. I will give the Government the benefit of the doubt that it believes what it is saying, but its naive trust that the actors in the market-place will somehow do the right thing is incredible.

For example, the Minister of Energy, Mines and Resources (Miss Carney) had an incredible trust in the oil industry which I do not believe has been matched by action. She assumed that as world oil prices decreased there would be a corresponding, complementary and timely reduction in energy prices at the pumps.

Miss Carney: That is occurring.

Mr. Blaikie: This did not happen as quickly in Canada as it did elsewhere and Canadians have fared much worse at the pumps as a result of the decline in world oil prices than people in the United States.

Another example concerns the recent decision of the Minister of State for Finance (Mrs. McDougall) about the Imasco takeover. Rather than interfering in the market-place and respecting the unanimous judgment of the Standing Committee on Finance and Economic Affairs, thereby respecting the spirit of parliamentary reform which made that judgment by the Finance Committee possible, the Government went ahead and allowed this takeover. Despite many of the ramifications of this takeover, the Government believes that by asking the company not to take certain action there will be no problem. Similarly, it believes that by asking employers to do certain things through this Bill there will be no problems. However, if the companies do not meet certain requirements of this Employment Equity Bill there is a $50,000 fine in some cases. Big deal! It is quite clear that many of the companies we are concerned with are wealthy enough to regard $50,000 as simply the cost of doing business.

Employment equity is being dealt with in much the same way as the financial institutions, the oil industry and the insurance industry. Furthermore, the Liberals have had much the same philosophy. We were told for years not to worry about the environment. We would be told that the Minister of the Environment had talked to the industries involved, who volunteered to monitor themselves to ensure that they would not do anything wrong. We have seen this incredible naivety over and over again about how these institutions will behave when it comes to their own self-interest. It is time that we realized that we will have to take steps to enforce those things we want to see happen, whether it concerns the protection of the environment or affirmative action for employment equity. The Government has not been willing to do that. That is why this Bill has been so ridiculed by the very people who had such high expectations for it.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I am pleased to continue debate on third reading of Bill C-62. We have been trying as hard as we can to make this a meaningful Bill that would fulfil the hopes and aspirations and needs of the people it is supposed to serve. This Bill is suppose to meet the needs and concerns of women, native people, the disabled and handicapped and visible minorities.

• (1600)

There are certain Tory partisans who have recently lamented the determined stand taken by the Opposition to get Bill C-62 amended so we can achieve its alleged purposes. These partisan Tories complain because Members of the Opposition care about the plight of their fellow man. They lament the fact that we are making an effort here in the House to convince the Government to do something to improve Bill C-62. I am proud to rise as often as I can to plead the case of those groups. I am proud that in this House of Commons we can call to the attention of the Government the plight of those groups to whom it made promises. Over half of our population are women. We have a large number of native people. The handicapped and disabled represent approximately one eighth of the population. Estimates from Statistics Canada tell us that one in every eight Canadians is disabled. All of those who belong to minority groups, especially the visible minorities, are worth talking about. A very large part of our population seeks protection. Therefore, the time we spend on this Bill is not wasted if we can somehow persuade the Government that there is much it can do to improve the Bill.

The alleged purpose of Bill C-62 is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability, and to correct the conditions of disadvantage in unemployment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada. Those are the alleged objectives of this Bill. Those partisan Members of Parliament

who criticize our efforts to try to have the Bill achieve its purpose betray their lack of genuine human compassion for those groups who wait for some move forward. I suggest that these critics should perhaps ponder the words of the great British poet, John Donne who many centuries ago wrote words which ought to remind us of the importance of compassion. John Donne was also the Dean of St. Paul's Cathedral in England. He said, and I quote:

> No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manor of thy friends or of thine own were; any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls: it tolls for thee.

It is a basic premise of our culture and underlying civilization that we are concerned about the plight of our fellow man. There is not one person in the House of Commons who can be sure that he or she will not tomorrow be part of one of those groups, if they are not already. Certainly not one single Hon. Member, male or female, can negate the possibility that he or she may be struck down in such a way that there would be limitations, handicaps or disabilities. No one is exempt. Everyone in this country can be protected and must be protected by law but this law does not protect them. Everyone is a potential victim and needs this kind of protection. No one is an island unto himself and no one should feel exempt from the strictures of this concern.

Let us look at one important group, the disabled and handicapped. Let us look at those people who have skills, who can work and who want to work but who cannot work because they cannot get work because their disabilities are viewed as being too grave. And who makes that arbitrary decision? It is the arbitrary opinion of those who interview these disabled and those who do not even give them the opportunity to be interviewed. The employer may feel in his or her arbitrary opinion a particular disabled person cannot function well in the office or plant because the necessary accommodation for that disabled person is not available, and the employer feels there is no requirement to solve that "problem". At the present time those people who are disabled have to live with the arbitrary opinion of an employer as to whether or not they can fit into the company's plans.

We look in vain in Clause 2 for any definition of what constitutes a disabled or handicapped person. This Bill is faulted. Does this Clause mean that the employer has only to make sure that a certain percentage of disabled persons—which is set by the employer himself—must be hired? The employer can decide what constitutes disability. Is that a sprained arm, a disability which is mild or is it a serious disability? The disabled came here to find the answer. They came to the committee which discussed this Bill and tried to explain that it was important for some kind of idea to be given of what is intended. More importantly, they wanted to know what is meant by the words "reasonable accommodation".

Clause 4 of Bill C-62 states that an employer shall implement employment equity by instituting such positive policies and practices and making such reasonable accommodations as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment. The Bill says that designated groups will be able to have reasonable accommodation. That is the goal. But representations of one eighth of our population came to the committee and asked that some kind of idea be given as to what the Government meant in its legislation by "reasonable accommodation" so that employers when they read this law would have some idea of what the Government had in mind. We agree that one cannot set forth everything of what might be meant by "reasonable accommodation" as interpreted by various companies which might be involved. Pathetically, of course, there are not very many companies which might be involved in this legislation in any case. This Bill is a sham.

• (1610)

The handicapped groups have asked for some kind of definition of reasonable accommodation in the legislation. Amendments were put forward proposing that definition. The Opposition proposed these amendments in complete good faith, feeling that the Government would be very pleased to see a way to meet the concerns of those groups that came to represent the one-eighth of the population who are disabled and handicapped. An amendment was proposed with a definition so that employers would understand what the Government meant by this legislation.

We proposed to define reasonable accommodation as including, without restriction so that it could cover other situations as well, the reasonable adaptation of the workplace, hiring practices or the job description to accommodate the needs of designated groups including the special needs of a qualified disabled person through a provision for physical accessibility, assistive devices, flexible job design and modification and human support services. We asked the Government to include this proposal in the legislation at the request of all the groups representing handicapped people. We proposed it in committee and we again proposed it here in the House. Both times the Government rejected such a simple definition or guideline that would give employers the understanding of what this legislation is supposed to be trying to achieve.

The failure of the Bill to give any examples, never mind guidelines, of what is meant by reasonable accommodation is a grave flaw in the Bill. One must therefore conclude that there is a lack of seriousness and sincerity in the Government's attempt to come up with legislation that will be effective. Not only can the disabled not refer an employer to a guideline for what is meant by persons with disabilities or reasonable accommodations, but they can see that nothing will actually happen as a result of the passage of this Bill.

What will happen if this Bill is passed? Look at it from the point of view of someone who is handicapped. We should put ourselves in the place of a person who has seen progress through the decades toward the hope that through the Charter of Rights and Freedoms, the Human Rights Commission, and now an attempt to bring about employment equity, he will

have a chance to get a job. The handicapped no longer want to wait. This tempting carrot has been put in front of them. They hope that we will at last bring about legislation that cares about them and responds to their needs. However, they ask how they will know that they will be able at last to get jobs.

What do the handicapped find that this legislation will do for them? Clause 4 indicates that the employer is supposed to eliminate barriers to employment or promotion for the handicapped. As well, the employers are supposed to institute policies and practices to ensure that persons in the various categories will be able to have something done for them. That employers are now supposed to do that according to law does not change a thing because they are already supposed to do that. We do not need to pass a law to say that there shall be equality for all in this country because, according to our human rights legislation, that is how it stands now.

What does this Bill add? Does it bring anything new to employment equity? It tells companies that they are supposed to treat people equally. My heavens, that is what the Charter of Rights and Freedoms already tells employers. It already tells every employer in the country, never mind the few to which this Bill refers, that they are supposed to treat people equally. This Bill again tells them the same thing. How does that help the people who are disabled and handicapped? The Bill is telling employers what they already know.

The proof that this Bill does not work is that nothing is happening to change systemic discrimination against handicapped people. That is what Judge Abella said in her report and that is why she said that something must be done to eliminate systemic discrimination against, for example, the one-eighth of the population who are handicapped or disabled.

If it were the case that all the Government need do is pass a Bill with no teeth in it and everything would be all right, then why does the Government not behave that way itself? What kind of trust can the disabled and handicapped have in the Government when they know, as I said in the House of Commons on March 17, that the vast majority of disabled persons employed by the Public Service Commission in 1984-85 were employed in limited or term positions? Now with the Tory Government cut-backs, the Government will be even more prone to put the handicapped in limited and term positions. What hope is there that the Government will make this law any more effective than the Government's present policies for the handicapped? If its present policies do not serve the handicapped and the disabled, then how can they count on this law which has no teeth in it to serve them any better?

I wish I could proceed with this discussion because there are other points about Clauses 5 and 6 which also indicate that this legislation lacks teeth. Before I close, I wish to mention that the only provision for which a penalty is attached under this Bill is the provision that an employer file a report. An employer can report anything, as long as he files a report he is okay. He will be subject to a penalty only if he does not file a report. What is the leverage of this fine? The employer is liable to a fine not exceeding $50,000. The fine could be no dollars, it could be $5 or it could be $100 but it is not necessarily $50,000.

Why has the Government brought this legislation forward? It has brought it forward in order to make people think that it is doing something about employment equity. It has brought it forward to fulfil a symbolic gesture, all the while knowing that the corporate sector will know that it is a toothless and absolutely meaningless exercise. It is nothing but an exercise on the part of the Tories in political cynicism and hypocrisy.

• (1620)

Mr. Nystrom: Mr. Speaker, I have a question for my friend in the Liberal Party. I have before me a copy of the study of the Economic Council of Canada entitled "Women Reentering the Labour Force and Training Programs, Evidence from Canada". The Hon. Member made a very progressive speech; it called for various changes. However, this report indicates that our employment policies over the years have not done enough to promote women into non-traditional occupationa areas and that there has been discrimination for years in Government policies for women.

I should like to quote from the report wherein the following is indicated at page 43:

> Moreover, in 1983-84, the federal Government spent over $200 million on apprenticeships and industrial training—Women are almost entirely absent from apprenticeships. They are under-represented in the industrial training program (in proportion to their presence in the labour force), and they train in predominantly female occupations.

Further on the same page, the following is indicated:

> EIC should designate target occupations for training women and should develop training programs for women in these occupations jointly with employers. The target occupations should be occupations where there is a strong demand for qualified workers; these occupations might be drawn from the CTST and the ONI.

The report really condemns many of the programs of the past in terms of them not really being fair to women, discriminating against women and not steering women into non-traditional occupations. Why was the Liberal Party, which was in power over 20 years, so lax at trying to open up new job opportunities for women? Why did this discrimination continue for so many years despite the fact that the Liberal Party was in power? Why was the Liberal Party so late in realizing that women were discriminated against? Why did the Liberal Party not do something about it when it was in power?

I think the report is a good one in that it condemns the lack of Liberal action over 20 years in terms of being fair to women. What does the Hon. Member have to say about that?

Mr. de Corneille: Mr. Speaker, I do not want to appear in any way as simply trying to be defensive by saying that everything the Liberals have done in this regard was perfect or rosy. I ask the Hon. Member not to assume that that is what I am trying to say. On the other hand, it would behove my hon. friend to listen to the comments about and the examples of the impressive Liberal record over the years which were made

earlier. If he had listened to that review, he would have learned that it was impressive. However, I am trying to point out that we have made a logical progression in terms of the steps we have taken.

An attempt to bring forth a Bill at this point which is purely symbolic is heartbreaking for those, of whatever Party or sympathy, who await the decision of the House of Commons on Bill C-62. It would be better if the Hon. Member, with only 30 members in his caucus, would concentrate on what the Conservative Government is doing and on its responsibilities. It would be a good idea for him to attempt to get the Government to improve the legislation. However, if he wants to spend his time taking shots at the Liberal Party, he can do so, if that is spending his time in the best way. From my point of view he would be better advised to try to persuade the Government to improve this particular piece of legislation for the sake of the people who need this help. I do not know whether he has done that in his question or comment.

In any case, I am pleased that his Party agrees with the Official Opposition that the legislation is not adequate and does not meet the alleged goals which it seeks to achieve. I am deeply disappointed that the Tory Government is in effect trying to give the impression that it is doing something by passing this piece of legislation when I know that it has almost no impact upon the parties or groups affected.

Mr. Nystrom: Mr. Speaker, I have a general question because I have a lot of respect for the Hon. Member. He is an ordained minister of the church as well. Could he comment upon whether or not other organizations are doing enough to promote equity among different groups? For example, I have often said that farm organizations should involve more women in their operations. Of course, we cannot pass legislation to that effect, and I am not suggesting it, but I have often suggested that there should be more women in the leadership of farm organizations and trade unions. Personally I am very happy, for example, that the next President of the Canadian Labour Congress will almost certainly be Shirley Carr. These are steps in the right direction. Would the Hon. Member agree that the same should apply in some of our churches and that they, being tremendous institutions and great moral leaders, could set a better example by having more women in their hierarchies?

Mr. de Corneille: Mr. Speaker, the Hon. Member for Western Arctic (Mr. Nickerson) directed a similar question to me yesterday.

Mr. Nystrom: I was not here.

Mr. de Corneille: I think the Hon. Member's question is a justified one. All groups, particularly the churches, have a moral responsibility to provide leadership in this area, not only in terms of their own employment policies but in terms of teaching and preaching the fact that all men are equal before God. I think that can be said by anyone of any faith and should be continually emphasized.

The Hon. Member is right in indicating that it is not enough to say: "Do as I say but not as I do". If the Hon. Member is suggesting that there is hypocrisy involved in every group, I agree with him. We in the Liberal Party are proud of the fact that our President is the Hon. Iona Campagnolo. However, when we look at the number of Members of Parliament sitting in the House, we are unhappy that we do not have more women who are Members of Parliament. Everyone has a responsibility. In terms of our own home life, we should re-examine our attitudes toward women, native people, and the handicapped. Certainly it is a responsibility of the church.

I believe the Hon. Member's question concerned the Anglican Church. The Anglican Church should forthwith approve the consecration of women as bishops. It has decided to ordain women as priests, which is a logical step. The Government should move as quickly as possible to make meaningful the policy of eliminating systemic discrimination as the Bill is supposed to do. However, I fear—and I am sure the Hon. Member would agree—that this is not happening.

Mr. Nystrom: Mr. Speaker, I was glad to hear the Hon. Member say what he said, and I should like to ask him a question which might be quite radical for this institution dominated by males. He mentioned that there were very few women in the House of Commons. All three political Parties at the federal level, and certainly at the provincial level in different sections, have parity clauses in their constitutions *vis-à-vis* gender. Often half the delegates must be female. For example, half the delegates to national or provincial council meetings must be female. We have seen that practice internally within our Parties. Would it be too radical to suggest that perhaps we should have legislation wherein half the Members of the House must be women? In other words, there could be dual ridings, approximately 180 such ridings. Each riding would elect two Members, one of whom must be a woman. Would the Hon. Member agree with that proposal? After all, all three political Parties are moving in that direction internally. Is it too radical a suggestion in terms of this very staid and conservative institution?

Mr. de Corneille: Mr. Speaker, it is a proposal which I have heard proferred by other people. Having given thought to the matter, it seems that the principles involved in this piece of legislation would indicate that finally we are dealing with the fact that people must have merit to be given jobs. I think the same applies to the electorate. If the electorate deems there are certain people it wants to elect, then whether they are male or female is not the issue. The issue is the quota. I think we can discuss this further perhaps privately.

• (1630)

I would like to conclude on this note, Mr. Speaker. The need, if you will, for an effort to recruit women is something which is very much in the minds of political Parties, at least it should be. Rather than put down quotas which might limit the number of women later on because then there would have to be a certain number of men, and when you figure women

constitute 51 per cent of the population, that gets a little too much into the numbers game, perhaps we can discuss it at a further time.

Mr. Deputy Speaker: Resuming debate.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Miss MacDonald, seconded by Mr. Hnatyshyn—

Mr. Marchi: Mr. Speaker, I would like to speak.

Mr. Deputy Speaker: Very well. The Hon. Member for York West (Mr. Marchi) on debate.

Mr. Blaikie: The question has been put.

An Hon. Member: You can't.

Mr. Marchi: Is there some problem with Members on the Government benches? Does someone want to speak ahead of me?

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the President of the Privy Council (Mr. Lewis).

Mr. Lewis: Mr. Speaker, we have no wish to cut off this debate. This matter has been before the House and committee for some time. All those who wanted to be here were here ready to debate. I believe, Sir, that you called the question. If the Opposition wishes to filibuster this debate, it may. I believe that you called the question. I would like to know whether that was the position of the Chair.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: On the same point of order, Mr. Speaker. I think that the question has not been put, nor has it been completely read, and as long as the question has not been read, if my interpretation of the Standing Orders is correct, a Member can still seek the floor, which is what happened in the case of the Hon. Member for York-West (Mr. Marchi).

An Hon. Member: Who was recognized.

Mr. Gauthier: Indeed, he was given the floor.

[*English*]

Mr. Deputy Speaker: Both Member are correct. The Parliamentary Secretary is correct when he said that the question was called. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) says that the question was not put. The question was not put. Therefore, the Hon. Member has the floor for debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am somewhat surprised that government Members would have such an objection to listen to further debate.

Mr. Lewis: You were surprised in the lobby.

Mr. Marchi: Yes, I was in the lobby. Yes, I had an interest and that interest is genuine, and that is why I am on my feet right now. If there is genuine interest on the other side to debate and improve this piece of legislation, I would think that, following my intervention, we will see the Parliamentary Secretary and the quasi-Minister of National Defence get up on their feet to defend the position in Bill C-62, and I challenge the Minister to do that.

I would like to participate in this debate once again. I have been involved from the beginning, commencing with second reading, then in committee, at report stage, and several days ago when the Hon. Member for Hamilton East (Ms. Copps), my colleague, moved an amendment, I spoke then. Several days ago I said that the debate and the process were frustrating. If you were a Member of Parliament and a participant throughout the entire process you would have to ask yourself about this Bill, as we are and as community individuals from the four target groups, for whom the legislation is intended, Mr. Speaker. We have seen, particularly at committee stage, group after group after group of women, the disabled, native people and people representing the visible minorities. They came before the committee and stressed the need to improve and strengthen Bill C-62. We saw participation at second reading once it was known across the country what Bill C-62 contained and, more important, what Bill C-62 did not contain.

The four target groups, the four community-based action groups, did not come before us simply as a one-time wonder. Very many of these same organizations came before this Parliament and this House of Commons during the constitutional debate when we were discussing the Charter of Rights and Freedoms. They came before the Abella Commission, which set out very courageously and progressively, I might add, a vision for Canadians in terms of equal opportunity in the workplace. They came before the Equality Now hearing, they came before the Equality for All hearing, and they also came before the committee that looked into the handicapped which published the *Obstacles* Report. In each and every single case they came at great expense, great energy and effort to articulate to their leadership at the federal level, to you and me, Mr. Speaker. They told us what it meant for them to be discriminated against either on the basis of sex, handicap or the colour of their skin. They tried to articulate in a very sensitive and effective manner what it was they needed from this House in terms of legislation and leadership for them to be freed from this type of bondage.

As Members of Parliament we have dealt and continue to deal in this House with these frustrations. We do so in our constituencies when we meet them. One of the basic elements of frustration we encounter is the question of employment.

People continuously seek the advice and assistance of Members of Parliament to help them find employment. These are people who have been in the unemployment lines for days, months and, in some cases, years. We should be cognizant of the fact that it is a great frustration, and it is that because in Canada and throughout the world people measure their self-worth and self-dignity in relation to a job. Somehow having a job fulfils one's goals and aspirations, keeps families intact and families on the go.

If we can admit to the fact that not having a job is very serious, then who are we to say to those individuals who are denied a job, not because an opportunity does not exist but because of a handicap, their colour or sex, or because of native cultural backgrounds? These people are Canadians. They are not some foreigners, they are not some new Canadians or some immigrants—and I am not suggesting we discriminate only against those classes—but they are Canadians like you and I, Mr. Speaker. They deserve an equal opportunity. They deserve an equal slice of the Canadian pie. In their estimation, they are not getting it. That is why they came before this House during debate on Bill C-62 to inform the Government that the Bill will not deliver equality but will merely speak to equality. That is not good enough. They came before this House and told the Government, "We don't want to be carted out on some kind of platform as one of the four target groups come election time and hear said: 'Look what we did for the natives. Look what we have done for the visible minority Canadians in this country'". They are not gullible. They are not naive. They do not want to be hoodwinked and, more important, they do not want other Canadians to be hoodwinked into believing that the lot of these Canadians is being improved, because it is not.

• (1640)

Member organizations within these four target groups have said very clearly to Parliament that they would rather have no Bill than have Bill C-62 in its present form. They are frustrated after having stated their position to the Government year after year, through report after report, and seeing no action. If Bill C-62 contained some decency and some movement on their complaints, recommendations, and representations to the committee, they would have been pleased. They would have accepted that as a first step. However, there has been no movement. There has only been talk and rhetoric. That is why they are displeased. Everyone in the House believes in equal opportunity. We should not accept a piece of legislation which does not do that which it purports to do. Rather than do that, we should transcend Party politics and work hard to deliver a piece of legislation which will do what it is intended to do.

My colleagues and I do not stand in our places to oppose simply for the sake of opposing, and not simply to debate until six o'clock. We are taking a position of principle. For years members of these four target groups have been telling the Government what they want. At the eleventh hour we at least wish to take the opportunity to articulate those concerns. Bill C-62 is simply not good enough, and the four target groups do not wish to accept it.

We have done more than simply talk. Through our critic we moved 36 amendments which would have given Bill C-62 strength and effectiveness. We recommended that the committee and the Government accept these amendments in order to demonstrate decency and moral integrity. One would have expected that one, two, or three of those amendments would have been accepted in good parliamentary faith. However, none of them were accepted. The amendments which we proposed came from the four target groups.

For whose benefit is this legislation being put forward? Is it for Members of the House or for the viewing audience? Of course not. If our purpose is to create equality in the country for the four target groups and those groups are not satisfied with this legislation, why is the Government prepared to proceed with it? Why is the Government so anxious to have this legislation passed? Why has the Government censured every member of this Party who has spoken on Bill C-62? We are not out of order. We make no apologies for debating this issue in the House. We do not apologize because we are trying to be the lightning rod between the four target groups and the federal Government. We will not apologize today or tomorrow.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. We will proceed with Royal Assent after which the Hon. Member may complete his speech.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate Chamber.

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-99, An Act to provide borrowing authority—Chapter No. 19.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the third time and passed.

Employment Equity

Mr. Sergio Marchi (York West): Mr. Speaker, just before we went to the other place for Royal Assent I was indicating the attempts we have made to improve and strengthen this legislation through some 36 amendments. We thought the Government should include an enforcement mechanism in this legislation. We feel that the Human Rights Commission, as it stands, does not have the resources or mandate to be the enforcement agency. The commission is a reactive rather than proactive mechanism. It also operates on a one-to-one basis rather than in the comprehensive fashion in which we will need to operate if we are serious about implementing national legislation. Notwithstanding our differences, we urged the Government to ensure at least that this legislation was enforceable. The Government refused, and we ask why. If the Government believes that the Human Rights Commission is the right vehicle, then for goodness' sake let us not skirt around the issue, let us put it clearly in the legislation.

We also recommended that all federal Government Departments be covered by this legislation. This was a key point for every single witness who appeared before the committee. Why? They looked to Ottawa to provide leadership by example. If the federal Government is subjecting Crown corporations and private corporations doing business with it to this legislation, then surely logic dictates that the Government itself should be subject to the legislation. Yet that, too, was refused.

Another key recommendation we made on behalf of a number of concerned groups was that this legislation should cover companies with less than 100 employees. This legislation applies only to companies with more than 100 employees. We have documentation which shows that if that provision is allowed to stand, then most of the companies doing business with the federal Government will not be covered by the legislation. That is to say, most of the firms who provide goods and services to this Government from coast to coast have less than 100 employees. We made the practical and reasonable suggestion that the number should be dropped from 100 to 25. That figure was accepted by, for example, the Canadian Ethnocultural Council when it appeared before the hearings. In fact, if we stop and think for a moment, we are talking about equality, so why should we base equality on the number of employees a business has? If company A has 200,000 employees and company B has six, what difference does that make when it comes to equal opportunity for all Canadians, including the four target groups? Basically, there should be none. If equality is not allowed to prevail within a firm of six employees then we have no equality. That is why, at least, we had a threshold at 25 employees. It should also be noted that when we talk about human rights, or equality in the workplace, people have been quick to criticize our neighbours to the south, the Americans, for their record. The Americans, in their contract compliance record, have firms of employees under 50 who also have to subscribe to their policies.

• (1700)

Therefore, if there are those critics who suggest that the Americans somehow lag behind our system, then let them speak up now because we are lagging behind the Americans on this very essential point. We should eliminate this hang-up and this charade with putting most of the companies outside the parameters of equality simply based on the number of employees. That will not go down well with regard to having any respect for the legislation that we have before us.

Another recommendation we made was to enforce some kind of penalty for individual companies or Crown corporations that somehow would not meet employment equity. That is difficult because this Government has not clearly come up with a grid, a target, a suggested plan for achieving employment equity. If we follow the concept, what this Government is prepared to do is to penalize company A, or Crown corporation B if they do not report, but they are not prepared to accept that they should penalize those companies if they do not meet employment equity.

If we have company A submit a report, but that company has not really done anything for women, the handicapped, natives or visible minorities, that company, under this legislation, will not be slapped on the hand, will not be told that its efforts are not good enough. This Government simply prefers to say, well, if company A or Crown corporation B submitted a report then that is good enough for us. That simply runs counter to the entire thrust of why Bill C-62 is here in the first place.

It was Judge Rosalie Abella who concluded very concisely in her commission's report that unenforceable rights are simply rights that are not available, and unenforceable rights are no better than non-available rights. That, in a nutshell, conceptualizes what is wrong with this legislation. That, very briefly, categorizes the malaise that permeates Bill C-62, that there is no guts, there is no enforcement, there is no sincerity, there is no political will and political courage to combat unequality in the workplace in this country.

I notice you are motioning to me in terms of my dwindling time, and so I will simply summarize in the following manner. Perhaps the greatest inability on the part of Members on the Government benches with respect to Bill C-62—and I don't mean to be disrespectful in any way, perhaps it is so with other Members as well—is their inability to see themselves in one of those four target groups. It is an inability to appreciate—and I do not profess to have a monopoly on that appreciation—what it means to be in those categories. Most of us do not have a disability, most of us are white, and most of us are not native. Therein lies the inability of this Parliament and this Government to deal with the subject in a proper and effective way. It is not only a shame for the Government. As many times as we have said this, I feel ashamed as a Member of this Parliament that we were unable to seize that golden window of opportunity when we were debating this issue and come out of the debate in committee and in the House holding our heads high and saying, "Today we have improved the lot of four different

Canadian communities". We have not done this, and I would hope to God that this Government can see the shortcoming of its attitude in this legislation.

Mr. Deputy Speaker: Are there any questions and comments?

Mr. de Corneille: I would like to ask a question of my colleague from York West, who is the official critic for the Official Opposition in the field of multiculturalism. He is, as I know, constantly in touch with various cultural groups in this country. In Toronto, as well as in his own riding, he is in constant touch with minority groups, particularly visible minorities. I would like to ask him if he has found the same things that I have in my contacts with these organizations, that they have been deeply concerned about the lack of sincerity on the part of the Government to provide legislation at this time that will make them feel there is going to be a change in the near future in their lives. Is it also not true that a very high proportion of people who are in the visible minorities are not employed, especially among youth?

Mr. Marchi: I would like to thank my colleague from Eglington-Lawrence for raising what is a very fundamental question for me as the official critic, and similarly for him as among other things, the critic for the handicapped community. He has liaised with that community in conjunction with myself and other members of my Party. The visible minorities community and the ethnocultural communities as expressed in this process by the CEC, the Canadian Ethnocultural Council, which is the national umbrella group for all ethnocultural organizations in Canada, had expressed some degree of enthusiasm and hope for this particular piece of legislation. That hope and that enthusiasm evolved from the struggles and from the work that we have done with the *Equality Now* Report and the *Equality for All* Report, and basically supported the findings of those two reports. They thought that a piece of legislation, such as this Bill on employment equity, would tie the various elements together and that they would find it the underpinnings of each of those different studies. They came to the employment equity table in debate with the high hopes that those recommendations would transcend into legislation. They did not find it, but they did not go home and they did not give up. They came to committee and there was a meeting in Toronto at which the visible minorities community took part. They tried to stress both inside and outside the official structure of this House of Commons how much they had hoped that this piece of legislation would bring them finally the equality that somehow they are not given as a special gift, but that is rightfully theirs as Canadians who had signed, like you and I have signed, a social economic contract with this country. The Urban Alliance on Race Relations, which was a leading component of the struggle on behalf of the visible minorities, concluded in the following way:

—that the focus of the legislation is on data collection rather than hiring and training in a workplace free of discrimination.

The Canadian Ethnocultural Council on the question of visible minorities said that it cannot see how a voluntary approach, which is in Bill C-62, will substantially improve employment opportunities for visible minorities. Those are not my words, those are words of Canadians who have come before us, and who come again and ask this Government to move on Bill C-62, but to move fairly, without boasting about championing rights that they do not have.

• (1710)

Mr. de Corneille: Mr. Speaker, I agree with what my colleague has said. One of our other concerns is that young people constitute a very large and undue proportion of those who are unemployed in our country. The Senate report on youth says that while the statistics show that there are approximately one-half million unemployed young people, the reality is that some 750,000 are unemployed because the statistics do not include those who have given up trying to get a job.

Furthermore, among those unemployed youth, a much higher proportion of those who are visible minorities are unable to get work in Toronto and every other city in the country. The percentage of unemployment among visible minority groups is even higher than the level of unemployment among young people. Does this not also impact badly on the youth in this country?

Mr. Marchi: Mr. Speaker, during my speech I said that perhaps the most sensitive problem we deal with when speaking to our constituents is the question of unemployment. Furthermore, the unemployment problem among young people becomes paramount when those individuals complain that they cannot find employment because of who they are, their age or the colour of their skin. Young people who have just graduated from school or university are hungry for their first opportunity in the workplace but are being denied that opportunity.

My colleague, the hon. Member for Eglinton—Lawrence (Mr. de Corneille), is correct that the problem is even more acute for the visible minority within the youth element of this country. They face an awesome, if not almost impossible task, given some of those conditions. In some parts of Halifax, Nova Scotia, I believe the unemployment rate for young black Canadians is upwards of 50 per cent compared to the rate for other individuals in the same bracket. That should be testimony to the type of legislation we ought to introduce in the Parliament.

Last year, studies were conducted with the support of the Urban Alliance on Race Relations, together with York University. Individuals from visible minorities tested firms and companies and found that employers were not prepared to hire them. After the two studies were completed, the report showed an alarming attitude among those selected employers. I am not suggesting for one moment that all Canadian employers or all Canadians share that attitude, but surely there are some very deep-rooted problems that we simply must eradicate.

If countless studies tell Members of Parliament that there is a very severe problem to which there are good solutions, why should we accept legislation that does not even come close to solving those problems? Why should we accept amateurism in place of professionalism? Why should we accept charades instead of sincerity? It is time that we called a spade a spade in this country. We should take the bull by the horns and show Canadians that we are providing leadership in attaining equality for all, from one coast to the other, so that no Canadian will say that we have erred but have championed motherhood and apple pie. Yet, the Government is not prepared to do so. It is a shame.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, when I confess that it is my intention to vote against this Bill, I do not suppose that it would be a significant surprise. This is a mean little Bill that will be a source of disappointment to the groups that are supposed to benefit from it. This Bill is a poor reflection of the character of this country, its people, and what they want it to be.

The Bill is rather typical of the steps that have so often characterized the approach taken in the past to meet the needs of the minorities. Its very notion is that we dare not go too far too fast. It is a reflection of the view that we cannot legislate morality or fair treatment and that somehow we must wait for evolution, education and other factors to play a role before we can accord the equality that women, visible minorities and the disabled seek so much.

The fact of the matter is that the Canadian people have learned that when legislation acts to bring about fair treatment, whether it be in employment, education or housing, it has the effect of changing attitudes and changing the character of people.

It was argued in the south that legislating away segregation would surely mean perpetual conflict. Clearly, the evidence has established that strong legislative and judicial action resulted in a very substantial change in the character of a society that was far worse than Canada ever dared to be with respect to the treatment of blacks and other members of visible minorities.

The Canadian people understand that. This country has changed immensely since I was a child. The fact that I am here in the House, a black person, representing a constituency that would not have sent me here if I had depended solely on the votes of visible minorities, reflects the results of the legislative changes of the past with respect to the treatment of minorities and the changing attitude that has occurred in this country.

This Bill does not reflect the attitude of Canadian people. It is a poor reflection of the attitudes of our country. It has been defended in an extremely lukewarm fashion.

Retreat is never aggressive and never produces memorable rhetoric.

The organizations who represent women, minorities, the disabled and native people in this country have presented their case over and over again. Their position has been articulated on this side of the House with, I think, dramatic effect. We have demonstrated that the Party in power constitutes a minority holding the viewpoint that we must continue to go slowly.

I would like to take this opportunity to congrulate my colleagues and Hon. Members of the Official Opposition for so effectively representing the views of those persons this Bill is supposed to benefit and whom this Bill will fail to benefit in the manner they seek. It is a tragedy that the march to progress has not been continued by the present Government. The marchers have been waylaid, the march has been sabotaged. What is going to happen today does not represent the culmination of the efforts of so many to secure equality. It is an interruption. It will not be a fatal interruption but it is one which will cause only concern and unhappiness with some measure of misery and alienation. This Government will be discredited among a significant portion of the population. Let me remind those Hon. Members of the population which will be affected by this Bill. Women represent half the population. About 600,000 people are members of visible minorities, and at least one tenth of the population are native people. They will be remember the Government's weak response.

• (1720)

Federal Government Departments are excluded from this legislation. It will be remembered that what is not contained in this Bill is any reference to equal pay for work of equal value, and it will be noted that there is nothing in this Bill to address the issue of contract compliance. Only those corporations under federal jurisdiction which employ more than 100 employees will be affected. This legislation is a mere shadow of the kind of stringent requirements of the United States which have the number set at 15. It will be argued that if there is to be contract compliance, that is that those who have contracts with the Government should not practise discrimination, it should apply to any company however many employees are involved. It should state clearly and unambiguously that those who discriminate against minorities, women, native people or the disabled, will not receive Government contracts.

It will be noted that this Bill does not provide, as it claims to do, mandatory affirmative action or employment equity. It provides only one requirement subject to any kind of sanction, and that is, that companies report the numbers of designated groups which are employed, how and where they are employed and how much they are paid. Having done that, there is no real requirement subject to any kind of penality that they develop a process for correcting inequalities based on structural changes, consultations, targets and timetables.

This Bill will not address the problem of the deprivation of so many adequate employment opportunities. For those who would claim that this Bill is aimed at achieving equalty let us

dispense with that right now. All this Bill refers to is employment. It will not redress the many wrongs experienced by minorities in education, housing and opportunities for participation in our communities. What it does in an indirect way is address the tremendous advantages which white males have through their social clubs and contacts at the golf course and elsewhere. This is something, I think, which bears emphasis. There is no negation in this Bill of the practice of the past, which continues today, of shutting out so many people from opportunities through the "old boy" network.

I share with that part of the population of which I am a member, and those others who are identifiable by colour, sex or disability, the feeling that we are experiencing today a day of tragedy which I would attribute, as my colleague did previously, to the inability of Hon. Members opposite to put themselves in the shoes of those who have suffered from discrimination in the past and who will suffer from the Government's failure to attack systemic discrimination today.

I sit down in grave disappointment and that disappointment is not only my disappointment but the disappointment of hundreds of thousands of persons, indeed, millions, whom the Government has failed.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I simply want to make a couple of remarks.

You know that I represent a riding where this Bill will have a strong impact and, as a parliamentarian who must be elected and who also has to be accountable to his constituents for his work, I must tell the House why I did not join the debate on this Bill which I consider very important. The fact is that we now have—tell them, no provocation—the reason is that with the new Standing Orders of the House, Mr. Speaker honoured me by appointing me chairman of the legislative committee to which the Bill was referred, and I thank the Hon. Member for Gatineau (Mrs. Mailly) for saying that I was an outstanding chairman.

As a matter of fact, my interpretation of the new Standing Orders is that a chairman must not only be objective, but also appear to be objective.

Since we are establishing new precedents, I suggest it is fitting that a legislative committee chairman should not take part in the second reading debate, nor should he vote—as I did the last time on second reading—so as to show to his colleagues who will sit with him on the legislative committee to which the House may refer legislation—

So I think I did the work the House asked me to do as an impartial chairman. I have always said that when I act as chairman I have no political opinion.

A good chairman or chairperson of a parliamentary committee must protect that committee's integrity. He must protect and defend witnesses and give them the assurance that they will be well received. He must also protect the minority parties debating the Bill, whether it is the Official Opposition or the third party in the House. They have a right to be protected by the chairman, and the majority—and I repeat, for the benefit of my hon. colleague from Gatineau (Mrs. Mailly)—the majority must also feel it is in good hands, even if the chairman of a committee is a Member of the Official Opposition, because if the minority abuses its rights, if the Opposition parties attempt to sabotage the wishes of the majority, I think the chairman of a parliamentary committee has a duty to call his own colleagues to order on the same grounds as he would the majority members.

That being said, I did not take part in the debate on this Bill, a Bill I consider extremely important. I may add that since we are now getting used to a new system, and I am referring to the system of legislative committees, I preferred to abstain from voting on second reading. I informed the Whip who with his usual swift intelligence understood that I wanted to follow the same principle on third reading—not to vote—in order to show that from the outset, when the Chair conferred on me the honour of being the Chairman of this Committee, I had wanted to protect our witnesses and the Members of all three parties.

However, Mr. Speaker, I must say that the precedent I am trying to establish is one that made you think and which has made us all think. In fact, I would not want it to be seen as a new rule to be imposed on my fellow Members. In fact, who knows? We might have a minority government some time and whether a given piece of legislation is adopted or not might depend on this Member's vote. So we will all have to put our heads together, and that is why, Mr. Speaker, I am sorry, in a way, that I accepted the Speaker's kind invitation to chair the committee on this Bill which I consider very important. I would not even want to say it is a step in the right direction, because it would be more or less taking sides with the Government. Nor would I want to say that the Bill is a very poor piece of legislation, because I would be siding with the Opposition. I prefer to abstain. I am not sorry I did. It was a very interesting experience.

My hope, Mr. Speaker, is that prospective legislative committee chairmen who will enjoy the same privilege I and others have had will begin to establish this new precedent whereby the Member selected by the Chair will refrain from taking part in the debate—on that it is clear and agreed in advance that the Member must not rise on second reading—and thus show publicly that he or she is quite impartial about the Bill and will not seek the floor.

Mr. Speaker, such is my explanation to those who wrote to me and others who called me to ask why I did not vote on such an important Bill which will have a direct impact on the people in my own riding who have been putting their faith in me for nearly 23 years now. However, Mr. Speaker, since there was no public explanation about the new Standing Orders, with your permission and without unduly trying the Government's patience, I had to explain why I did not vote on second reading—I had been appointed chairman—and why I will not vote. I will explain when you call in the Members for the vote.

• (1730)

[*English*]

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

Some Hon. Members: Question.

Some Hon. Members: No.

Mr. Marchi: Mr. Speaker, I was very much interested in the Hon. Member's participation throughout the entire process. He just left the Chamber. I hope he will return and listen to my question.

Mr. Deputy Speaker: I am sorry, I will have to interrupt the Hon. Member for York West (Mr. Marchi) if the Hon. Member for Windsor—Walkerville (Mr. McCurdy) is not present. We have decided that. The Hon. Member not being present, is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Miss MacDonald, seconded by Mr. Hnatyshyn, moves that Bill C-62, an Act respecting employment equity, be read the third time and passed. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 240*)

YEAS

Members

Andre
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Champagne (Champlain)
Clinch
Collins
Comeau
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Della Noce
Domm
Edwards
Epp (Provencher)
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gérin
Greenaway
Gurbin
Gustafson
Hamilton
Hawkes
Hicks
Hnatyshyn
Howie
Jacques
Jourdenais
Kempling
Kilgour
Lanthier
Lawrence
Lewis
Lopez
MacDonald (Kingston and the Islands)
Mailly
Marin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Moore
Nielsen
Nowlan
Pennock
Peterson
Plamondon
Plourde
Reid
Ricard
St. Germain
St-Julien
Scott (Hamilton-Wentworth)
Shields
Siddon
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Wilson (Swift Current-Maple Creek)
Winegard
Wise—92.

NAYS

Members

Allmand
Benjamin
Blaikie
Caccia
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Foster
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston (Saint-Henri-West-mount)
Keeper
Langdon
MacLellan
Malépart
Marchi
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Ouellet
Riis
Skelly
Young—29.

• (1800)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

[*Translation*]

Mr. Prud'homme: On a point of order, Mr. Speaker.

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

Mr. Prud'homme: Mr. Speaker, I must explain why I did not vote. As I explained earlier, I would like us to establish new rules and new practices, and since the Chair made me the honour of appointing me as Chairman of the legislative committee on Bill C-62, I abstained from the vote at the second and third reading stages.

Mr. Deputy Speaker: It being 6:09 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6:09 p.m.

HOUSE OF COMMONS

Thursday, April 24, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to the nine following petitions: Nos. 331-40, 331-48, 331-118, 331-144, 331-361 to 364 inclusive, and 331-366.

* * *

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF SECOND REPORT OF CANADIAN SECTION OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. Michel Champagne (Champlain): Mr. Speaker, pursuant to Standing Order 101, I have the honour of tabling, in both official languages, the Second Report of the Canadian Section of the Canada-Europe Parliamentary Association, which sent a delegate to the Conference on European Agriculture in the Year 2000, held in Switzerland on April 8 and 9, 1986.

* * *

STRIKING

PRESENTATION OF THIRTY-FIRST REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Thirty-First Report of the Striking Committee.

(*Editor's Note: For above report, see today's* Votes and Proceedings.)

[*English*]

PETITIONS

PRICE OF GASOLINE

Mr. John Nunziata (York South—Weston): Mr. Speaker, I have the honour to present to the House a total of 26 petitions containing the names of approximately 1,075 signatories. These petitioners request the Government of Canada to ensure that any reduction in the price of crude oil is passed on to consumers in terms of the price of gasoline paid at the pumps.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. John Nunziata (York South—Weston): Mr. Speaker, I also have the honour to present another petition signed by approximately 50 individuals. These petitioners request that the Government of Canada reinstate with full funding the Katimavik program.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour to present a petition from a group of people in my constituency and in Saskatoon who still have a concern about the approach of the Government to youth employment. They request that the Government reinstate the Katimavik program for young people in Canada.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that all questions be allowed to stand.

Mr. Speaker: Is the House agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed from Friday, April 18, consideration of Bill C-87, an Act to authorize the divestiture of Canadian

Arsenals Limited and to amend other Acts in consequence thereof, as reported (without amendment) from a legislative committee;

Motion No. 4 (Mr. Cassidy)(p.12436); and the amendment (Mr. Robinson)(p. 12444).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we understand that some progress has been made as far as negotiations are concerned. I hope the Parliamentary Secretary will rise in his place and give us some indication of whether or not government employees who have grievances in the established process are satisfied, so that we will be in a position to pass the Bill with some assurance that the employees have reached a satisfactory agreement.

The particular motion before the House has been adequately discussed, so I will not go into the need for the extension of time. If the Parliamentary Secretary can give us those assurances there will be no need at all for this kind of a motion. The procedures followed in this Bill have been very bad, and before we have any other divestitures or privatizations we should be discussing procedures.

• (1110)

I would like to put before the Government, and possibly I will during third reading, the kinds of concerns the people of Canada, the employees affected and the business community have about the procedures used by the Government, procedures which are not necessarily for the good of the employees or for the good of Canada, but are based on an ideology the Government has accepted and is pushing through without any particular concern for the people involved. If the Government insists on doing that, it would be necessary to have a procedure which would allow the people involved to know that all of the information is before them and that they have had an opportunity to protect themselves and Canadians as a whole.

In every case that we have had of a formation of a Crown corporation the reason for the formation was well established. Public interest required it and in most of them we passed a Bill in this House to make sure the public interest was served by the formation of such a Crown corporation.

It is incredible, after a long and basic discussion to establish a corporation, to find that suddenly the Government can sell it and ask Parliament to rubber stamp the procedure after the sale is finalized. The Government has made the sale with such little information available to the public, to the employees and to Parliament that nobody really knows what is going on. We have had three cases of Crown corporation divestitures. In each case the amount of information available to Parliament, to the people and to the employees has been inadequate, and concern for the employees has been inadequate.

Even as we now discuss report stage and this amendment which asks to defer the process, the real concern is whether the Government is ready to establish the kind of procedures which would avoid the anguish these employees felt when they found themselves being pawned off. They felt some concern was their due as long-standing and loyal employees of a government corporation and members of the Public Service Alliance.

If the Parliamentary Secretary is willing to stand in his place and give us some assurance that negotiations have progressed to a point where the employees are satisfied, that would be the main concern of Parliament now.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I had not anticipated speaking until third reading, but at the request of my colleague in the New Democratic Party I will do so. In relation to assurances that everything is fine—

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I do not want to interrupt the Parliamentary Secretary but if he is going to be speaking to the amendment before us, then he should be pertinent to the amendment. I do not think he wants to speak to the amendment particularly, he wants to give us further details, at third reading, in his speech telling us the progress the Government has made with this dossier.

I do not want to call for relevancy here, but I would ask the Hon. Member to wait for third reading. We have an agreement to put this Bill through this morning. It may be more advantageous to all of us not to get involved in a debate that is not relevant to the motion at hand.

Mr. Deputy Speaker: I am sure the Parliamentary Secretary to the Minister of Supply and Services (Mr. Bradley) will speak on the amendment, which is a matter of dates.

Mr. Bradley: No, Mr. Speaker. If the recommendation by my colleague in the Liberal Party is acceptable to my colleague in the NDP, I will speak on third reading.

Mr. Hovdebo: That is fine, Mr. Speaker. I appreciate the kind of commitment he has now given, that he will give us that information, and that is acceptable to me.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. Cassidy.

Motion No. 4.

That Bill C-87, be amended in Clause 12 by striking out lines 35 to 37 at page 5 and substituting the following therefor:

"12. This Act shall come into force after December 31, 1987, on a date to be fixed by proclamation."

And the amendment of Mr. Robinson.

That motion No. 4 be amended by deleting "1987" and inserting "1989".

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

Some Hon. Members: No.

Mr. Deputy Speaker: I declare the amendment lost.

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: No.

Mr. Deputy Speaker: I declare the motion lost.

The House will now proceed to the taking of the deferred divisions at report stage of the Bill now before the House.

Call in the Members.

And the bells having rung:

• (1150)

Mr. Speaker: Order, please. The first question is on Motion No. 1. Mr. McInnes moves:

Motion No. 1.

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

"12. (1) To the extent provided by the regulations made under subsection (3), the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to a person who meets all the following criteria:

(a) immediately before the coming into force of this section, the person was employed by the Corporation and was a contributor under the Public Service Superannuation Act;

(b) the person is employed by the Corporation or an amalgamated corporation during the whole of the period between the coming into force of this section and the making of the election referred to in paragraph (e);

(c) the President of the Treasury Board has not made a payment to the Corporation or to an amalgamated corportaion pursuant to section 30 of the Public Superannuation Act in respect of that person;

(d) the person has not received or opted to receive any annuity or other benefit under section 11 or 12 of the Public Service Superannuation Act in respect of the pensionable service that he has to his credit under that Act immediately before the coming into force of this section; and

(e) the person elects, within one year after the coming into force of this section and in such form and manner as the Minister directs, to have the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to him to the extent provided by the regulations made under subsection (3).

(2) An election referrred to in paragraph (1)(e) is irrevocable.

(3) The Governor in Council may, in relation to persons who make the election referred to in paragraph (1)(e), make regulations

(a) specifying which provisions of the Acts and regulations mentioned in subsection (1) apply, and to what extent they apply;

(b) adapting provisions of those Acts and regulations for the purposes of this section; and

(c) generally for carrying out the purposes of this section.

(4) Regulations made under subsection (3) may be made applicable on and after a day before their publication if they so provide."

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

Canadian Arsenals Limited

(Division No. 241)

YEAS

Members

Allmand
Andre
Attewell
Axworthy
Benjamin
Bernier
Bertrand
Bissonnette
Blackburn (Brant)
Blackburn (Jonquière)
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Browes
Caccia
Cassidy
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clinch
Coates
Cook
Copps
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crombie
Crosbie (St. John's West)
Crouse
Darling
Daubney
Deans
de Cotret
Desrosiers
Dingwall
Domm
Edwards
Epp (Thunder Bay-Nipigon)
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Foster
Fraleigh
Fraser
Fretz
Gagnon
Garneau
Gass
Gauthier
Gormley
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Saint-Jacques)
Gurbin
Gustafson
Hamilton
Hawkes
Heap
Hees
Henderson
Hicks
Hopkins
Horner
Hovdebo
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Keeper
Kelleher
Kempling
Kilgour
King
Ladouceur
Landry
Langdon
Lanthier
La Salle
Lawrence
Layton
Lewis
MacKay
Mailly
Malépart
Mantha
Marchi
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McCurdy
McDermid
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Moore
Mulroney
Murphy
Murta
Nicholson (Trinity)
Nickerson
Nielsen
Nowlan
Nunziata
Nystrom
Oberle
Ouellet
Pennock
Pépin
Peterson
Plamondon
Plourde
Prud'homme
Reid
Ricard
Riis
Rodriguez
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Siddon
Stevens
Stewart
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer
Young—152.

NAYS

Members

Nil

• (1200)

Mr. Speaker: I declare the motion carried.

Pursuant to the order made at the beginning of this matter, that vote disposes of Motion No. 2 and applies to Motion No. 3.

Motion No. 3 (Mr. McInnes) agreed to.

Canadian Arsenals Limited

Hon. Stewart McInnes (Minister of Supply and Services) moved that the Bill be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

Motion agreed to.

Mr. Speaker: When shall the Bill be read a third time, at the next sitting of the House or by unanimous consent now?

Some Hon. Members: Now.

Mr. McInnes moved that the Bill be read the third time and passed.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I appreciate the opportunity to be part of the wrapping up of this legislation, Bill C-87, which has taken quite a long time to get to this stage. It appears that during our deliberations the major concern has been that of the employees' pensions.

Mr. Deputy Speaker: Order, please.

Mr. Gauthier: We are in debate. Come on.

Mr. Deputy Speaker: I thank Hon. Members.

Mr. Bradley: Thank you, Mr. Speaker, for controlling this unruly crowd.

Before I was interrupted by the mass exodus of those who were here to help us get through report stage of the Bill, I was about to delineate the agreement and to discuss its main points, as requested by my colleague from the New Democratic Party.

Our main concern in the second reading debate and committee stage was that of the employees' pension. I am pleased to say that through input from the committee and Hon. Members from all Parties, the employees of Canadian Arsenals Limited and the Government of Canada, through Treasury Board, have reached an agreement. Treasury Board has confirmed this agreement by letter. SNC has agreed and has accepted the agreement. Perhaps I could be offered the opportunity of informing my colleagues in the House of what the decision was, if they have not already been so advised. It involves a transfer to each member who so elects the actuarial value, with a minimum equal to twice the members' contributions with interest, of the pension accrued at the date of privatization. That is on an ongoing basis.

Under the Public Service Superannuation Act and the Supplementary Retirement Benefits Act, in a defined contribution plan, a money purchase plan, the actuarial value being based on the actuarial assumptions used by the chief actuary in his report on the valuation of the plan as of December 31, 1980, SNC should treat these contributions as vested in the name of each member, and those members who are presently buying past services will be given the option to carry on.

I feel this is a tremendous move. I would like to personally thank my colleagues in the Liberal, New Democratic and Conservative Parties who spent those hours in committee and in the deliberations behind the committee. It is very difficult for the Government to dictate to private sector employers how they will treat their new employees, but we are very pleased that through the recommendations by all three Parties and Members thereof a behind-the-scenes agreement was reached with the Government of Canada and Crown employees, and that SNC has ratified that agreement, all parties are now satisfied. Again, I would like to thank all Hon. Members for their participation in this very worthwhile debate.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I think the debate on Bill C-87 has gone on far too long, for the simple reason that from the outset the Government should have proceeded differently. We were not satisfied with the way the Government decided to sell the corporation while providing very little protection for its employees. We have spoken at length about this Bill, not because we object to the principle of privatization or because we object to the sale of Canadian Arsenals Ltd. in particular. On the contrary, we think that manufacturing munitions is not an area in which the State should be involved. Nor do we have any difficulty with the prospective buyer, SNC, which is entirely responsible and which we hope will be able to run this company so that it makes a profit and also in a manner that is considerate of its employees.

However, as we said in the House last week, and more specifically last Friday, we realized that employees at Canadian Arsenals Ltd. were getting very little protection under this Bill. Earlier in the debate, there was a reference to a study made at the Government's request by a number of consultants, a study the Government refused to release, and that is why our party was for some time very much against giving Bill C-87 speedy passage through the House, and that is also why my colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) spoke several times in the House and, in fact, spearheaded an attack to have the Bill amended. And we are surprised that Conservative Members from Quebec did not rise in the House to defend Canadian Arsenals employees.

Mr. Speaker, the first draft introduced by the Government was more or less a package deal to sell the captive employees along with the corporation — 450 or close to 450 employees at the Le Gardeur plant and about 50 more at Saint-Augustin in the riding of Portneuf. However, some amendments were made and we are now prepared to support the Bill. We would have been quite concerned had the sale been concluded without guaranteeing more employee protection, for it might have created a dangerous precedent now that the Government is intent on selling other Crown corporations to private interests. We wanted to avoid such a precedent. As a matter of fact we are somewhat surprised that the Government's first version of this Bill should have been an attempt to take CAL employees for a ride.

Be that as it may, I want to say that our victory does not leave a bitter taste. As Liberals we feel that we have played a leading role in changing this Bill. As I mentioned earlier, we took this initiative under the guidance of my colleague from Glengarry—Prescott—Russell and we are pleased with the outcome of this matter.

I want to commend the Public Service Alliance for leading the fight on behalf of its membership, particularly Mr. Jean Bergeron. I also extend congratulations to the buyer, the SNC firm, for being so patient during the many weeks it took to get the Bill through the Commons. In all honesty, the Government deserves praise for finally seeing the light and introducing amendments which CAL employees and Opposition Parties can live with. The ultimate result is that all Members of the House are now prepared to pass this measure. It goes to prove that constructive debate can indeed make Members of different political persuasions see eye to eye. Again I applaud Government Members for showing flexibility in this instance. Hopefully this will be a precedent, in the sense that if ever the Governent wants to sell other Crown corporations to the private sector the sale terms will provide adequate protection for the transferred employees.

That is all I wanted to say, Mr. Speaker, and I hope the Bill will get swift third reading passage today.

• (1210)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this debate is on third reading of Bill C-87 which deals with the privatization of Canadians Arsenals Limited and its sale to SNC Group of Quebec. A number of points have been raised during the course of the debate with respect to the general questions of privatization.

In opening my remarks I would like to say that it has taken a long time to carry out this sale. One of the major reasons being that the Government did not think through exactly what it intended to do. Because of the program of privatization it is a sale which has been driven by ideology as opposed to common sense. I say this because the figures we have indicate that Canadian Arsenals is an extremely profitable company and its profitability was rapidly rising. Of course, it is in a managed market, in the sense that most of its sales have to be to the Government of Canada for defence purposes. Therefore, its profitability has to do with the prices paid by the Department of National Defence for munitions and other goods it buys from this firm. Nonetheless, it had to have a substantial amount of efficiency. It was being run effectively since it achieved such a profit turn-around and has shown dramatic improvements in profits over the last few years. If it was so good, and if it was making a contribution to the people of Canada in terms of money coming back, then why sell it? Why not look at other alternatives?

Canadian Arsenals has indicated that it has a fairly major re-equipment and investment program to carry out. Under those circumstances the rigidity of the Government has been in not understanding that Crown corporations should have commercial freedom to do such things as raising money privately, if it is not available through the Treasury. That is stupid. It seems to me that it is an ideological decision. The Government, in being conservative, wants to prove that public enterprise does not work. Therefore, it hamstrings public enterprises in various ways. It makes it difficult for public enterprises to work effectively by such measures as denying them access to capital in the market if they cannot obtain it through the Department of Finance or through the Treasury.

I am suggesting that what the SNC Group intends to do in terms of future development of Canadian Arsenals could just as easily have been done in public hands. I know that SNC is looking at the possibility of exploring export markets for Canadian Arsenals. It has said that CAL was not very vigorous in this area.

I believe there is a moral question here in terms of what export markets we will see. I for one do not want to see Canadian Arsenals in private hands selling to racist regimes such as South Africa, or selling into the hot spots around the world where there are shooting wars going on, or selling to dictators such as General Pinochet of Chile. I do not care whether the company is in public or private hands. As Canadians we share the view that there ought to be some fairly substantial regulation of where munitions being produced in Canada are sold. What is the restraint on Canadian Arsenals from selling to the Americans or to our NATO allies? I think the restraint, if it existed, has been largely a self-imposed restraint. After all, the Royal Canadian Mint sells its services in terms of coinage to many countries in and outside the Commonwealth. I believe it sells to some 20 or 30 countries. It has developed a thriving export market. Therefore, there is no reason, in principle, why CAL could not have done the same thing while it was under public ownership.

We will not resolve all the questions concerning privatization now. However, the Government seems to have the view of "heads you lose and tails we win". If a Crown corporation is having difficulties, or losing money, the Government says: "Look, it's a loser. Let's get rid of it". If a Crown corporation, such as this one, is making money, it says: "Look, it's making money. Let's get rid of it". There do not seem to be any

circumstances under which the Government is prepared to understand that Crown corporations have been established for public purposes. They have been established with a public job to perform. That should have a substantial influence on the way Crown corporations are operated and run. I think Crown corporations can and should be models of the way corporate activity can and should be carried out in the private sector as well. Unfortunately, the Government does not seem to share that vision.

In terms of Crown corporations, one of the problems which has to be addressed—and I hope it will be addressed by some of the committees under the new system—is the question of accountability and direction. Amendments to the Financial Administration Act passed in 1984 have changed the situation somewhat. But, in many cases, there is no effective accountability to committees of Parliament. There is no effective means of reminding a Crown corporation of what its original mandate was when it was set up and of how it should interpret it. Crown corporations tend to be left on their own to interpret their mandates. In a case such as Canadian Arsenals, a company which has existed in public hands for many years, that can mean it can go off into limbo and no one—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Cassidy: The ex-Minister of Science and Technology seems to be busy elsewhere. He will soon be an ex-Minister of everything; but that is another question.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Mr. Speaker, the mandate for a company such as Canadian Arsenals could tend to become lost because it has been a Crown corporation for so long. I do not think the former or the present Governments have understood that these mandates have to be reviewed. It is not understood that there has to be some real accountability and thinking in terms of who sits on the boards of Crown corporations and what kind of responsibilities they will fulfil. It is not just an ordinary private corporation. Nor is it an instrument of Government. It is something in between. Canadians have not done too badly in terms of development in that intermediate area. However, we tend to lose the thread from time to time. The Government's practice of saying that it does not understand what it is all about and, therefore, it will get rid of it, is not the best solution.

During the course of debate we raised a number of specific issues concerning job security, pensions and the recognition of union rights under various labour codes. I suggest that before any other privatizations take place involving a change in labour jurisdiction the Government should ensure that the question of successor rights is hammered out before hand and not after, as was the case in this particular circumstance. In this circumstance, technically, the workers could wind up with no union, or another union after the switch is made to Quebec labour jurisdiction. I am sure that the Public Service Alliance has been doing some work to try to ensure that it can continue to represent the workers, something which it has done for many years.

In the private sector under Ontario legislation, for example, there is the concept of successor rights. When selling a company, new management cannot evade the responsibility of adhering to the contract which the employees had with the previous mangement. The concept of successor rights does not mean that the union which happens to be there has the right to be there forever, because there are processes of decertification. This being a free society, I am sure the Alliance would accept, as would any other union, that that should continue to be a potential recourse for employees who decide they do not want to have a union or want to change the union which they have. Sometimes it is necessary because the union loses the track itself and is no longer effective in defending its members, or it becomes like certain unions which no longer really work in the true interests of its members.

• (1220)

However, it seems to me that at least there should have been an agreement between the Canada authorities and the Quebec provincial authorities which would have provided *de facto* successor rights in this particular case and, therefore, bridged the transition from federal labour code jurisdiction to provincial. I call upon the Government to ensure that that occurs in the future. I should now like to turn to the issue of pensions.

[*Translation*]

I gather the Government has learned a few lessons concerning the pension entitlement of Canadian Arsenals Ltd. employees who were participants in the Canada Government Pension Plan and who will now have the option either of transferring their pension contributions into SNC's plan or keeping their entitlement until the date of sale in the Government of Canada Pension Plan.

That is not the best of solutions, but it is much better than the situation that was provided for before the amendment we just supported was introduced.

Mr. Speaker, I suggest the reason why our Party supported Amendment No. 3 moved by the Minister, and which we just voted on, was specifically that we are now satisfied, after contacting our friends in the Public Service Alliance, that the pension problem of those employees is now adequately solved.

It is not an ideal solution, but it seems the union representing the employees is satisfied that it is the best available to protect those 800 employees' vested interest with respect to their pensions.

Mr. Speaker, I am quite pleased that the work done by my friend the Hon. Member for Price Albert (Mr. Hovdebo), the Members of the New Democratic Party and of the Liberal Party and our representations and our insisting on the matter

of the pension entitlement of those 800 employees have finally led to an acceptable solution for the employees concerned.

It seems that employees who elect to retain their pension entitlement in the Public Service pension system, will not only qualify for their pensions, but that their years of service with the new owners, SNC Corporation, will be taken into account when determining their pension entitlement. It seems that the existing indexation that covers the Public Service Pension Plan will carry over for those employees.

Unfortunately, this will not apply to that portion of their employment that will continue with the new owners. However, indexation on 20, 25 or 30 years of service, according to the situation of a number of employees, will apply.

I am therefore quite pleased that Parliament, through its efforts, has succeded in convincing the Minister, and perhaps the Minister of Supply and Services (Mr. McInnes), the actual owner of the Canadian Arsenals Ltd. Corporation, of what the problem was. Perhaps it was Treasury Board, or perhaps even Government officials who did not realize how important it was to be flexible on such an issue.

[*English*]

I will say in English as well that I am pleased a solution of the pension issue which is satisfactory to the employees has been finally reached. We understand and they understand that it is not ideal but, nonetheless, it goes a long way toward achieving the goals they set out at the beginning. Certainly it goes an awful lot further than shoving people off into the private sector, giving them back their contributions, and basically not an awful lot more, after years of contributing to the pension plan of the Government of Canada and expecting to receive a decent pension plan as one of the conditions or benefits of staying with that particular employer, rather than moving to an available job down the street or in another community which might be more attractive or have a weekly wage that is perhaps a bit more attractive. I am glad that has been achieved. As I said in French, I think in large measure it is due to the efforts of the Hon. Member for Prince Albert (Mr. Hovdebo), our caucus and that of the Liberals. I see the Parliamentary Secretary encouraging me as I say that. I would say to him that I am glad he dealt with the matters seriously and worked hard to try to find a solution.

I suspect that one of the problems within Government was that the Treasury Board, being responsible for the Public Service superannuation plan, was being rather sticky and difficult to deal with. I will not describe the expression on the Parliamentary Secretary's face as I make that comment; it would be indiscreet for me to do so. However, I say generally to the Government that in these matters of privatization, the Macdonald Commission talked about the need for more flexibility in how we run our affairs. For goodness sake, that has to begin with the Government of Canada. We have to show some example.

Because many things are happening in mixed areas of the economy, because activities which were public are becoming private, like airport security activities that were privatized and are now coming back into the public sector, we must be realistic in understanding that we should be trying to accommodate to the best of our capacity the legitimate needs and desires of people in these cases. Treasury Board should not be digging in its heels and suggesting that it is a lovely idea but that it cannot be done because it has never been done before. We have not before had a Government with 211 seats. Many of the things which the Government has done have never been done before. In some cases it is unfortunate that they are being done now. However, I suggest that rules and regulations in terms of what occurred in the Government of Canada in the past should not impede necessary arrangements when it comes to such things as dealing fairly with people who completely, unwittingly and beyond their control are affected by the Government's ideological decision on privatization in this particular case.

While I am happy that a solution has been reached, I am sorry it took so much effort on the part of people who had to negotiate and struggle in order to obtain a solution. If the Parliamentary Secretary and his Minister would like to join forces with people in our caucus in the future in order to overcome the ingrained resistance and conservatism of the Treasury Board and certain other central agencies within the Government of Canada, and if we can achieve some desirable results, we will be happy to do so. On the other hand, if the Parliamentary Secretary and his Minister would like to join forces with people in our Party in turning back this pressure for privatization, this ideological obsession with privatization, we would be happy to do that as well.

Mr. Hovdebo: Mr. Speaker, would the Hon. Member take a few moments to express the concerns of the union on a couple of other points? I refer firstly to the fact that employees were unable to continue in the plan they had, and secondly, to the hiatus which appears in the transfer between jurisdictions and the possibility of grievances during that period.

Mr. Cassidy: Mr. Speaker, I have been away from Ottawa for the last two days or three days, so I do not know whether any satisfactory resolution has been reached of the question of what happens in terms of the administration of the contract between the time the sale is actually completed and the time of recognition, if granted, under the Quebec Labour Code. Even after that recognition is granted, there is still the period of time when the parties may be working out a new contract. Even if the contract is identical in spirit to the existing contract, it may have to be worded differently because of different requirements under a new labour code. There could be a lengthy period of time, not because of bad faith on either side, but because of the practical difficulties in doing something which has not been done before. This is why I am suggesting that there should have been a direct agreement between the Government of Canada and the Quebec Government over the question of how successor rights would be achieved.

In general, SNC is acting in good faith. It is biting off a fair amount here because the turnover of Canadian Arsenals is not that far short of what was SNC's total turnover just a year or two ago. It is a major acquisition for SNC, but it seems to be going into it with a constructive spirit. The Government of Canada could have had SNC bind itself legally to the Government of Canada in the Agreement of Sale. SNC could not reach a legal agreement with the union, but this would have had no accreditation in legal terms after the sale until recognition was granted. The Government of Canada could have put into the contract that SNC would respect the contract prevailing until such time as the new union was in place, a new contract signed or possibly have a cutoff date of a year or so hence in order to give ample time for the union to gain certification and get a new contract, or for the workers to reject it. Secondly, during that transition period I think that SNC should also have been required by the Government of Canada to agree that in the event of dispute there would then be an agreed upon means by which arbitration could be resorted to where matters could not be resolved otherwise.

• (1230)

I would remind the Minister of Supply and Services (Mr. McInnes), who is responsible for the Bill, that for some lengthy period of time the union was not able to meet with SNC. I suggested that that be done early when I met with the SNC representatives. They did not see the purchase agreement or the agreement in principle until the matter went to the legislative committee, and that was too late, Mr. Speaker. I am glad it occurred eventually but, as we found in the case of de Havilland, there is no need to guard that information.

I was at a conference of public managers the other day where one of the workshops was on the theme of "consult with the public but don't tell them anything". Governments too often do exactly that. they say they are all for consultation but they are not prepared to share any information. therefore, there is no likelihood of meaningful consultation. I know my friend had another question on pensions,but perhaps what I have said answers the major question in which he was interested.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have spoken in this debate on several occasions and now I shall, if I may, add some further comments on this Bill. My hon. colleague from Glengarry—Prescott—Russell (Mr. Boudria), who is out of town today on parliamentary business, has asked me to make a few comments on his behalf regarding Bill C-87 and the privatization of the Crown corporation Canadian Arsenals Ltd. by its sale to SNC.

Mr. Speaker, we know that the Government elected in 1984 wanted to meet its commitment to privatizing of certain companies, and had even suggested privatizing a considerable number of Crown corporations.

I think if we look back, we can see what the privatization policy has achieved, and wonder how it has worked, and in this particular case, the sale of Canadian Arsenals Ltd., whether the exercise has been a successful and a beneficial one for Canadians. And that will be the main thrust of my comments.

Mr. Speaker, we know that since the privatization policy was announced, a secretariat was set up at Treasury Board, headed by Mr. Basil Bénéteau, former Vice-President of the Board of Directors of Northern Telecom. His assistant is Mr. Lawrence J. O'Toole, previously federal co-ordinator of economic development in Ontario. The President of the Treasury Board (Mr. de Cotret) selected Salomon Brothers as financial advises to the task force. So we have a privatization secretariat, and I imagine it is busy applying the criteria the Government has established, that is, how to privatize, what to privatize and under what conditions.

To date, Mr. Speaker, the Northern Transportation Company has been privatized, as well as de Havilland. The operation was less successful in the latter case because the de Havilland-Boeing transaction was somewhat confused and difficult. We even had to hold a special debate on it here in the House, and I think that this gave the Government the opportunity to learn something about privatization. There was of course the sales of Fisheries Canada, a sea product processing company in the Gaspé area, for an amount of $5 million, and the most recent case is the one now before us which concerns the divestiture of the Canadian Arsenals Limited Corporation to SNC.

As you know, Mr. Speaker, at the second reading stage, the Hon. Member for Glengarry—Prescott—Russell repeatedly asked two questions, with our support. One was: Did the Government consult the employees of Canadian Arsenals Limited before acting to privatize the corporation?

The second question we asked was this: If so, what was the result of this consultation and what are the concerns of the employees?

We knew from the unions and the employees themselves that the employees had not been consulted and that they were worried about such matters as their pension fund, and what the future held for them with the company which was to purchase Canadian Arsenals Limited.

Mr. Speaker, we then asked the Government to provide us with a report prepared by Arthur Andersen which the Government itself had requested and which apparently contained details of the transaction, but our request was rejected.

Well, Mr. Speaker, I remember having made speeches in the House on second reading to tell the Government: Listen, without the important information and data which we need concerning the consultations as well as the validity of the privatization and the benefits of this sale for Canadians, and because we are concerned about the working conditions and transfer of the company to the private sector, we want to see the famous Arthur Andersen report and we want to know what the conditions are concerning the employee's pension plans and the transfer of their jobs from the public sector to the private sector.

We spent a long time at second reading, Mr. Speaker, as you know, on this request in order to finally obtain from the Government the commitment that they would make public finally, at the report stage, the famous Arthur Andersen report. Then we moved from second reading stage to the committee stage. Finally, the Government made the Arthur Andersen report public, so that we realized, together with the Government, that improvements were required to the pension fund. Those are the problems which were addressed in committee and settled, I think, for the benefit of the Government, the SNC purchaser, but above all the benefit of employees who were seeking guarantees concerning their pension fund, its transfer to the public sector and many questions still unanswered concerning their benefits, their pensions, the indexation of these pensions, the future of their jobs, and especially their careers with the SNC.

I think that the Government has made an effort and I want to congratulate the Minister and the Parliamentary Secretary for listening to the requests of both the employees and the Official Opposition with the assistance of the New Democratic Party.

I think we should realize that Canadian Arsenals Ltd. is a company which five or six years ago managed to overcome serious problems with the help of its workers and has now become a profitable concern. Now, we wanted to get the co-operation of both employees and management, since they are the parties concerned, to come up with a solution that was equitable and fair, considering the employees' very reasonable demands concerning the conditions for transferring their pension fund contributions and also concerning their careers and their future with SNC.

Mr. Speaker, we do not object to privatization as such. The concept is aimed at letting the private sector take over activities that were controlled by the State. This can be done, as we know, either by selling the Government's shares or the corporation, or by the government simply getting out of the activities it was or is involved in.

Mr. Speaker, two words are foremost in my mind, and we hear them very often today: deregulation and privatization. Today, everybody is talking about deregulation and privatization, and the two are closely connected. Deregulation means that the State no longer tells people what to do, so it withdraws from a certain area it has been regulating, and that is a good thing. Privatization means that the State lets others act in its stead. In the case of SNC and Canadian Arsenals Ltd., I think the sale has some advantages for future jobs and there may be a bit of growth as well. However, one thing worries me and I think we should not overlook this possibility. The Government will on occasion be asked to scrutinize export permits for the goods being produced by Canadian Arsenals Ltd., and I am referring to munitions.

● (1240)

[*English*]

I wish to caution those who think that by privatizing Canadian Arsenals we will create many new jobs and foreign markets, that we will be in the export business, and that we will be expanding the sales of Canadian Arsenals. One must remember that export permits from the Canadian Government will still be required. We are just saying that Canadians are asking the Government to ensure that we not aid or abet certain groups or governments which take part in subversive activities or war. Even though the company may want to expand into other export fields, it will still have to apply for export permits which will assure Canadians that the company is not dealing with people, organizations, or governments which may be unfriendly to those in the western world who like to preserve democracy.

I only say that in passing because I was told by someone this morning that they saw great potential for expansion of the arsenals business. I do not think we should expect Canada to begin to export arms or war tools. I could probably make a long speech on that subject, Mr. Speaker, but I will avoid it because I know Members would prefer that I speak on the matter of the privatization and sale of Canadian Arsenals Limited under Bill C-87.

[*Translation*]

Mr. Speaker, I shall, if I may, comment briefly on the work done by my hon. colleague from Glengarry—Prescott—Russell (Mr. Boudria), who spoke in Committee and in the House, and who wrote to the Minister—this is a fact—and, practically single-handed, obtained the release of the Arthur Andersen Report. At least for us in the Official Opposition, he was someone on which people could count to strengthen the transaction. I think that the point that he was making was that, while we are selling a corporation, we do not necessarily have to sell its employees with it. We had to see to it that this transaction would be clean, open and absolutely fair for everyone.

It is my sincere opinion that the vigilance shown by the Opposition, led by the Hon. Member for Glengarry—Prescott—Russell, protected the Government employees who were asking for and who deserved special attention.

Also, Mr. Jean Bergeron, Vice President of the Public Service Alliance of Canada, played a major role in the negotiations; he said the following:

> This is a victory for the employees. However, in the future, the Government should ensure that eventual purchasers are aware of the implications before entering blindly into privatization negotiations as they did in the case of Canadian Arsenals Limited.

Mr. Jean Bergeron worked closely with the employees of Canadian Arsenals Limited and did a lot to make the technicalities of this transaction better understood.

I would simply like to remind the House that Mr. Bergeron first used the word "amateurism" and it was not to describe the transaction. I think that this was sufficiently well explained at second reading. Indeed, there have been rather strong comments from people involved in the transaction who had no hesitation in saying that, for some months now, and even since the beginning, the Government has acted amateurishly in this transaction. If the Government had listened to its Privatization Secretariat, it would not have had these problems. Perhaps then the Government would have been able to involve the employees much more than it did. In addition, perhaps it would have remembered that, when such a company is sold, its most important asset, its work force, is also sold and that such a

transaction has certain human resources implications that have to be taken into account.

Mr. Speaker, since we are speaking about privatization, as you probably know, I could talk about the privatization of Government services. I am deeply concerned, and I would simply like to remind the House that whenever a corporation is sold, the privatization extends also to the services that the Government has been providing.

For instance, Mr. Speaker, I could mention the teaching of our official languages or language training in the Public Service of Canada. There were budget cuts that resulted in nearly 850 employees losing their jobs, for there are rumours of privatizing that service in the coming year. I can quote from page 6823 of *Hansard* a question I asked in this House, and in which I suggested it was irresponsible to privatize language training and thereby jeopardize the jobs of 788 employees, 62.6 per cent of whom were women. Moreover, 536 of those 788 employees are members of the teaching personnel and 59 per cent are professional women.

Recently, Mr. Speaker, I also referred to the issue of translators in this House. Part of that essential service has been privatized. Nearly 130 persons were laid off, a majority of whom once again are women. It is hard to accept that Government services should be privatized without cost-benefit studies being made public, whether the service to be privatized will be maintained, whether it will be competent, whether it will be possible for the Canadian people to obtain from this Government an on-going quality of service. This is why we ask the question, and I keep coming back to this, because we always have such "darned difficulty" getting information about the Government.

I asked the Minister in this House to provide us with information on the costs and benefits of privatizing Government services. I am not referring to companies, corporations and so on. I am referring to services, and to this date we do not have many documents. We have had promises. The Minister told me he had handed over everything. I wrote to the Minister on a number of occasions, and I could read you the letters, Mr. Speaker, I still have some of them that were written last February, in which I asked specifically that he answer my question. The question dealt with the tabling of cost-benefit studies on privatization, dated February 11, 1986. I am still waiting for the answer from the Minister. I know the Minister will answer one of these days, but I would like him to do so in the forthcoming days, because it is important for us to know whether the Government has made across-the-board cost-benefit studies.

It was the Minister himself, the President of the Treasury Board (Mr. de Cotret) who told me in the House that studies were made with respect to the consequences of privatization. I would now like to read to you, as recorded on page 10246 of Hansard dated January 24, this reply from the Minister:

> I will be more than happy to make available to him any studies which we have bearing on the rate of remuneration and on the cost-benefits type of information he is asking that we have at our disposal.

Mr. Speaker, I have yet to receive that information and close to two months have elapsed since it was requested. Now as far as privatization of services is concerned, perhaps the Government could be more forthcoming and helpful in its negotiations if it provided the information we require.

As far as privatizing Canadian Arsenals Limited is concerned, Mr. Speaker, we do not object, as I said earlier, to privatization. We have done our work as Members of this House and we have tried to convince the Government about two things: first, that the deal should guarantee the jobs and the pension fund of the employees. Second, we asked the Government to keep this transaction in mind and not to forget the mistakes they made and to remember that we will be on our toes in the future in case they try to sell out something else.

Mr. Speaker, I wish to conclude my brief remarks by congratulating once again the Hon. Member for Glengarry—Prescott—Russell for his contribution to this matter and also thank my colleagues who have taken part in the long debates in the House. I must say that I am glad we have been able to improve this initiative through amendments introduced by the Government and received very positively by the House.

• (1250)

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Hovdebo: Mr. Speaker, I recognize that when Canadian Arsenals was initially established it was with the idea that it would eventually be privatized. However, under present circumstances, where the company makes money and is involved in arms production, would the Hon. Member, if he were a member of the Government today, be proceeding with this sale?

[*Translation*]

Mr. Gauthier: I shall try to answer this hypothetical question, Mr. Speaker, for I do not sit on the Government side and I do not know if one day that will happen. However, just like any other Member of the House, I look forward to the day when I will be in a position to make decisions for the benefit of the Canadian people.

As far as the current sale is concerned, I cannot say definitely whether I or a Government of which I was a Member would have sold Canadian Arsenals Limited.

All I know is that we would first make sure that this company remains Canadian, and we would protect the rights of Canadians, the collective bargaining agreements and the vested interests of employees.

Personally, I have no hesitation in saying that I have nothing against privatization. I feel that when it is Government policy to divest itself of a number of operations, as I was saying earlier, this could be justified. In this case, I do not see why a Government should continue making the quantities of ammunitions on the scale Canadian Arsenals Limited is doing.

On the other hand, as I indicated in my speech, there are serious constraints in the area of exports, because as far as export permits are concerned, the Government will have to look closely to make sure that these ammunitions are not provided to individuals, groups and countries which are not very friendly.

Except for my concern about the employees and their future, I do not think I have much difficulty with the privatization of Canadian Arsenals Limited.

[*English*]

Mr. Deputy Speaker: Resuming debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the decision to privatize Canadian Arsenals is part of the Government's policy and, I guess, ideology. It really has very little to do with any benefit to Canadians generally, or even the people concerned directly. Consequently, although I could spend a considerable amount of time discussing the pros and cons of this privatization, as has been done by others, I think it more important to suggest that, since this privatization has been so incredibly badly handled, perhaps the Government could have learned something. If the Government intends to proceed with its policy and ideology, maybe it has learned something which would make it possible that future privatization projects will be a little more carefully thought out, planned, and consequently function a little more smoothly. I think it is unfortunate that such a great amount of anguish and concern was raised among the employees of Canadian Arsenals by the Government in this process. Some basic openness and understanding in discussing the problems would have eliminated that situation. I want to explore the possibility of putting in place a better system for doing this.

Before doing that, I want to make a few comments on this particular privatization. First, does anyone really think that the privatization of Canadian Arsenals will benefit our economy? The purchaser, SNC Group, is a good employer. They see this as a good business step and they are an acceptable buyer. They are promising to expand the business and increase exports. That company is, to some extent, already in the business of munitions, although not necessarily dependent upon this takeover for expansion. If Canada wants to be listed among the exporters of munitions, of death, if you will, around the world, then I guess it would be all right to divest ourselves of this operation and encourage a private company to expand its export sales. However, I am not sure that the people of Canada really want to go in that direction. I am not sure that the people of Canada were very unhappy with the idea that at least the production of large calibre munitions was controlled by a company owned and operated by the Government.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. He will be able to continue this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

INCOME TAX

DIFFERENCE IN AMOUNT PAID BY CERTAIN PERSONS IN 1983 AND 1984

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I should like to draw the attention of the House to the social injustice created by the Progressive Conservative Government since it took office.

I got a letter from an accountant—not a taxpayer—who based his argument on the 1984 tax tables to prove quite clearly that a person with a 1983 taxable income of $2,030 did not have any tax to pay before the Conservative Government took over, whereas that same person ends up with a $188.50 tax bill for 1984 under the Conservative administration.

Mr. Speaker, that is social injustice and further proof that the poor get poorer and the rich get richer.

* * *

ARMENIAN GENOCIDE COMMEMORATION DAY

NECESSITY TO BE CHAMPIONS OF HUMAN RIGHTS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, we know that on this day, April 24, we commemorate the Armenian genocide.

Since midnight last evening, 100 young Canadians of Armenian origin have been keeping a vigil on Parliament Hill to remind Canadians of the horrible tragedy of the first holocaust of this century. Theirs was a dignified demonstration and I want to commend their leader, Mr. Michael Iskedjian.

We have a good many champions of human rights in this House, but oftentimes they seem to be rather selective. As Canadians, Mr. Speaker, we must defend the rights of our fellow human beings, wherever they happen to be, whatever their importance or power. We must not be selective.

Most of these young people are Quebecers now, and proud Canadians. They know that Quebec's motto is "Je me souviens", and that is what they wanted to show on Parliament Hill by urging all Canadians to join them on this commemorative occasion.

* * *

[*English*]

SOCIAL AFFAIRS

GOVERNMENT'S SOCIAL POLICY OBJECTIVES

Mr. Jim Jepson (London East): Mr. Speaker, social policy has always been a priority for this Government and will continue to be a priority for a long time to come. Our social policies must take into account the need of five groups in particular. Barriers that prevent the full and equal participation of women, cultural minorities, and the disabled of Canadian society must be reduced. Canada's youth must be able to participate in the building of our economy through employment. Senior citizens must be assured a decent standard of living, as well as access to those social and community services necessary to support independence.

Our Government's approach is working, and it is helping business to create the permanent jobs that are the best form of income security. The Government is providing for those in need with carefully designed assistance programs, such as housing strategy and measures to help the disabled, that give people every opportunity to help themselves. Our pension reforms give countless new advantages to people planning for retirement. These policies are working, and all Canadians have a reason for hope.

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[*Translation*]

ARMENIAN GENOCIDE COMMEMORATION DAY

NECESSITY TO PREVENT RECURRENCE OF SIMILAR ATROCITIES

Mr. Gilles Bernier (Beauce): Mr. Speaker, today we commemorate an event that has tarnished forever the conscience of humanity—the horrible slaughter of one and a half million Armenians, murdered during World War I. Survivors were forced to leave their ancestral homeland, later to disperse throughout the world.

In Canada, year after year, Armenians and Canadians of various origins commemorate that event in remembering all the innocent victims and the sufferings of those who met with atrocious and unnecessary deaths.

As Members of Parliament, we have an opportunity to contribute to peace and understanding between nations. But to that privilege is tied the responsibility of preventing such atrocities for all times.

We must do everything we can to ensure that such events will never be repeated.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

APPRENTICESHIP TRAINING PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, recently there has been considerable controversy created by a decision of the Cape Breton Development Corporation to cancel its participation in the apprenticeship training program. Thousands of people throughout industrial Cape Breton signed a petition, which I will have the honour of presenting in the House in the very near future, calling upon this Crown corporation to reverse its cold and short-sighted decision. However, I have been informed by the executive of the United Mine Workers of America that, due to the intense pressure, the President of Devco has indicated that he is willing to re-enter discussions with the objective of reinstating the apprenticeship program. That, indeed, is good news, not only for the men who were terminated by the corporation as a result of the program's cancellation, but also good news for the future of this Crown corporation.

• (1405)

At a time when productivity is the key to a healthy coal industry, ensuring that the workforce remains up to date with the latest technological skills is crucial. Even more critical is an improved relationship between management and labour. I hope this new willingness on the part of the management to discuss rather than dictate is a sign of a genuine willingness to improve a rather dismal labour relations record.

Mr. Speaker: Order, please. Sixty seconds.

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HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN MASSACRE

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, today, April 24, is a special day of remembrance for the Armenian community of the tragic events of 1915 during the last days of the Ottoman Empire. Each year in Parliament,

Members stand to express their sympathy to victims of those events.

However, I believe that it is now appropriate for Parliament as a whole to institute a formal annual remembrance of these and other events which typify man's inhumanity to man. Therefore I have tabled a motion, which I hope will receive the unanimous consent of the House, to designate this week in April, each year, as a week of commemoration for man's inhumanity to man.

Legitimate remembrance of the past, however, should not extend to violence in Canada. To do so would be to jeopardize the foundations of our society. Yesterday three individuals pleaded guilty to such a violent act. Today, within the best traditions of Canada, we have seen a peaceful demonstration of remembrance in Ottawa.

Let us work together to build a better future for Canada and for the world, where the rights of all are fully protected.

* * *

UNEMPLOYMENT INSURANCE

CHANGE IN REGULATIONS—EFFECT ON EX-SERVICEMEN

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I want to read the following statement into the record:

I was released from the Canadian Armed Forces in 1972, at age 40, after 16 years of service, for medical reasons.

He goes on to say that because of high unemployment he lost his part-time employment in October, 1985. He is 54 years old, with a grade 8 education, and is unable to obtain further work. He goes on to state:

However, I was able to meet my financial commitments with my pension, and full UIC benefits.

As of January 5, 1986, when this new legislation came into effect, my UIC benefits have been reduced $58 a week, or $251.33 a month.

As a result, he lost his home and his automobile and, if it continues, he will be forced into personal bankruptcy.

The present Conservative Government has brought this affliction on Mr. Cornelius Funk, who had served in the Canadian Armed Forces for 16 years and was honourably discharged, and has brought it upon tens of thousands of other members of the Armed Forces and Royal Canadian Mounted Police. Do the Minister and Prime Minister (Mr. Mulroney) need more of these letters—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

BALTIC EVENING

COMMEMORATION OF INDEPENDENCE OF BALTIC STATES

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, today Canadians of Estonian, Latvian, and Lithuanian background are meeting with government officials here in Ottawa. Tonight, on Parliament Hill, they will hold the Fourteenth Baltic Evening to celebrate the cultures of these three countries—cultures that are under severe assault through Russification—as well as to hold high the cause of self-determination for these three countries that are occupied by the Soviet Union.

Too often only lip service is paid to the doctrine of national self-determination. In this struggle for democracy, every signal, no matter how small, and every message, no matter how symbolic, should be sent to Soviet Russia. For this reason I call on the Government of Canada to list the acting Honorary Consuls General of Estonia, Latvia, and Lithuania in the registry of diplomatic, consular and other representatives in Canada.

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

THE ECONOMY

EFFECTS OF INTEREST RATE REDUCTION

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Mr. Speaker, since Tuesday last, Canadian borrowers have begun enjoying the interest rate reduction announced Monday by most American banks, even before the Bank of Canada could set its new discount rate.

That, Mr. Speaker, is ample evidence that leaders of the Canadian financial community have confidence in this Conservative Government.

That significant .25 per cent reduction will benefit all Canadians by allowing for new jobs to be created. Small businessmen can make new investments, and young Canadians can own their own homes. Moreover, that reduction will result in new investors' confidence in the business community and will attract foreign investment to Canada.

Mr. Speaker, that interest rate reduction will have a favourable impact on the economy for all Canadians, and they will certainly appreciate it.

S.O. 21

• (1410)

[*English*]

OCCUPATIONAL HEALTH AND SAFETY

FUNDING OF CENTRE

Mr. Rod Murphy (Churchill): Mr. Speaker, in 1982 Canada had 1.21 million work-related injuries. These were injuries affecting over 12 per cent of our workers. There were 555,000 disabling injuries. The benefit payments alone totalled $1.627 billion. Despite these horrendous figures the federal Government has seen fit to cut funding to the Canadian Centre for Occupational Health and Safety, despite the fact that government officials admitted in committee last night that there is increased demand for the services provided by that centre. In addition to that, although Section 96 of the Canada Labour Code calls for the setting up of an advisory committee on occupational safety and health, the federal Government has decided it cannot afford to do so.

The Canadian Labour Congress has declared this coming Monday a day of mourning for those who lost their lives and limbs in Canadian workshops. The least the Government can do is recognize that day of mourning and provide funding for the centre—

Mr. Speaker: Order, please. Sixty seconds.?

* * *

[*Translation*]

THE ECONOMY

CONTRIBUTION OF PRIVATE ENTERPRISE

Mr. Gabriel Fontaine (Lévis): Everyday, Mr. Speaker, our economy is improving. Our Government has created the proper climate for this economic growth, but we must also share the credit with businessmen within our communities. Business people have understood the dynamism of our message. The private sector and the Government of Canada are now working as a team. Within my riding of Lévis, in the city of Charny, business people will hold an exhibition this coming weekend. Our dynamic business people have organized this Quebec South Shore exhibition without subsidies; moreover, the admission will be free. It is the most significant exhibition of all those held in the South Shore cities of Greater Quebec. Our congratulations and thanks to these business people for their contribution to the economic recovery. Let us all go to this exhibition.

UNEMPLOYMENT INSURANCE

REQUEST THAT GOVERNMENT RESCIND DECISION TO CHANGE REGULATION AFFECTING BENEFITS

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, 34,000 people in Canada have been deceived once again by the Prime Minister (Mr. Mulroney): those who have taken an early retirement.

Mr. Speaker, I should like to congratulate the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) and the Hon. Member for Champlain (Mr. Champagne). Both these Conservative members are blaming their Government for willfully stealing the money of Canadian taxpayers, of 34,000 Canadians and servicemen who came here to demonstrate on the Hill their disapproval of the Government's decision.

Mr. Speaker, it is important to know that these people have worked hard all their lives. They have contributed to the Unemployment Insurance Fund and their private pension plans. In Trois-Rivières, the Government has robbed Philips' and Wabasso's employees who have been laid-off.

Mr. Speaker, I invite all Conservative members to follow the example of the Hon. Member for Champlain and all the other Members of the House and pressure the Prime Minister into reversing this stupid and idiotic decision.

* * *

[*English*]

CHALLENGE '86

PRIVATE SECTOR'S CREATION OF CAREER-RELATED JOBS FOR STUDENTS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, yesterday members of the opposition Parties criticized the Challenge '86 Program for stressing the importance of private sector career-related jobs for students. There is obviously not one business person amongst the lot of them. Do they not realize that the vast majority of people work in the private sector? Logic would suggest that students should acquire career experience in the private sector to increase their opportunity for employment.

In Etobicoke North the success of Challenge '86 is evident. Six hundred students have already registered under the program and 70 per cent of the jobs available are in the private sector, jobs such as technicians, accounting assistants, computer programmers, sales and marketing jobs, bookkeeping, and the list goes on and on. I suggest to members of the Opposition that they go back to their ridings and witness the success of this program for themselves.

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN MASSACRE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on the evening of April 24, 1915, 254 Armenian intellectuals were arrested in Istanbul, never to be seen again. Talaat Pasha, who was Minister of the Interior, said: "I will deal the Armenians such a blow that they will not be able to raise their heads for 50 years". He was the cruel, prophetic architect of the genocide which began 71 years ago today.

Before World War I there were two million Armenians in the Ottoman Empire. After the war there were only 100,000. Canada must help to right this wrong. The facts are clear. A recent United Nations subcommittee's report refers to "The Ottoman Massacre of Armenians". We stand with Mr. Hagopian, Chairman of the Armenian National Committee of Canada, and all Canadians of Armenian heritage, to win this battle of human rights recognition that the genocide did occur.

* * *

• (1415)

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN MASSACRE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, today we commemorate the seventy-first anniversary of the Armenian massacre. Hundreds of people gathered on Parliament Hill today to recognize what has been stated to be the first great act of genocide in this century. It is time for our Government and other Governments to do something about it.

Many of us will gather this evening at the Baltic dinner to recognize the actions of the Soviet Union against the Baltic republics. We do not expect to have very much influence on the Soviet Union. But when we are dealing with allies in the North Atlantic Treaty Organization we do expect to have some influence. It is time for the Government of Canada to press the Government of Turkey to recognize and acknowledge the atrocity of 1915, and to press that Government to provide redress to the Armenian people.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMISSIONER OF YUKON

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery of Mr. Ken McKinnon, Commissioner of the Yukon.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, when I saw the Tory Members rise to their feet I thought that perhaps President Reagan was in the gallery.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Deans: They would be on their knees if that were the case.

Mr. Axworthy: My question is for the Prime Minister. Last evening we saw that in staving off defeat of the trade proposal President Reagan made several very important promises to members of the U.S. Senate Finance Committee. I would like to ask the Prime Minister about those promises and the significance which they hold for Canada.

With respect to the question of lumber, Senator Packwood said that he has been promised a letter from the President of the United States outlining proposals for separate and quick negotiations to resolve the lumber issue between our two countries. Considering how vital this is to our interests, have we asked to be consulted on that letter? Does the Prime Minister still stand by his statement that there will be no concessions whatsoever even though last evening he said that we have to be prepared to make trade-offs to serve the best interests of the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I said no such thing. That is an absolute and untrammelled falsehood and must be withdrawn. I said no such thing. I want the Hon. Member to rise in his place and withdraw what is an absolute falsehood.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER CONSULT UNITED STATES PRESIDENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want the Prime Minister to answer the question, not get on this false high horse of his. Is he prepared to reiterate his commitment not to make concessions? Will he consult with the President of the United States about the letter he is sending in regard to lumber negotiations so that we will know what is going on and so that we will not sell out the lumber interests of Canada?

Right Hon. Brian Mulroney (Prime Minister): That is different, Mr. Speaker. That is just the usual Liberal distortion. We can deal with that.

The President of the United States said that the negotiations will begin without conditions. That is the position of the

Government of Canada. That is what transpired, exactly what transpired. I know that it causes the Hon. Member from Winnipeg anguish and heartache because he has been predicting the contrary for weeks. He will just have to live with it.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, if I were playing the Prime Minister's game I would ask for a retraction of an obvious distortion. We have said no such thing and the Prime Minister has still not answered the question.

The President has made a promise to U.S. Senate Finance Committee members to resolve the lumber issue under separate negotiations. Have we agreed to those measures? Will we be consulted on what are the proposals? Is the Prime Minister still prepared to stand by his previous statement that there will be no concessions on lumber?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the comment of the hon. gentleman is prefaced with at least two or three, if not more, falsehoods. I can tell him that there are no preconditions. The President of the United States has said it. The Government of Canada has said it. If that is not good enough for the Hon. Member for Winnipeg—Fort Garry, it is good enough for Canadians.

[*Translation*]

REQUEST FOR FIRST MINISTERS' CONFERENCE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Prime Minister and relates as well to the proposed free trade negotiations with the United States. In today's editorial, *La Presse* pointedly emphasizes, and I quote:

> Ottawa's internal preparations have not been as thorough as Washington's: Mr. Mulroney does not have the kind of wide mandate which Mr. Reagan has just secured.

Here is my question to the Prime Minister. Does the Prime Minister intend to convene his provincial counterparts as soon as possible to shed light on the Premiers' position in the forthcoming negotiations?

Right Hon. Brian Mulroney (Prime Minister): Notwithstanding the editorial opinion expressed in *La Presse*, Mr. Speaker, I think you would agree with me that other editorialists have taken the opposite view. Several major American newspapers recently stated that—

Mr. Malépart: There are others besides Americans.

Mr. Mulroney: We are talking about complexes, so the Hon. Member for Montreal—Sainte-Marie wants to put in his grain of salt.

As early as last November be began the process of inviting the provinces to get in on this. The Secretary of State for External Affairs is actively involved in the process, which is about to be completed. Once that is done I will be pleased to advise my colleague.

NON NEGOTIABLE ITEMS—PRIME MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, extremely important matters are raised in negotiations with the provinces. A number of issues included in the negotiations with the United States fall under provincial jurisdiction. I should like to ask the Prime Minister—my question relates to several of these issues—whether he intends to live up to his commitment not to put on the negotiation table such subjects as agricultural marketing boards, the Auto Pact, social services, and cultural industries?

Right Hon. Brian Mulroney (Prime Minister): On several occasions, Mr. Speaker, including last September 26, I outlined Canada's position and we intend to stand firm.

[*English*]

PHARMACEUTICAL PATENT LAWS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday in Washington many Senators stressed their opposition to our patent laws on drugs, laws which save Canadian consumers and seniors billions each year on generic drugs. Will the Prime Minister guarantee Canadians that no concessions will be given to the United States in the form of changes to n these patent drug laws during or prior to the free trade negotiations?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have two points. First, when the Hon. Member uses the word "billions", it is simply inaccurate, and he should not use it to embellish his question. Second, the Government has said if there is any legislative change, the Hon. Member, like everyone else, will have to wait for that legislation to be introduced.

Mr. Langdon: In fact our research shows that billions are at risk.

Some Hon. Members: Oh, oh!

LUMBER EXPORTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question. Senator Packwood says that President Reagan won his vote when he promised him legal actions to "make sure timber is protected". Does the Prime Minister consider such an attack on our softwood lumber producers to be a good faith beginning to the free trade negotiations with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can only assume the researcher who predicted the billions was the same one who predicted the loss of 100,000 jobs under the last Budget and 580,000 new jobs were created.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The statement which was given applies. There are no preconditions. Of course we recognize that in any civilized bargaining event there is give and take. That is what it is all about. This is not a zero-sum game. We believe that both the United States and Canada can negotiate an arrangement which will enhance their possibility of economic growth on both sides.

• (1425)

A successful negotiation does not mean less for one and more for the other. A good negotiation is a good deal for both sides, and it means more jobs in Canada, greater riches in Canada, and greater prosperity in North America. That is what we are looking for.

Some Hon. Members: Hear, hear!

Mr. Langdon: In short, Mr. Speaker, our timber producers better watch out.

Mr. Dick: He didn't say that.

REQUEST FOR ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my final supplementary is for the Prime Minister. Will the Prime Minister give Members of Parliament the same role and input as U.S. Senators have now won and agree to set up a special all-Party parliamentary committee to watchdog these proceedings and report back regularly to this House?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the question posed by the Hon. Member gives me an opportunity to remind not only the House but the country about the incredible new reforms that we have instituted in this House which give committees of this House self-start ability. They are able to draw up their own agendas, and I hope the Hon. Member will take on a constructive role rather than always carping and being negative, as he always is on this issue.

* * *

EXTERNAL AFFAIRS

LIBYA—ADVICE TO CANADIAN CITIZENS TO LEAVE COUNTRY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, in the absence of the Secretary of State for External Affairs I will put my question to the Prime Minister. The Prime Minister is aware that the Secretary of State's warning to Canadians to leave Libya has caused concern. In fact it has been described as having baffled, puzzled, and dismayed the international diplomatic corps, not only Canada's but others. Could the Prime Minister explain to the House why the Secretary of State made that quite extraordinary statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not think the statement was extraordinary. I thought it was a prudent and thoughtful statement in the circumstances by the Secretary of State for External Affairs, which reflected his view and the view of the Government of Canada.

GOVERNMENT'S VIEW

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Secretary of State twice said last night on the program *The Journal*, and I have the transcript here: "The calm might not last". Was the Secretary of State for External Affairs expressing the view of the Government and, if so, what factual basis does the Government have for making that kind of declaration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member for Westmount has clearly not spoken with his Leader because his Leader last night agreed with the Secretary of State for External Affairs that it was the right thing to have indicated to the country. Indeed, there is a period of calm and the Secretary of State for External Affairs invited Canadians in Libya, given the delicacy of the situation, to take advantage of that period for the reasons that he set forward, which I thought were very prudent.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPACT STUDIES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Prime Minister. It relates to the free trade negotiations. I am sorry the Government is reluctant to commit itself to having a select committee in the process. Can the Prime Minister tell us what the Government intends to do with the wide range of studies about the cost impact and benefits of free trade to different regions and industries in Canada, information which so far has been kept private?

Does the Government intend to share that information with Canadians now that the free trade talks are under way in order to ensure an informed basis for consultation, and when will it start making that information available?

Hon. James Kelleher (Minister for International Trade): Indeed, Mr. Speaker, many studies have been done. We have shared those studies to date with the provinces and, to varying degrees, we will be sharing them with the trade advisory committees that have been set up under rules of confidentiality.

It is not our intention to share these studies with the public at this time because the studies would then become the information of the United States, with whose representatives we are going to sit down and negotiate. It does not make sense to arm, so to speak, the people with whom you are about to

enter negotiations. That is very foolish. You do not show your hand to the other party prior to the commencement of negotiations, nor will the other party be showing their studies to us.

[*Translation*]

FREE TRADE—INQUIRY WHY GOVERNMENT DOES NOT WANT TO DIVULGE CERTAIN STUDIES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am frankly shocked at the statement made by the Minister as, according to him, 25 million Canadians will be excluded from the process.

Since the *Conseil du patronat du Québec* and the Canadian Manufacturers Association have clearly indicated that they want the assessments of the impact of free trade on their industries to be made public, why is the Government refusing to share this information with the public and the industries concerned?

• (1430)

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, representatives of all sectors of our economy, including the manufacturing, labour, and farming sectors, will be involved in the elaborate advisory system which we have set up. They will be helping us with those studies. They will be interpreting them for us. There will be full participation.

Mr. Cassidy: Not by ordinary Canadians.

Mr. Kelleher: That is what Canadians want, and that is what we have set up the system to achieve.

* * *

CANADIAN NATIONAL RAILWAYS

MONCTON WORKSHOPS—FUTURE OF WORKFORCE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Transport and is with regard to the CN workshops in Moncton. The Minister has a reputation in the House of being an honourable man. What sort of pressures would have to be exerted upon him in order for him to live up to the commitment he made to the Member of Parliament for Moncton when he said he "could not support any massive reduction in the CN workforce in Moncton"? Will the Minister now honour his commitment of June 7, 1985?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Member for Moncton has been very effective in drawing to my attention, and to the attention of our caucus, concerns with respect to the CN workers in Moncton. He has done that in a very fair manner. He has not engaged in the kind of flimflam and rhetoric which stirs up anxiety and fears among the people of Moncton.

As I have indicated in the House before, there is an excess capacity problem with the three main shops in CN's network. That is being examined. CN is looking at it very carefully. When adjustments have to be made I am sure they will be made in a fair and reasonable manner.

Mr. Dingwall: Mr. Speaker, if there has been any anxiety experienced by the people of Moncton, it has been caused by the Minister's indecision and waffling with regard to the CN workshops in Moncton.

REPRESENTATIONS MADE TO MINISTER

Mr. Dave Dingwall (Cape Breton—East Richmond): Would the Minister of Transport tell the House whether or not he has received representations from the Government of New Brunswick? If so, when did he receive those representations and what is the nature of them? Would he at least give those answers to the House of Commons?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, if we were to take the Hon. Member at his word, the CN shops in Moncton would have been closed a year ago. The fact of the matter is that they are not closed. We are trying to work out the capacity problems and are considering a number of alternatives and solutions. The Hon. Member should co-operate and be a little constructive rather than being destructive—

Mr. Dingwall: Just answer the question. Stop waffling.

Mr. Mazankowski: —and using this as a means to further his own political interests.

Mr. Garneau: You should answer the question.

* * *

UNEMPLOYMENT INSURANCE

CHANGE IN REGULATIONS—EFFECT ON FORMER ARMED FORCES PERSONNEL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister. Tremendous hardship is being experienced by many former Armed Forces personnel as a result of the changes to the Unemployment Insurance Act *vis-à-vis* the inclusion of pension income as earned income. Does the Prime Minister not agree that waiting for the Forget Commission to report on this issue is a flagrant abdication of his responsibility for the men and women who have served the country so well?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as my colleague, the Minister of Employment and Immigration, as well as other Ministers, stated, we are very conscious of these concerns. This issue and a number of others, have

been referred to the Forget Commission. Other matters have been brought up before the Forget Commission during the course of the review which it is presently completing. We expect to have the report sometime later this year and are prepared to consider the recommendations in that report and act accordingly.

Mr. Deans: There is no need to wait for it.

GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Prime Minister. How can he and his Government be so cruel, uncaring, and unfeeling as to deny these people the unemployment insurance benefits to which they are justly entitled?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know what more I can add to my previous response. As the Hon. Member well knows, this decision was taken about a year and a half ago. A good deal subsequent to that decision being announced and referred to on many occasions, the Forget Commission was appointed.

Mr. Rodriguez: Is it the Government now?

Mr. Wilson (Etobicoke Centre): The matter has been the subject of some discussion with the Forget Commission We expect that the Forget Commission will report on this in due course.

REASONS FOR GOVERNMENT ACTION

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Employment and Immigration always tells us that the Forget Commission was appointed to correct the UIC inequities which were in fact created by her and the Minister of Finance.

Why did the Minister of Finance and the Minister of Employment and Immigration make the decision to deny unemployment insurance benefits, in whole or in part, to retired members of the Canadian Armed Forces, the RCMP, and others? Let us get to the crux of the matter. Why did the Minister make the decision in the first place?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will get right to the crux of the matter. The Government appointed this commission to study a number of inequities and problems which have developed with the unemployment insurance system over the past 15 years. That is the reason the unemployment insurance review is being undertaken right now. We believe it is important not to prejudge the results of its report because I am sure there will be a great deal of interaction among the recommendations of the commission. I think that if the Hon. Member sat down and thought about it he would agree with me.

Mr. Hopkins: I have been thinking of it since November 8, 1984, and I do not agree with it.

GOVERNMENT POLICY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, why does the Minister not admit that he brought this measure forward without any debate in Parliament or consultation because he was concerned about his own image, and because he and the Government could not care less about people retired from the Canadian Armed Forces who earn low incomes? These are the very people they said they would support during their campaign.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is absolute garbage. The things which the Government has done to help people with low incomes proves that it is garbage. We have increased the child tax credit. We have accelerated the payment of the child tax credit.

Mr. Hopkins: You increased their taxes by 23 per cent.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listen, he might learn something. In the last Budget we introduced a refundable low income tax credit. That tax credit will help people in—

Mr. Malépart: It's a bluff.

Mr. Wilson (Etobicoke Centre): The Hon. Member for Montreal—Sainte-Marie says that's enough. He can't stand the truth.

Mr. Gauthier: No, he said: "It's a bluff".

Mr. Wilson (Etobicoke Centre): He is unable to stand the truth because he knows the truth hurts. He knows that this Government has one of the best records on social justice that any Government has had.

Some Hon. Members: Hear, hear!

EFFECT ON EX-SERVICEMAN

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Prime Minister and is with regard to the cutting of unemployment insurance benefits of retired members of the Armed Forces. The Prime Minister has a letter from Mr. Cornelius Funk who has lost his home and his automobile and is in danger of being driven into bankruptcy because of loss of unemployment insurance benefits.

Would the Prime Minister indicate what action the Government will take to protect those retired members of the Armed Forces who are being bankrupted by this provision? Will he forget the business of the Forget Commission? What action is the Government going to take to protect these retired members of the Armed Forces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to clarify a couple of the things the Hon. Member

stated. The provisions which were introduced do not take away unemployment insurance. They simply provide that pension income is to be treated as income for unemployment insurance purposes.

Mr. Deans: Would you care to explain the difference?

Mr. Wilson (Etobicoke Centre): If there are people who are receiving low pensions, they will receive unemployment insurance. It is there according to the rules.

GOVERNMENT POSITION

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I will direct my supplementary question to the Prime Minister. He has had an opportunity to read the letter. Would the Prime Minister indicate whether the Government has any plans to protect those retired members of the Armed Forces who are losing their homes and possessions because of the Government's action in cutting unemployment insurance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is neglecting to mention the fact that through the economic statement of November 8, 1984, under the leadership of the Minister of Veterans Affairs, the Government increased the pensions which veterans receive.

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[*Translation*]

SHIPBUILDING

REQUEST THAT MINISTER ANNOUNCE NEW DEVELOPMENTS

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, we are all aware of the problems facing the Canadian shipbuilding industry. I would therefore like to ask the Hon. Minister of Supply and Services whether he will have any developments or good news to announce, especially as concerns Versatile Vickers in my constituency. Representatives of the industry are here today and they would certainly like to hear some good news if the Minister has any to give them.

• (1440)

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, we think there will be a number of developments over the next number of months which will be received with enthusiasm in the Montreal shipyard area. However, I can announce that Montreal Vickers has been the successful low bidder amongst eight tenders for the repair of two destroyers, the *Skeena* and the *St. Croix*. I think that is immediate good news.

[*Translation*]

UNEMPLOYMENT INSURANCE

CONDITIONS CONCERNING PAYMENT OF BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Prime Minister. He should have some respect for the 34,000 people who are waiting for his answer.

The 34,000 Canadians whose unemployment insurance benefits have been cut off would like to know why the Prime Minister, when he closed down Iron Ore, bragged about having a good pension plan for the workers of this company. They were entitled to receive unemployment insurance benefits while he is now refusing to pay the same benefits to the employees of Philips, Wabasso and Dominion Textile throughout Canada even though they contributed to the plan.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was then in the private sector, as were the financial critic of the Liberal Party and others. The leader of the Liberal Party himself was in the private sector. What we did at the time should be examined closely by the public, including the Hon. Member.

However, I can say that the package which we put together for the employees of the IOC mining company in Schefferville was described by the metal workers as the most generous retirement program in Canada.

APPLICATION OF REGULATION GOVERNING BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Prime Minister takes pride in having put together a retirement plan thanks to the Liberal Government. He put this plan together to save his political skin. Today, the Prime Minister does not want to give us answers. Why deny the employees of Philips who were laid off in Trois-Rivières the right to the same unemployment insurance benefits as the Liberals gave to the employees of Iron Ore? Why do you treat these Canadians unfairly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no injustice, quite the opposite. The reasons which were—

Mr. Malépart: You do not know the facts. Do not get all excited, you simply are not aware of what is going on.

Mr. Mulroney: If we do not know the facts, we shall sit down. However, I must say that the Schefferville voters in the Manicouagan constituency certainly examined whether the situation was fair or not, and they gave me a majority of 18,000 votes in the last election.

[*English*]

PENSIONS

PENSIONS OF CANADIAN ARMED FORCES PERSONNEL

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the hardship which will be felt by present and future retirees from the Canadian Armed Forces if the Government proceeds to deindex their pensions, would the Government assure the House that it will not proceed with that Draconian measure?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I have said on many occasions, we are proceeding with the review of the federal pension arrangements under the PSSA, as well as those for the Armed Forces and the RCMP. I have said time and time again that review is being done with full respect to the commitment we made as a Government and Party to be just and equitable to everyone concerned. We certainly will be just and equitable to everyone concerned.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, would the Minister not agree that the Government will not live up to the commitment it made as a Party through the Hon. Member for Kingston and the Islands in January, 1982, when she assured Armed Forces personnel that the Conservative Party would oppose any such measure, when the Liberals tried to do the same thing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would only like to remind the Hon. Member that we, as a Party, have said that there were some fundamental reforms which had to be introduced to the public sector pension plans. Those reforms are meant to put the pension funds on a sound financial basis with due respect to equity and justice for all concerned. That is exactly the intent of the document now before Cabinet for discussion.

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[*Translation*]

ABORTION

THERAPEUTIC ABORTION COMMITTEE PROCEDURES—DEATH OF OTTAWA WOMAN

Mr. Jim Jepson (London East): Mr. Speaker, I wish to direct a question to the Minister of Justice.

[*English*]

The people of Ottawa recently witnessed the tragedy of a young woman dying as a result of an abortion procedure after the therapeutic committee had not met with the patient to discuss her circumstances and alternatives prior to the abortion. Can the Minister indicate if there is any way our Government can ensure that these committees fully exercise the serious responsibility given to them under our Criminal Code?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is a question of the administration of health and hospital services which is, of course, one of provincial responsibility. The supervision of therapeutic abortion committees in hospitals rests with provincial Governments. I am sure they will have taken note of the coroner's inquest into that matter here in Ottawa and will act accordingly to see that there is proper supervision of these committees, and that they operate in accordance with the law.

* * *

PENSIONS

PENSIONS OF CANADIAN ARMED FORCES PERSONNEL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Employment my question is directed to the Prime Minister. I have a letter here from that Minister when she was a member of the Opposition, in which she stated she and her Party would fight any attempt by the Government to remove indexation of servicemen's pensions. Can the Prime Minister contradict the statement of the President of the Treasury Board today and reaffirm the faith of the people that Flora MacDonald is in fact a—

Some Hon. Members: Order.

Ms. Copps: That the Minister of Employment is a Minister who keeps her word?

Mr. Skelly: What about six and five?

Mr. Deans: That was when the Liberals were introducing it.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Minister of Employment and Immigration keeps her word, and this Government keeps its word.

Some Hon. Members: Hear, hear!

Mr. Ouellet: You cut the pensions.

Mr. de Cotret: We have promised equity and justice in the review of public pension arrangements. At the same time we promised to put the fund on a sound financial basis, which has never been the case before. We are moving along with these commitments. We have promised to protect the rights acquired by people already in the service, and we will deliver on every one of those commitments.

REPRESENTATIONS TO PRIME MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is to the Prime Minister if he deigns to

answer. He answers the President of the United States. I would hope he would answer—

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

Some Hon. Members: Oh, oh!

Mr. Deans: That is one way to guarantee you will get an answer.

Mr. Speaker: Can we have a question?

Ms. Copps: The Prime Minister refuses to listen to his own Member for Annapolis Valley—Hants.

Mr. Crosbie: Question!

Ms. Copps: He refuses to listen to the Hon. Member for Champlain.

Some Hon. Members: Question!

Ms. Copps: Will the Prime Minister listen to the servicemen who were forced for the first time in history to march on the Hill today, or will he at least listen to the Progressive Conservative Women's Association of New Brunswick who came all the way to Ottawa to fight against his Government's unjust changes to unemployment insurance—

Some Hon. Members: Sit down!

Ms. Copps: Will he at least listen to them?

Mr. Speaker: Order. It may be supplementary to an earlier question but it was not supplementary to the Hon. Member's first question.

Ms. Copps: Mr. Speaker—

Mr. Speaker: Order, please.

Some Hon. Members: Sit down!

Mr. Speaker: The Hon. Member for Yorkton—Melville.

Ms. Copps: You shouldn't laugh at it, Brian; it's going to haunt you for a long time to come.

Mr. Speaker: Order, please.

Ms. Copps: Remember Madame Denis.

Mr. Speaker: Order, please.

Ms. Copps: Remember Madame Denis.

Mr. Speaker: Order, please. Both sides. The Hon. Member for Yorkton—Melville.

Ms. Copps: The Prime Minister laughs.

Some Hon. Members: Out!

Mr. Speaker: Order, please. The Hon. Member for Hamilton East and other Hon. Members will come to order, please, and will stay in order. The Hon. Member for Yorkton—Melville.

* * *

• (1450)

ENERGY

PRICE OF GASOLINE

Mr. Lorne Nystrom (Yorkton—Melville): I will give it a try. Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of Energy. We all know now why the gas consumers are not getting the full benefit of the drop in crude oil prices. Jack McLeod, the President of Shell Canada, just announced that his company is holding up to 4 cents a litre of the consumers' money in order to boost the shareholders' profits. Will the Prime Minister now pick up the telephone and telephone Bill Hopper at Petro-Canada and ask him to take the lead and lower the price of gasoline by at least 4 cents a litre so the consumers will enjoy the full savings they deserve?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, there are a couple of points that have to be made here. The federal Government does not set gasoline prices, never has and does not now. Second, the Minister of Energy has wired the companies and asked them to pass the savings on to the consumers. It is obvious that it has been done because gasoline prices in Toronto alone have dropped from 50 cents a litre to 36 cents a litre, a saving of some 13, 14 cents a litre, or 59 cents a gallon. The consumers are benefiting from the lower crude prices.

REQUEST THAT PRIME MINISTER ASK PRESIDENT OF SHELL CANADA TO REDUCE PRICE OF GASOLINE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary is directed to the Prime Minister, and as a friend of big business maybe he can answer the question—

Mr. Speaker: Order, order. Order. Let me make it clear now that questions, as all honourable Members know, are to the Government. The Hon. Member for Yorkton-Melville has a supplementary?

[*Translation*]

Mr. Nystrom: Mr. Speaker, is the Prime Minister of Canada prepared to call his friend, Shell Canada President Jack MacLeod, and suggest to him that he should immediately lower the price of his gasoline by at least 4 cents a litre? Would he do that now?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I find it very interesting that on the one hand the NDP ask for a floor price so that the oil companies can survive, and on the other hand they are asking to lower prices more and more and more. Moneys that come to the companies go into exploration, and if we can keep exploration going in this country from these moneys that they are keeping, then it is all the better for jobs in Canada out west where we need them in the energy industries.

Some Hon. Members: Hear, hear!

* * *

PUBLIC SERVICE

REGIONAL PAY SCALES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the principle of equal pay for equal work has been violated by this Government in negotiations with the PSAC in that unequal pay for exactly the same work has been forced on the general trades and labour, and Newfoundland and most of the Maritimes are at the bottom of the heap. My question is directed to the President of the Treasury Board. Does not the President of the Treasury Board feel that the Government is guilty of promoting discrimination and "how can this be justified?"

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to answer the preamble to my honourable colleague's question. Nothing has been forced on anyone. This is a matter, as I am sure my honourable colleague knows, that is subject to negotiation. I will say that about one-fifth of federal Public Servants are paid on some form of regional pay basis where we attempt to compare the pay rates in the federal Public Service with the pay rates available for similar trades in the different regions. That has been a practice that has been longstanding, as he should know from his side of the House, and it is a practice that is equitable and fair and respects the regional pay practices of the different regions of the country.

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the charge discrimination and the question "how can this be justified?" is from the Minister of Justice in a letter to the President of the Treasury Board two weeks ago on this same issue.

Some Hon. Members: Shame.

Mr. Baker: I agree with the Minister of Justice. How can the Government justify what the Minister of Justice says is unjust?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in open negotiations with the PSAC I am very happy to say that we were able to reach an agreement to reduce the regional zones from 22 to 16, and that was accepted by the negotiators at the table, and furthermore ratified by the general membership. Subsequent to the ratification the question was raised by labour as to whether or not we would entertain further reductions during the term of the present contract. I have maintained my open door policy and I am willing to discuss it with them. They have been invited to meet with me. I can only tell you that in terms of our record in labour management relations we have no lessons to learn from the Opposition.

Mr. Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

BRAINWASHING EXPERIMENTS FUNDED BY CIA—REQUEST FOR PUBLICATION OF REPORT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. Will the Government make public the report of special counsel George Cooper's investigation into whether Canada was involved, or for that matter was aware of CIA funded brainwashing experiments conducted on nine Canadian citizens?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): The report which I commissioned on this issue, which had been ignored by the previous Government, was received about three weeks ago. I am studying the matter with some of my colleagues. We have to consider not only what is in the best interests of the people of Canada and what the Government should do, but what is in the best interests of the plaintiffs in this matter in the States as well. When we are finished with our consideration we will be in touch with the representatives of the plaintiffs to discuss the situation with them and we will announce our decision. This is an open Government unafraid to look at the record and to bring it forth to the people of Canada to see.

REQUEST THAT REPORT BE FURNISHED TO VICTIMS OF EXPERIMENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I ask the Minister of Justice whether, in the circumstances, after he has completed his investigation he would make available to the lawyer representing those nine people a copy of that report in order that he can determine what would be in the best interests of those nine clients of his in this very important matter that should be resolved now?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): I certainly accept this as a representation, and I can also assure the Hon. Member that if it is our

decision the report should be made public we will certainly see that the person representing the plaintiffs will receive the report before the report is made public.

* * *

EXTERNAL RELATIONS

SIZE OF POLISH CONSULATE IN ETOBICOKE—LAKESHORE

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is directed to the Minister of External Relations. In light of current construction doubling the size of the Polish consulate located in Etobicoke-Lakeshore, even though no apparent reason exists to justify this increased activity, could the Minister inform the House whether the Government of Canada has authorized any increase in the number of Polish government representatives accredited to work at this consulate?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, departmental staff requirement assessments are based on two criteria, namely reciprocity and assessment of needs.

As to the consulate mentioned, I can tell the Hon. Member that we have recently recommended that one Toronto consulate position be transferred to the Montreal consulate.

* * *

TRADE

INQUIRY WHETHER SEPARATE NEGOTIATIONS WILL BE HELD WITH AMERICANS ON SOFTWOOD LUMBER EXPORTS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Prime Minister who, earlier, failed to answer the question put to him by my hon. colleague from Winnipeg—Fort Garry. I therefore repeat the question: Will there be separate talks with the Americans on softwood or was Senator Packwood misled by the President of the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't know what the President told Senator Packwood. All I can say to my hon. friend, who was far more specific in the way he phrased his question than his friend from Winnipeg—Fort Garry, is that we have an agreement with the U.S. Government to start the negotiating process, without any preconditions. That is the spirit in which we intend to approach the entire process.

REQUEST FOR CLARIFICATION ON NEGOCIATIONS WITH UNITED STATES PRESIDENT

Hon. André Ouellet (Papineau): Mr. Speaker, is the Prime Minister being facetious? If he agreed with the President of the United States there would be no preconditions, does that mean that they agreed on a full set of "post" conditions, so that there are conditions just the same? The Prime Minister may have been alluding to this in a press conference, when he referred to trade-offs. He may have said there were no preconditions, but there may be a whole series of conditions agreed on beforehand that will be discussed once the talks have started, and what are those conditions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can inform my hon. friend that there is nothing of the sort. When I said that we had no preconditions, there were no other kinds of conditions involved either.

Yesterday, I mentioned in a discussion that I know from personal experience, and in fact anyone who has any experience in this area knows perfectly well that in negotiations as complex as these, which involve trade worth $150 billion a year between our two countries, there will be an exchange of views and there will compromises. That is the very nature of fruitful negotiations. So from the outset one says: I am not going to touch that or I won't do this, we will see. But we know that there will be an exchange of opinions and views throughout the talks on this subject, and we hope that the ultimate outcome will be very favourable for Canada and the United States.

If that is not the case, Canadians will decide not to accept it, and the Americans will do the same. However, we are convinced that as a result of serious and mature talks, our prosperity will be enhanced and that here in Canada we will create a new dimension of wealth and new jobs for Canadians as a result of these bilateral talks.

* * *

• (1500)

[*English*]

POINTS OF ORDER

TERRORISM—STATEMENT OF MINISTER

Mr. Derek Blackburn (Brant): Mr. Speaker, if you are going to make a statement on the matter which I raised with you yesterday, would you reserve any statement in view of the fact that the Secretary of State for External Affairs (Mr. Clark) is absent from the House? It is my understanding that you undertook to look at the "blues".

Mr. Speaker: As the Hon. Member knows, the normal practice is that when the Speaker is asked to consider a matter in the "blues", if he thinks there is anything to bring back, he will do so.

ACCEPTABILITY OF SUPPLEMENTARY QUESTION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. I would request that Your Honour look at the "blues" because we on this side of the House are surprised

by Your Honour saying that a second question by my colleague, the Hon. Member for Hamilton East (Ms. Copps), would not be a supplementary to the first question she asked. Perhaps something was not clear as a result of the noise in the House, but would Your Honour undertake to look at the "blues"? It appears to us, at least, that the question was on the exact same subject and would directly follow the first question.

Mr. Speaker: I will look at it. If I remember correctly, the first question I heard concerned the deindexation of pensions and the second question was about the unemployment benefits issue. That is what I heard, but I will be glad to check the "blues".

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, is the Deputy House Leader in a position to give us the menu for the coming week? If not, will he tell us when a House Leaders meeting to discuss that is likely to be held?

An Hon. Member: Where's Lewis?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Deputy House Leader—

Some Hon. Members: Oh, oh.

Mr. Hnatyshyn: It is my intention to convene with the Hon. Member who is acting in the place of the Hon. Member for Windsor West (Mr. Gray) as Deputy House Leader of the Official Opposition, with the Hon. Member for Hamilton Mountain (Mr. Deans) and the assorted members of their staffs, to have a cup of tea and discuss the business of the House for the next week.

I hope we can have the unanimous consent of the House to come back later this day on a point of order to announce the fruits of our discussions.

GOVERNMENT ORDERS

[*English*]

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McInnes (Minister of Supply and Services) that Bill C-87, An Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, be read the third time and passed.

Canadian Arsenals Limited

Mr. Hovdebo: Mr. Speaker, before we recessed for lunch, I was attempting to explain some of our concerns about the procedures in this Bill.

I believe we can show that this divestiture is not necessarily in the best interests of the economy of Canada. It is very definitely not in the best interests of the employees of Canadian Arsenals who were concerned about their pensions and job security. Furthermore, since this divestiture would involve a transfer from one labour code to another, they were concerned about not being covered by a bargaining agent during that transfer and that there would be no protection for their collective agreements.

I am disturbed at the Government's lack of effort to attempt to come to a satisfactory agreement with SNC, or at least advise that company what was involved in its purchase of Canadian Arsenals. It is obvious that the Government intended to use its majority to push the Bill through the House without any consideration for its side effects on the employees.

Canadian Arsenals Limited had good labour relations, and I understand that these good relations still exist with the new company. However, the Government was prepared to make the transfer without ensuring that those good labour relations would continue. If the Member from the Liberal Party and I had not held up the Bill and insisted on negotiations with SNC, it is not unreasonable to believe that the employees of Canadian Arsenals would have been prepared to strike as a result of being dealt with unfairly during this takeover period. That is not the kind of company that SNC thought it was purchasing.

Perhaps Members will recall when the employees of Canadian Arsenals demonstrated on the Hill. The fact that they found it necessary to do this is unbelievable in itself. Those demonstrators wore buttons saying that they were an explosive union. The point they were making is that labour unrest is very dangerous in their kind of work and therefore the Government should have ensured that everything was in place before the transfer was made.

This Bill has now reached third reading stage, which means this is the final opportunity to discuss the Bill. Can we expect the Government to take a much more careful approach to privatization in the future? In this particular case every step of the process was sloppy. There was sloppy planning and an arrogant disregard for the people involved. The employees were left out of the negotiations. The whole process was kept secret to the point where everyone involved with it was uncomfortable. I believe that even Members of the Government felt they did not have enough information.

• (1510)

I want to spend a few minutes on the procedure because I think procedure is critical to the concerns of Government with respect to the divestiture of future corporations. Possibly there will be a less disturbing procedure in the future because the

Government has learned something from its unbelievably inept handling of this divestiture.

I would like to put before the House the following procedures which I believe should have been followed. First, when the decision has been made to sell the Government should follow the requirements of Section 99 of the Financial Administration Act and have the Minister table in this House his directive to the corporation. In this particular case the Government did not follow the law of the land and table before this House a directive saying this Company was going to be sold. I know the Minister suggested he did not have to do that, but the law says he does. The Minister failed to fulfil those requirements. Had he done so, we would have had a situation where everyone in the House knew the procedures which were to be followed. I think it is typical of the arrogance of the Government that it was unwilling to fulfil the requirements of the laws of the country.

Second, there should be full and complete disclosure of the tendering process and criteria, possibly in tabling the Financial Administration Act directive. The public, the employees and any possible interested purchasers have the right to receive that kind of information.

At the same time the Government should have put before Parliament a Bill—not after they sold the company but before—that would allow it to sell the company which could be discussed within the structure of Parliament. I believe it is very arrogant of the Government to require Parliament to pass a Bill forming the company and then bring a Bill before Parliament suggesting we rubber stamp it because it has already sold the company. A Bill to sell the company should have been passed before the tenders were called. In that Bill should have been placed the kind of information which would have allowed the bidding company to know it would be taking over a certain kind of agreement with respect to the employees, and that it had some responsibility to have a continuum of employee benefits. That was not in the Bill at all, and it was not done in this divestiture until it was forced upon the Government and the purchaser. The purchaser had already made the deal before it knew it had problems with the employee agreement. This, in my opinion, was very inept on the part of the Government.

The Bill should include a price which the Government thinks the corporation is worth, so that when tenders are submitted Parliament can make some decision and approach the situation with some secure knowledge that the corporation was not passed on as part of a patronage deal by the Government. Before the Government asked for tenders it should have established a price range within which it would be acceptable to sell the corporation. The Government should put itself beyond suspicion. It should say: "This is what the corporation is worth. Let Parliament look at that". It should then call for tenders. If it does not get that amount it could sell the corporation later or suggest to Parliament the reasons why it cannot get that price.

The Bill, and possibly the tender papers, should set down the rules as far as the employees are concerned. The tendering criteria must be included in the conditions of sale so that we do not have the same kind of situation we had in this divestiture where, for a period of several months after the actual sale had been completed, negotiations went on between SNC, the Government of Canada and the employees. That is an incredible way of doing business. If the conditions of sale show the contractual and acquired rights of the employees and include the vesting of their pensions and their rights within the Superannuation Act, it could then be maintained in the sale and the purchaser would know what it was getting into.

Finally, available to Parliament before the sale is confirmed should be all of the information with respect to price and the conditions of sale. If possible, they should be made public at that time so that no one could accuse the Government or the Parliament of Canada of allowing a divestiture to go through with the suspicion of patronage. I believe the agreement between the corporation and the Government of Canada should be in the public domain so that everyone could know that the deal was good, and acceptable.

In summary, I have laid down what I think would be an acceptable procedure. First, the required directive should be tabled in the House. The Bill should be brought before the House and passed. By passing the Bill Parliament gives the Government the athority to sell. It could not set the company up without the authority to do so, why should it be able to sell without that authority? The tendering papers should be made public. The Government should then go into negotiations for sale with the conditions passed by Parliament. When the purchaser has been identified and the price agreed upon, the Government should again refer it to committee as it did, at least partially, with de Havilland.

Finally, the agreement should be considered in the public domain which would, of course, be the case if the above course were followed. Before we go ahead with any further divestitures or privatizations we need to establish a procedure which is acceptable to the employees, to Members of the House of Commons and to the Government.

• (1520)

Mr. Deputy Speaker: If there are no questions or comments, is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. McInnes:

That Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, as reported (without amendment) from a legislative committee, be read the third time and passed.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(Division No. 242)

YEAS

Members

Allmand	Gérin	McCrossan
Andre	Gormley	McCuish
Attewell	Graham	McDermid
Bernier	Gray	McInnes
Bertrand	(Bonaventure-Îles-de-la-Madeleine)	McKenzie
Blackburn	Greenaway	McKinnon
(Jonquière)	Guilbault	McMillan
Blenkarn	(Saint-Jacques)	Merrithew
Bouchard	Gurbin	Murta
Boyer	Hamilton	Nicholson
Bradley	Hawkes	(Trinity)
Brightwell	Henderson	Nickerson
Browes	Hicks	Nielsen
Chartrand	Hnatyshyn	Nowlan
Cook	Hopkins	Nunziata
Cooper	Horner	Oberle
Copps	Howie	Ouellet
Corbett	James	Pennock
Côté	Jelinek	Plamondon
(Lac-Saint-Jean)	Jepson	Prud'homme
Crofton	Johnson	Reid
Crosbie	(Bonavista-Trinity-Conception)	Rompkey
(St. John's West)	Johnston	Rossi
Crosby	(Saint-Henri-West-mount)	Scott
(Halifax West)	Joncas	(Victoria-Haliburton)
Crouse	Jourdenais	Scott
Darling	Kempling	(Hamilton-Wentworth)
Daubney	Kilgour	Scowen
de Cotret	Kindy	Taylor
Desrosiers	King	Thacker
Domm	Ladouceur	Towers
Edwards	Landry	Tremblay
Epp	Lanthier	(Québec-Est)
(Provencher)	Lawrence	Tupper
Fennell	Layton	Turner
Ferland	Lewis	(Ottawa-Carleton)
Fontaine	MacKay	Valcourt
Forrestall	Malépart	Vankoughnet
Foster	Mantha	Wilson
Fraser	Marchi	(Swift Current-Maple Creek)
Fretz	Mayer	Wilson
Gagliano	Mazankowski	(Etobicoke Centre)
Gagnon	McCain	Winegard
Garneau		Wise
Gass		Witer—118.
Gauthier		

NAYS

Members

Benjamin	Epp	Murphy
Blackburn	(Thunder Bay-Nipigon)	Nystrom
(Brant)	Heap	Orlikow
Cassidy	Hovdebo	Rodriguez
Deans	Keeper	Young—13.

• (1550)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Employment—Reduction in trades training in Nova Scotia. b) Request for additional funding; the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart)—Regional Industrial Expansion—Matane paper-mill—Government position. b) Agreement permitting establishment of Matane paper-mill—Government position; and the Hon. Member for Mississauga North (Mr. Horner)—Communications—Bell Canada telephone bills—Refusal of cash payment.

• (1600)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Government House Leader whether he is now in a position to tell us what the House will be looking at in the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we will now proceed with consideration of Bill C-45. We will continue with that tomorrow if we do not finish it this afternoon. Following that we will take Bill C-96 at second reading. That will be followed by report stage and third reading of Bill C-75. We will see what progress we make on that and perhaps I can stand up on Monday and tell the House what other business we have to complete in the following part of the week.

Ms. Copps: Point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) is rising on the business of the House question?

Ms. Copps: Yes, Mr. Speaker, on a point of order. Could you let the record show that the Hon. Member for Brampton—Georgetown (Mr. McDermid) objected to the showing of the Armenian genocide stickers in the House.

Some Hon. Members: Oh. oh!

Mr. McDermid: Stuck on the front of the bench here!

Mr. Speaker: Will the Hon. Member for Saint-Denis (Mr. Prud'homme) please do the Chair a favour now and remove—

Mr. Prud'homme: As a favour.

Mr. Speaker: Thank you.

Mr. Prud'homme: I will send it to the Member.

Mr. Speaker: Order, please. I thank the Hon. Member for Saint-Denis.

Mr. Gauthier: Mr. Speaker, on the same point of order. I just wondered when we can expect to have an Opposition Day so we can get to the several important questions we would like to raise in the House. Can the Minister inform us when we can expect it? We have 13 to go with a couple of months left, and I would like to know ahead of time.

Mr. Hnatyshyn: Mr. Speaker, that is a very good question.

Mr. Blackburn (Brant): Please!

Mr. Hnatyshyn: This has been a preoccupation of mine since we came back after Easter.

Mr. Blackburn (Brant): You have been lying awake at night, I know.

Mr Hnatyshyn: I have been trying as hard as possible to get a lot of important legislation through. If we get through some of it quickly, then I will give the Opposition all the time it wants on Opposition Days.

Mr. Gauthier: I know that; the last two weeks!

* * *

[*Translation*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Thursday, April 17, 1986, consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a legislative committee, and the amendment (Ms. Copps) (p. 833).

Hon. André Ouellet (Papineau): Mr. Speaker, it gives me pleasure to take part this afternoon in the debate on Bill C-45 to establish a system of labour relations between employer and employees of the Senate and the House of Commons.

This Bill is obviously very important because, for the first time, legislation will recognize a basic right of the workers on Parliament Hill, namely the right to associate and to be represented by the president and officers of their union to defend their interests.

My colleague for Hamilton East (Ms. Copps) presented an amendment asking that this Bill not be read now, but in one month from this day. Why do we want this Bill to be read only in one month from now? It is because we want to give an opportunity to the representatives of the employees on Parliament Hill and the employer to agree on provisions which would be acceptable to both parties.

The Bill introduced by the Government does not satisfy the employees of the House of Commons. We have all received a document which clearly states . . . If I can put a hand on it, I have a copy of it which I would like to read very quickly. This document, which was sent to all Members of Parliament and Senators and was signed by Mr. Jacques Audette, says the following:

> You will soon be asked to vote on Bill C-45 respecting Parliamentary employment and staff relations. As those most closely affected, the employees of Parliament Hill ask you to consider the serious concerns raised by this Bill.

This letter refers to a number of points of which our employees do not really approve, namely:

> The questions which were and still are of greatest concern to us are classification, job descriptions, competitions, promotions, transfers and the fear of being laid off or fired. The answer to these questions has always been left to the sole discretion of management and this has resulted in serious cases of abuse. Many of us are incorrectly classified and often have no job description. Many of us have applied in vain for promotions or transfers, because the rules governing the competitions were arbitrarily changed in the middle of the game.

I am still quoting Mr. Audette, Chairman of that local of the Association of Parliamentary employees.

Reading that document, Mr. Speaker, one realizes that Bill C-45 is not unanimously supported. More than that, it has given rise to a number of major objections on the part of employees.

What seems quite important, and I will quote yet another paragraph from that letter:

> Under the Canadian Labour Code, it is possible to resolve problems through collective bargaining. However, Bill C-45 would not allow us to deal efficiently with any of the above matters. By not allowing us to negotiate classification or to refer staffing problems to arbitration, you will be maintaining the *status quo*.

Mr. Audette concludes, and I quote:

> And the *status quo* means lower employee morale and sources of problems for all of us.

You know there have been representations made to the courts and that no later than today, the Federal Appeal Court issued its findings in the case of the House of Commons *vs* the Canadian Labour Relations Board and the Public Service Alliance of Canada.

• (1610)

The judgment was delivered today by Mr. Justice Pratte and I believe it is a major new development that we must now take into account. What is essential in my view is that the motion to delay for one month the reading of this legislation, which was put forward by my colleague for Hamilton East (Ms. Copps), becomes that much more relevant.

It is absolutely vital in my view that, if we are to legislate a new status for employees of the House of Commons, the Senate and the Library, we should have a minimum of employee support and satisfaction.

I think one of the basic questions which the Government was concerned about and which prevented it from drafting legislation that would subject those parliamentary employees to the Canada Labour Code, is that under the Canada Labour Code they would have the right to strike. And I do not think I am being unfair to the Conservative Government when I say that the idea, the possibility that parliamentary employees might some day go on strike has sent such a shiver down our Government friends' backs that they have decided to have parliamentary employees subjected to the Public Service Staff Relations Act rather than to the Canada Labour Code.

Do we have a quorum, Mr. Speaker? I am looking all over the place because I wonder whether we do have a quorum.

Mr. Deputy Speaker: We shall count the members.

And the count having been taken:

Mr. Deputy Speaker: Indeed, there is no quorum. Ring the bells.

And the bells having rung:

Mr. Deputy Speaker: There is now a quorum. Resuming debate. The Hon. Member for Papineau (Mr. Ouellet) has the floor.

Mr. Ouellet: It gives me pleasure to welcome my colleagues from the Government. In my opinion—

Mr. Gauthier: We are here! We want you to listen to him and to listen properly!

Mr. Ouellet: In my opinion, this Bill, which will change the system that governs Parliamentary employees, deserves the special attention and interest of the President of the Privy Council (Mr. Hnatyshyn), and I am happy to see him back in the House.

As I was saying, Mr. Speaker, unfortunately, the wish not to provide the right to strike probably brought the Government to introduce a Bill which does not meet in its present form the hopes and expectations of Parliamentary employees.

[*English*]

I want to read here a note that has been given to me that I believe is one that could be a happy compromise. Bill C-45 does not allow Hill employees the right to strike, a right they would enjoy under the Canada Labour Code, but it is believed that representatives of the employees on the Hill have said that they are willing to forfeit their right to strike if Bill C-45 included strong binding arbitration procedures, which at present it does not.

[*Translation*]

It is quite clear to me, Mr. Speaker, that the concerns expressed by Mr. Audette, especially about classification, promotion and lay-offs, are points which we cannot take lightly and which deserve our attention. I therefore felt that I had to rise at this time to tell the Government Members that they should, in this first piece of legislation governing Parliamentary employees, show much more trust in these hundred of employees who have been working on the Hill for years faithfully and conscienciously and who have never caused any trouble. No one can say that these employees are trouble makers or that they have provoked many labour conflicts. I think that their past performance is a guarantee for the future and I would like the Government to show them a bit more compassion and understanding. The possibilities for an agreement between the employer and employees of Parliament are obvious. When I was myself Minister of Labour, I invited Parliament to legislate as soon as possible to give to the employees of the House of Commons the union and the legal status that they wished to have, and to do so before the case was referred to the Canada Labour Relations Board. I have to say that both this Government and the previous one took too long to realize that the employees of Parliament had every reason to want to organize and defend themselves better. The previous Government should have introduced a Bill well before this issue was submitted to the Canada Labour Relations Board, and the present Government should have negotiated with the representatives of Parliament employees and introduced a Bill more acceptable than Bill C-45 well before this case had to be heard by the Federal Court and the Appeal Division of the Federal Court.

• (1620)

I especially deplore some aspects of the Bill before us, and I must say that if we could obtain from the Government the assurance that it will introduce the appropriate amendments to give Parliament employees the guaranties they are seeking—I suggest, quite rightfully so—as to classification, job descriptions, promotions, transfers and dismissals, I am sure that on this side of the House, both my colleagues of the Liberal party and the members of the New Democratic Party would be more inclined to proceed quickly with this Bill. But neither the President of the Privy Council (Mr. Hnatyshyn) nor the President of the Treasury Board (Mr. de Cotret) have given us clear and definite indications that this Bill could be amended along the lines of the Parliament employees representatives' legitimate claims. As members of the Liberal party, we find that this Bill is not going in the direction we would have given it had we still been in the Government. I can tell you certainly that as a former Minister of Labour, if I were still Minister of Labour, I would make pressing representations to the

President of the Privy Council and the President of the Treasury Board to amend this Bill as soon as possible in a manner consistent with the views and requests of Parliament employees.

I find somewhat surprising, and even a little absurd, that the Minister of Labour (Mr. McKnight) who certainly has a general responsibility toward all Canadian workers, and especially those he meets daily on Parliament Hill has not come out more strongly on the side of Parliament employees. I ask the Minister of Labour to wake up, read this Bill, read the representations made by representatives of the Public Service Alliance, and especially those of Parliament employees, and then exert pressures on his colleagues to have Bill C-45 properly amended.

But the best thing that we could do at this time, Mr. Speaker, would be to accept the motion moved by my colleague the Hon. Member for Hamilton East (Ms. Copps), that this Bill be not now read a second time but that it be read one month hence, in order to reach an agreement negotiated in good faith between the employer and employees on Parliament Hill. I am sure that if we took advantage of that month to sit down, discuss frankly and reach the necessary compromise, we would not have to debate this Bill in the House. Following an agreement between the employer and employees on the Hill, the Government could introduce a Bill that would receive unanimous approval. We in the Liberal Party would be the first to support the Government if it could reach such an agreement after consultation and frank negotiations with employee representatives.

I am therefore asking the House to postpone this debate for one month to give the President of the Privy Council and the President of the Treasury Board a chance to notify the employer forthwith, ask him to sit down with the representatives of our employees and determine once and for all the details of the legal framework that will govern them in the future.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, since the Hon. Member for Papineau, as a former Labour Minister, has some experience in this area, I would like him to explain to the House what the result would be. Since the CLRB granted the employees the right to organize under the Labour Code, and that decision was reversed today by the court, whose decision may be appealed, could a Minister really proceed with a Bill like Bill C-45, considering the quantity of information released today?

Mr. Ouellet: Of course, I don't know what the decision of the Public Service Alliance will be following that decision. Surely that ruling on the appeal by the Federal Court may lead to an appeal to the Supreme Court. However, what I have tried to say in my argument today is that we should not be using courts to settle the matter, this being the first major concession the employer is willing to grant to the staff on Parliament Hill.

For the first time, the employer, through the Government, has tabled a Bill that recognizes not only the right of association but also the right to bargain for new collective agreement, a collective agreement that will provide for essential safeguards and protection.

Now, what I am saying is this: If that is what it is all about, let us do it in good faith on both parts, let us sit down at a table and negotiate an appropriate framework. However, the decision of the Appeal Division of the Federal Court only highlights part of the problem. And in my opinion the legal process at this time is in a way an adversary, not a consultation process. If the parties feel that they have to appeal to courts to have their rights recognized, there has to be a lack of communication and understanding somewhere between the parties.

I believe that instead of carrying on with this process of court settlements, it would be a lot better on the part of the employer to say: "Well, we won our case with the Appeal Division of the Federal Court, but that does not mean that our position is stricly adamant". In my view, the very fact that the employer has won should encourage him to be more magnanimous, more flexible, more generous with Parliament Hill workers, to sit down with them and agree to the appropriate trade-offs in Bill C-45, so that everyone can be happy. Then the employer and all the workers of Parliament Hill as well as Government and Opposition Members could unanimously pass an amended bill that would satisfy parties involved.

[*English*]

Mr. Rodriguez: Mr. Speaker, sometimes one wonders if this is an Alice in Wonderland situation when one hears my friends to my right. I was here from 1972 to 1980. I know that our Party kept making representations to the Hon. Member for Papineau (Mr. Ouellet) and his Government, asking and demanding that workers on the Hill ought to have the right to collective bargaining.

Mr. Epp (Provencher): Where were you yesterday when we needed you?

Mr. Rodriguez: I have to do the job for the Tories. They were good as the Opposition but now that they are the Government, they do not know what to do. They are forgetting their opposition roots. The Government must never forget its roots. It began in opposition. The Conservatives were born in opposition and born to be in opposition. I think they have forgotten that.

Mr. McMillan: Mr. Speaker, I rise on a point of order. Would the Hon. Member tell the House whether the New Democratic Party has ever been in Government federally?

Mr. Deputy Speaker: I must consider that not to be a point of order.

Mr. Rodriguez: Mr. Speaker, we on this side of the House live in hope. If we continue to keep doing the right things it will only be a matter of time, brother. Just stay put.

• (1630)

I want to get to the question I have for the Hon. Member for Papineau (Mr. Ouellet). When his Party was in Government there were constant rumblings and rumours. The Hon. Lloyd Francis revealed some of those not so long ago. Apparently there were very bad practices going on. The odd Liberal is known to have got into the House in some position before he rose to be a Member of Parliament. It is known that those practices which were very detrimental to the collective rights of workers on this Hill always existed.

We in the New Democratic Party consistently asked the Government to give collective bargaining rights to employees on Parliament Hill. The Liberal Government of the day, in which the Hon. Member for Papineau was a cabinet Minister, consistently refused to do that. At least the Conservative Government put Bill C-45 on the floor of Parliament. I do not agree with everything in the Bill. I hardly think I would agree 100 per cent with anything the Conservatives could do in labour legislation. In fact, I do not think I could agree with 90 per cent or even 75 per cent. But at least the Conservatives put the matter on the table for discussion and debate.

Members of the Liberal Party are now doing a lot of pious breast-beating. They talk about how the Bill does not do some things and should do others. They talk about the great rights of workers. But when the Liberal Party was in government, it was the lousiest in terms of how it treated the workers on the Hill. It was awful. Was it the Hon. Member being struck by lightning on the way across the Chamber from the government benches to the Opposition benches which brought about this conversion?

Mr. Ouellet: Mr. Speaker, the Hon. Member in his preliminary remarks mentioned that he was in the House of Commons for a little while until 1980. He has just returned. During the long period between 1980 and 1984 he was indeed absent and perhaps forgot to check the record and does not realize what was done by the previous Government in favour of employees, particularly by the then Minister of Labour who amended the Canada Labour Code on safety and security. This was asked for by the workers and given to them by legislation.

I just want to remind my colleagues that there was legislation presented in this House in favour of employees, including Hill employees. Legislation covering health and safety rights for federal employees, including Hill employees, was presented. The legislation, I believe, was Bill C-24. It allowed the Hill employees to be covered at least in relation to health and safety.

Mr. Rodriguez: Collective bargaining?

Mr. Ouellet: I made my view known publicly in the House of Commons while I was still a Member of the Government. I asked for legislation to deal with the Hill employees. Therefore, I do not have to defend my record. My record speaks for itself.

I want to say to my friends in the New Democratic Party that they are not the sole possessors of the right to defend workers. They sometimes tend to forget that. Although they might have some good friends in the hierarchy of the labour movement, there are other Members of Parliament from all Parties who have been fighting for workers. They have been representing workers and have been sympathetic to unions' demands in the past and currently. I can assure the Hon. Member that I will personally continue to fight for workers and for unions' demands in my career in politics.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in this debate on Bill C-45 which relates to the question of collective bargaining for the staff of the House of Commons, the Senate and the Library of Parliament.

I note the question before us this afternoon is an amending motion for second reading a month hence—a one month hoist rather than a six-month hoist—but whatever the period of time involved, I want to speak in support of that amending motion because this not a Bill which deserves to become part of the statute law of Canada.

If we are to become concerned about the rights of parliamentary Hill staff and if we want to ensure that they have good working conditions and their lives on the Hill are the kinds of lives our employees should lead, then it seems to me the question becomes quite a fundamental one. This is a question of how we as parliamentarians treat our own, those who work for us here and those who are to be seen around us as we carry on the business of Government and the business of debating the national questions with which we are faced. I think also of those who serve us in our offices and those who provide assistance to us from the Library of Parliament. The question of how we are going to treat these persons who work around us and with us is a question which raises the most fundamental concerns about our own integrity and the honesty with which we handle people's lives.

This Parliament, after all, in years past established in the Statutes the Canada Labour Code provisions governing those workers away from the Hill who are under federal regulation. It was significant that the Canada Labour Code made many advances. It attempted to establish a fine standard for employees across the country in federal undertakings. What could one say, however, about the fact that the Canada Labour Code was not the basis for the relations with employers of members of the Public Service? What could one say when the Government of Canada presumed to impose on workers in federally regulated undertakings a high standard and then accepted a much lower standard in the form of the Public Service Staff Relations Act for the Public Service of the

country? Surely there is a kind of hypocrisy involved in such action which could lead the managers of the country, and much more so the workers and their unions, to wonder about the right of a Government through Parliament to impose on these various federal undertakings those standards when the Government of Canada was not ready to maintain the standards for itself.

We find now the question of the representation of workers on the Hill becoming a clear-cut issue when we see the Public Service Alliance pressing the organization of workers and seeking to establish before the Canada Relations Board that the Parliament Hill staff be regarded as a federal undertaking in the sense of bringing to bear the provisions of the Canada Labour Code.

• (1640)

What can we say about the fact that the Government's response to that was a tranposition of the Public Service Staff Relations Act on these employees? In this way their rights to collective bargaining in a number of very important ways is limited. These workers might very well feel that they have their rights provided for when, in fact, in area after vital area they do not have the protection they need. That strikes me as a kind of institutionalizing of hypocrisy of which any Government should be ashamed. I challenge my colleagues across the way to consider this question very seriously. I challenge them to ask themselves whether it is right to demand of employers across the country high standards while in our treatment of those who work for us every day we are prepared to allow all types of abuses to occur.

My friend, the Hon. Member for Nickel Belt, during the time allotted for questions and comments reminded the Hon. Member for Papineau (Mr. Ouellet), and all Members of the House, that abuse of workers on Parliament Hill has been controversial in the last year or more. He pointed out that there has been a certain putting on to the public record suspicions, rumours and allegations which only floated about in the past. Some of the worst abuses refer to suggestions of sexual harassment and charges of favouritism and of nepotism which have become bywords around the House of Commons.

My friend from Nickel Belt was quite justified in pointing out that, after having governed for the better part of two decades, the Liberals brought in the Canada Labour Code but settled for the Public Service Staff Relations Act for the Public Service. They did not really provide any reform or protection for workers on the Hill.

It is worth taking a look at what some of the results of this failure to legislate have been. I note, among a number of cases, that our employees have put forward such instances as the following. In a technical service a senior position became vacant. Several employees inquired when a competition would be held to fill the position. There was no competition. Then the husband of a manager in another department of the same service was brought in to fill the post—on a temporary basis, of course. Several months later a competition was announced. The now-experienced husband was hired permanently and the attempt of employees in the service to appeal this particular piece of institutional nepotism was denied.

The next example I have occurred in a support service where several employees held working supervisor positions on an acting basis. They had been in these acting positions for seven, five, three and two years respectively. They were informed that they would be downgraded four levels. Their salaries dropped from $21,000 per year to $17,000 per year. During the same period of time new working supervisors were hired without any competition having been carried out. When the former acting supervisors attempted to appeal internally, their appeals were denied. This is an abuse of workers, particularly when one contemplates someone left in a working supervisor position on an acting basis for seven years. Surely, that in itself is outrageous.

The next example I have to put forward occurred in the printing branch. Staff on the Hill are well aware that there is a hiring freeze in effect. In fact, some employees in this branch had been transferred out to other government Departments or offered incentives to take early retirement. However, new casual staff were hired in the printing branch and at least in one case there is a close family link to the senior management of the branch. Again, one sees nepotism as a partial justification for the abuse of experienced employees in the branch.

The next case I have deals with employees in a technical service who were required to attend training courses on their days off, on weekends, without any pay. When they protested this abuse of their free time, they were told that the training courses were mandatory and they had no choice but to take them. That type of arbitrary behaviour from those in supervisory positions strikes me as an outrageous example of what can happen when workers do not have the rights which should apply to them as employees.

I would like to point out one last example of the type of abuses which have occurred. There was in place an employee assistance program which was established for employees of the House of Commons as a type of safety-valve. Given the examples I have just presented, I am sure a safety-valve was more than necessary. This was a means of having personal problems dealt with in confidence by a qualified counsellor. Early in 1985 the counsellor in charge of this employee assistance program was fired, the position was abolished and the program responsibility was turned over to the nurses. An appeal to the Speaker asking that the position be re-established was denied. Petitions signed by no fewer than 1,500 employees were ignored by the Speaker's office and by Parliament Hill administration. I note that there was a total of about 3,600 staff members on the Hill, at least in 1984-85, and 1,500 is not very far from one-half of the total number of employees.

Recognizing the types of abuses which have occurred and those which will occur when managers cannot be brought to book and when workers cannot carry through on appeals, I wish to take a look at some provisions of the Bill which is before us. The amendment to the motion suggests that it be

dealt with in one month hence, which might even kill the Bill. I note that there are a number of shortcomings which deal with the fact that classification cannot be dealt with under the proposed legislation. I have already noted some of the appointment weaknesses which are found in the Bill. However, Clause 5(3) would prevent any negotiation with respect to problems related to classification. There is no provision for the employees' union to negotiate job descriptions, or for an opportunity to negotiate the assignment of pay levels, or for the possibility of negotiations dealing with the evaluation of duties. This is, of course, a failure of the legislation to deal with one very large complex of grievances, a system which has evolved over the years, as far as job classification is concerned, which has been an enormous source of dissatisfaction for employees. Many employees do not even have job descriptions. Those who do find that they are often out of date and that they can be arbitrarily changed in an environment which we all realize has seen a good deal of change over the last years. The result is obviously a great deal of employee frustration, insecurity and poor morale.

Similarly, when it comes to the question of staffing, we find that Clause 55(2) prohibits the possibility of bringing the issues of job appointments, job appraisals, promotions, demotions, transfers, lay-offs or releases to third-party arbitration. There is no possibility of having these equally contentious matters, at least in their potential, dealt with to a resolution which will be genuinely impartial through third-party arbitration. These are the types of issues which have been central to the drive by parliamentary employees to gain bargaining rights.

• (1650)

Parliament Hill has had a history of staffing decisions coloured by political influence, favouritism, nepotism, and administrative incompetence. The Government has no desire to change that fundamentally. I should like to add to these areas of weakness. The lack of a grievance procedure to deal with a great diversity of problems which can arise between our managers and our employees is surely the most fundamental weakness in the Act. If there is one thing collective bargaining should provide, it should provide a basis for resolving conflicts under the rule of law through a grievance procedure and, if necessary, into third party arbitration.

I have emphasized the importance of applying sound principles of collective bargaining to Hill employees. I have been critical of the present Government and of previous Governments for hypocrisy in legislating well for others but failing to apply the same principles to their own actions. In this kind of context it is quite appropriate for others to say something like: "Put up or shut up. You state these principles, but what will you do about them yourselves?" I say with some pride that the New Democratic Party caucus has been true to the principles which helped create the movement of the CCF and the NDP. We have been faithful to our employees.

Our power as Members of Parliament employing them has been constrained by the conditions which the Government imposes upon us through the Board of Internal Economy in particular. However, New Democratic Party members have in fact gone the route of collective bargaining with our employees. I say with pride that we have done so as far back as 1977. Obviously it was done by my predecessors such as the Hon. Member for Nickel Belt (Mr. Rodriguez) and others who made the decision at that time to negotiate with a parliamentary association of support staff comprised of our assistants on the Hill, assistants who were in fact, in full legal fact, some of the Hill employees about whom I am talking. In effect we created a bargaining unit of support staff, and our caucus members took on the responsibility of being employers and regarded themselves explicitly as employers. That process has continued.

There have been several rounds of negotiations and elaboration of the collective agreement. As is inevitable in these circumstances, we have found that difficulties can arise at times, that difficult questions must be answered, that collective agreements need to be refined, and so on.

Since becoming a Member of Parliament in 1984 I have had some involvement with those matters. However, in all honesty and honour, I say on behalf of my colleagues and myself that we accepted the principle that collective bargaining should apply to our relations with our staff. We knew that we could not control what they earned. We knew that there were various constraints upon us as employers which put us in a difficult position at times, a position our staff members had to recognize when they dealt with us. However, where we could, we provided for them in every area.

Mr. Rodriguez: The grievance system.

Mr. Epp (Thunder Bay—Nipigon): We particularly provided for grievances. As a new Member of Parliament I discovered that particular matters had been carried through grievance to arbitration and had been resolved for the caucus. We sought by those means to deal within the framework of law, law refined and applied to our relations with our staff. We sought by those means to govern relations and to ensure that all the abuses of favouritism, nepotism, and so on—in other words, all abuses of management power which had been so common on the Hill—would not prevail in our offices.

I feel I have every right to say in all honour that the Government should recognize the same responsibility. We as Members of Parliament should appreciate our obligation to provide properly for the working conditions and the rights of our employees on the Hill. Therefore, I call upon Government Members, as well as my colleagues in the NDP and in the Liberal Party which put forward this motion, to join together in giving this Bill the hoist. I call upon the Government, which is responsible for bargaining matters, to elaborate an Act that will provide for the areas in which the Bill has failed. I call upon it to provide for proper classification and staffing and to ensure that grievances, if necessary, can be carried through to

third party arbitration. We need a far higher standard from the Government in these varied ways. I call upon it to recognize that fact and to respond properly to the amending motion before us. I thank the House for the opportunity to join in the debate.

Mr. Gauthier: Mr. Speaker, I should like to direct a question to the Hon. Member. I followed his remarks attentively, and I think he spoke sincerely. Today's judgment in the Federal Court came as a surprise to many of us. Nevertheless, we will have to await the reaction of the unions to see whether they will go to the Supreme Court of Canada with the matter.

My question concerns the right to strike of Hill employees. The Hon. Member knows that in the Bill before us the right to strike is not given to employees on the Hill. He also knows that employees through their unions have held fast to the right to withdraw services if they feel there is a conflict between the employer and the employees, and they want to make it public. We all know the origin of strikes; it was to inform the population at large that indeed there was a conflict between the employer and the employees. He also knows that our employees have referred to meaningful arbitration. I do not know whether I should expand upon what is meant by meaningful arbitration, but it would include classification standards, promotions, demotions, and all other matters concerning nominations and appointments.

I am referring to the general subject matter of arbitrating conflicts and disagreements, and I know that our employees may be flexible on this matter. My question is not an academic one; I want to know where the Hon. Member stands. What would he do if we gave the right to strike to employees on the Hill? If indeed a picket was set up to protest, object, or inform the public of a conflict, would the Hon. Member cross that picket line?

Mr. Epp (Thunder Bay—Nipigon): No, I would not.

Mr. Gauthier: Mr. Speaker, that is the second such answer I have had from that Party. Other members of that Party have said that given a crisis situation where Parliament had to sit and they had to represent their constituents, they would inform the striking employees and come here to do their duty as they were elected to do. The Hon. Member said that he would not cross a picket line; I accept that as an honest answer. I simply say to him that there is disagreement within his own Party. Perhaps they should have a meeting of the minds in the NDP to find out what they would do in the event that the right to strike was given to our employees. They are always preaching about what we should have done and did not do. However, when they are called upon to make a decision, sometimes they are divided, as they are on this issue. I would like them to put their heads together and come up with a definition of what is a designated employee and a definition of what is an essential service.

The point at hand is whether Parliament is an essential service. If it is, then it must sit and do what it was elected to do, that is, pass laws. If we read today's judgment of the Federal Court, we find that the House of Commons is not an ordinary place. It is the place where constitutionally we must pass laws. If it is our obligation to be in the House to vote, then the Hon. Member had better tell his constituents what he stands for and why he was elected to the House. If the picket line stops him from doing his duty, then the Member will have to tell us why he cannot take his place in the House and do the things he should be doing that he was elected by his constituents to do.

• (1700)

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

PRIVATE MEMBERS' BUSINESS

[*English*]

Mr. Deputy Speaker: This being the first hour under the new rules for Private Members' Business, may I call to the attention of Members the provisional Standing Order 55(3) which states as follows:

> (3) When the business of Private Members is being considered, no Member shall speak for more than ten (10) minutes.

[*Translation*]

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I rise on a point of order because as you just said, this is a new rule for Private Members' Business under which we can rise and defend bills or motions that are of concern to us.

Mr. Speaker, I am rising to ask for directions as to the procedure to be followed. As you have noticed today in the Order Paper, there is a list of approximately 20 Private Members' bills, which were drawn by lot, as we say, and which—

[*English*]

Mr. Lewis: Mr. Speaker, I rise on a point of order. It seems to me that the Member's Bill has been called under Private Members' Business and any point of order taking place in this hour should be pertinent to this hour's debate on the Member's Bill and not on any other subject.

Mr. Deputy Speaker: I will allow the Hon. Member for Ottawa—Vanier (Mr. Gauthier) to speak on a point of order on the procedure.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I am raising a serious point. I know this is during my hour of debate, but I would remind the Parliamentary Secretary it is a matter that has been of concern to Hon. Members, and the time to discuss it is Private Members' Hour.

Standing Orders 31 and 32 provide that an order of precedence will be established at the beginning of a session. This has been done. Standing Order 37 provides for suspension of Private Members' Business until the order of precedence is established. This also has been done. Section 39 provides that Members shall have no less than 24 hours' notice of items to be considered during the hour provided for discussion.

Mr. Speaker, I would like to draw your attention to that, to the matter of those 24 hours especially.

Private Members' items of business have been dated. Each item bears a date. Mine reads, Thursday, April 24, 1986, C-203, and you can read in the Order Paper the dates concerning the various Private Members' items.

There lies the problem. If a Member, Mr. Speaker, cannot be in his place when the legislation is called, if a Member is prevented on serious grounds, whether because of illness or some other ailment, or for personal reasons from being here, what happens to his bill? What happens to that specific motion or bill?

Second, Mr. Speaker, because this is a matter that is somewhat vague in the Standing Orders, precedence given to Private Members' Business already has been established. When a Member is prevented from being here on the day his bill or motion is called, is that bill or motion sent back to the bottom of the list? I would appreciate it if the Chair would inform this House as to what happens to that motion because in the past, the item was unanimously suspended, and was returned to when the Member was back in the House. I understand this will no longer apply as of now, and we might have to innovate and find some other procedure.

My two questions are simple, Mr. Speaker. What happens to a bill or motion that has been dated, and as an example, we have for tomorrow, in the name of Dr. Isabelle, Bill C-208, Private Members' Bill, second reading and reference to a legislative committee of an Act respecting the International Airport at Ottawa.

As Party Whip, Mr. Speaker, I happen to know that the Hon. Member for Hull—Aylmer (Mr. Isabelle) will be unable to attend the House tomorrow.

So on his behalf I would like to ask you what can be done. With unanimous consent, can a Member introduce the Bill for him, or is there some other procedure? Perhaps you might enlighten us, Mr. Speaker?

[*English*]

Mr. Lewis: Mr. Speaker, I will be brief because I know there are Members who want to speak during this hour devoted to private Members' debate. I would not want to abuse the time. The Hon. Member raises an interesting point. It is something that we would want to take under advisement.

We had a House Leaders' meeting at three o'clock and if we had known there was discussion taking place, this could have been a matter for the House Leaders. Since it is a matter of procedure, we would certainly have included this in the agenda.

We would like to consider the matter, and would respectfully request that it be put over until tomorrow.

[*Translation*]

Mr. Ouellet: On the same point of order, Mr. Speaker, I would also like to seek your advice on this question. I would suggest it is a matter that should be decided by the Chair rather than by the House Leaders, for it really has to do with the time allocated for parliamentary debate on Private Members' Business. This time therefore is not available to the Government, but to all private Members, be they on the Government or the Opposition benches.

Now then, there is something new on the Order Paper for today, April 24, 1986, to the extent that for the first time we assign one day each to these Bills or motions, so that the 20 measures which have been selected at random have now been given dates which appear on today's Order Paper. We have a very specific calendar for the 20 measures, the last one being that which would normally be considered on Thursday, May 29, 1986, the motion of the NDP Member—I am trying to find the name of his riding—for Prince Albert (Mr. Hovdebo).

Therefore, for the 10 bills or motions, we now have an assigned date. I have had the honour to sit on the committee chaired by our colleague the Hon. Member for Burlington (Mr. Kempling) which has recommended that some items be votable. But that committee wondered what would happen if a motion were called without its sponsor being present. Obviously, this timetable seems to be a rather definite order of the House. But we know that we must take into account a variable, namely the possibility that the Government House Leader might designate an opposition day. We know that on allotted days, there is no hour provided for the consideration of Private Members' Bills.

Unless we can obtain from the Government the assurance that it will not designate these days provided for consideration of private members' business as allotted days, the schedule could no longer work.

Mr. Speaker, it's a rather important problem which I submit to you and I should like you to enlighten us, because it would mean that an Hon. Member, let us say our colleague the Hon. Member for Burnaby (Mr. Robinson) whose Bill is supposed to be dealt with on May 2, assuming that the Governement House Leader decided to designate May 2 as an allotted day, it is clear that on that day the Hon. Member for Burnaby could not deal with his Bill. Does that mean that he would lose his turn? Or is it merely postponed until the next time? Or would a notice have to be given to all Hon. Members to have a completely new schedule? That's the problem I wanted to point out to you.

It is clear that the Members of the committee chaired by the Hon. Member for Burlington (Mr. Kempling) could not have settled this point, and we should like you to enlighten us concerning the procedure to be followed, because if the sponsor

is not present, there are clearly two possibilities: with unanimous consent, another Member could introduce the motion and open the debate on behalf of the sponsor; assuming there is not unanimous consent, does it mean that there would be no private members' hours or is it that the time is automatically turned over to the Government for consideration of Government business?

• (1710)

[*English*]

Mr. Attewell: Mr. Speaker, I rise on this point of order. I assume the decision will be made by the Speaker as opposed to the House Leaders. We are discussing the sequence of speakers during Private Members' Hour. I understand that speeches will continue to be 10 minutes in length and that there will be no period for questions and comments. Do you have any ideas which you would like to share with us with regard to how that process will take place?

Mr. Deputy Speaker: Are there any other Members who would like to make representations at this time on the point of order? The Hon. Member for Saint-Jacques (Mr. Guilbault).

[*Translation*]

Mr. Guilbault (Saint-Jacques): I shall be brief, Mr. Speaker, because I do not want to take away from the time allowed for consideration of the Bill in the name of my hon. colleague from Ottawa—Vanier (Mr. Gauthier). After all, we share the same desk, and I want to stay on good terms with him. I simply wanted to add, while we are making representations on the subject, that there are other events that might upset our schedule. For instance, if the Chair has to call an emergency debate on a given day, this would suspend Private Members' Business, which would cause some problems if a Private Member's Bill were scheduled for consideration the same day.

Furthermore, some Members may be absent from the House, through no fault of their own, because they sit on a parliamentary committee that happens to be meeting somewhere else in Canada, and some Members may be travelling abroad as members of an official delegation. It seems to me that this calendar should be more flexible. Personally, I would suggest that when a day has been set aside for consideration of a Private Member's Bill, the Member concerned should be contacted several days in advance by House officials, to ensure that everything is in order and that the House can proceed with consideration of the Bill on the Order Paper for that date. No provision has been made for this eventuality, and I am sure that as far as the new Standing Orders are concerned, the Chair will have to provide some clarification to make the system more viable, because it is obvious that if this is not done, we will have quite a few problems.

[*English*]

Mr. Lewis: I would like to make another brief suggestion to the Chair. Although the Whip has made the point that this is Private Members' Hour, House Leaders invariably get seized with some of these responsibilties. I am reluctant that you should make a final decision at this time. Neither the Whip nor the House Leader of the New Democratic Party is present, having had no notice that this argument would take place. They may wish an opportunity to participate in the discussion. I strongly suggest that this matter be reserved to give them an opportunity to participate.

[*Translation*]

Mr. Deputy Speaker: It is the Chair's intention to reserve its ruling on the matter. I want to thank Hon. Members who commented on the new Standing Orders, and I intend to hand down a ruling as soon as possible, in accordance with Standing Order 39(1).

Resuming debate. The Hon. Member for Saint-Denis (Mr.Prud'homme).

* * *

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

The House resumed from Monday, December 17, 1984, consideration of the motion of Mr. Gauthier that Bill C-203, an Act to amend the Official Languages Act (supremacy of the Act) and to amend other Acts in consequence thereof, be read the second time and referred to a Legislative Committee.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am of course very flattered that my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), has asked me to speak to Bill C-203. And I feel particularly inspired because, as you see, today I am wearing this little badge commemorating the Armenian genocide, the first great holocaust. I do not intend to draw any parallels with current events, but I would like to try to draw a few lessons from past history and comment briefly on this Bill. I repeat, I am not drawing direct parallels.

In any well-ordered society, I think what seems to be most important is how one protects and respects one's minorities. If, at the time this genocide took place, minorities had been respected, we would not be commemorating today, as did so many Members from all political parties on the Hill, the history of this terrible tragedy.

Now just what does my hon. colleague's Bill involve? It is an Act to amend the Official Languages Act, since the Hon. Member is asking for the supremacy of this Act, and of course, it also amends other Acts in consequence thereof. For a better understanding of the debate that I have been following for many years, I would like to recall, for the benefit of Hon. Members, that our colleague, the Hon. Member for Ottawa—Vanier, has always had this admirable determination to behave not as the aggressive but as the noble defender of the French fact, especially as it exists outside Quebec. And this gives us Francophone Quebecers a chance to say that the French fact is

not limited to the province of Quebec and should be reflected across this country.

[*English*]

—my country, our country, all of Canada, rather than Quebec only. My very esteemed colleague was highly praised by the Hon. Member who now represents the House Leader and who spoke on this same Bill many years ago. He respects the determination of the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*Translation*]

I suggest we look back on all the various steps and the mature progression we have always seen in Canada when it is a matter of resolving difficult and controversial problems.

• (1720)

It is fitting to recall that a Bill introduced in 1969 was passed and became law, the Official Languages Act. It is fitting to recall, Mr. Speaker, that Section 2 of this Act was interpreted in 1976, for we know we want to acknowledge the equality of both official languages. There were several events, but it began in 1969.

It is fitting to recall the tragic incident of 1976, the Air Canada dispute, when the court decision did go against the spirit of the Official Languages Act by maintaining that the Act was declaratory, not executory.

Like us Francophones, Mr. Speaker, you too recall the serious problem that decision created throughout Quebec. It was called *l'affaire des gens de l'air*. Nineteen seventy-seven was the year of that dispute.

You can see the determination of our colleague—and this has nothing to do with partisanship, for national survival is at stake—our colleague the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who, on May 2, 1980, moved first reading of Bill C-203, An Act to amend the Official Languages Act (supremacy of the Act).

On May 23, 1980, an order of reference created the Special Joint Committee of the Senate and the House of Commons on the Official Languages. I urge Hon. Members to attend the sittings now and then. I have just begun to do so myself, something new for me, and discovered it is one of the most interesting committees.

When Bill C-214 was moved for second reading on July 15, 1980, the Hon. Member for Ottawa—Vanier suggested that this Bill be deferred to the Standing Committee on Communications and Culture. An amendment deferred it instead to the new Special Joint Committee on Official Languages which had been created on May 23, 1980.

We should remember that the Constitutional Act, 1982 was proclaimed on April 17, 1982. This provided linguistic guaranties enshrined in the Charter of Rights and Freedoms. Clause 16(1) repeats almost word for word Clause 2 of the Official Languages Act which enshrined in the Constitution an official and equal status for French and English at the level of federal institutions.

On April 28, 1982—it will be four years ago next Monday, the Joint Committee on Official Languages examined the subject matter of Bill C-214. My colleague, the Hon. Member for Ottawa—Vanier explained the origin of the bill, its purpose and significance. The deputy minister and other officials of the Department of Justice also appeared to explain to committee members the implications of the Bill.

On June 22, 1982, the Special Joint Committee of the Senate on Official Languages tabled its fourth report. One of its recommendations reflected the spirit and letter of Bill C-214 introduced by our colleague, amending the Official Languages Act to confirm its supremacy over the other Acts and Regulations.

In April 1983, three years ago now, the Special Joint Committee tabled its fifth report. The number one recommendation is the same as that of the fourth report tabled on June 22, 1982, on the supremacy of the Official Languages Act.

On December 22, 1983, the Government responded to the recommendations in the fifth report, and I quote: The present Government fully supports the objective of the first recommendation, but intends to carry out an in-depth study of the issue.

On November 9, 1984, the first session of the 33rd Parliament was opened under a new Government headed by the Right Hon. Member for Manicouagan (Mr. Mulroney). Immediately, that is on November 13, 1984, our colleague, who is not a quitter, introduced Bill C-203 which we have before us today, namely an Act to amend the Official Languages Act (supremacy of the the Act), which is similar to Bill C-214 which he had introduced during the 32nd Parliament, two years earlier.

On December 17, 1984, we had the second reading debate on the Bill to amend the Official Languages Act (Supremacy of the Act) introduced by the Hon. Member for Ottawa—Vanier.

On April 8, 1986, just ten days ago, the Hon. Member for Ottawa—Vanier appeared before the Committee on Private Members Business to defend Bill C-203. However, the Committee did not see fit to give priority to this Bill.

I know that each Prime Minister leaves his own mark on this country. The former Prime Minister, the Right Hon. Mr. Trudeau, did so by giving us the Official Languages Act and the Canadian Charter of Rights and Freedom. We are all aware of the good intentions of the present Prime Minister (Mr. Mulroney) as concerns official languages. I know this and I am not ashamed to say so even though we sit on opposite sides of the House. I am certain that he would like to leave his own mark on all that has happened since 1969 and I would therefore find it difficult to understand why, at this time, we would not refer the purpose of this Bill to committee for further study as we have done in the past. Indeed, Mr. Speaker, this is a very complex issue. It cannot really be

discussed here. If the Bill could be again referred to the Committee of the Senate and House of Commons on Official Languages, as the Committee recommended unanimously that we do, I believe that we could bring this to a satisfactory conclusion and that the Right Hon. Prime Minister and his Government would be very happy with their role in this issue.

This is why, Mr. Speaker, with your permission, I move, seconded by the Hon. Member for York West (Mr. Marchi):

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

"Bill C-203, to amend the Official Languages Act (supremacy of the Act) and to amend other Acts in consequence thereof, be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject-matter thereof referred to the Standing Committee on Official Languages."

Of course, I appeal to my colleagues to give us this opportunity to refer the bill for further consideration, and that will require quite some time because, as I have said, it is a very complex piece of legislation and this way we could know how to deal with it.

M. Deputy Speaker: The House has heard the motion put forward by the Hon. Member for Saint-Denis. The Chair finds it in order. Therefore, the debate is on the motion.

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, it is with very great interest indeed that I rise after my colleague for Saint-Denis. In the light of that amendment, of course, my comments will be quite relevant to the debate.

It will be remembered that the amended legislation is aimed at ensuring that the Official Languages Act (supremacy of the Act) and amending other acts in consequence thereof, if you look at the explanatory notes to the Bill, is concerned primarily with the supremacy of the Official Languages Act over other acts and regulations of Parliament and the Canadian Government, in order to underline its nature as basic Canadian law.

As we were so aptly reminded by my colleague for Saint-Denis, this is not the first time we have dealt with the supremacy of the Official Languages Act over other enactments. As one may remember, that important question was raised in the late 70s, when a body of jurisprudence questioned the supremacy of the Official Languages Act in cases of conflicts with over pieces of legislation or regulations.

• (1730)

I would recall that the Official Languages Commissioner, in his Annual Report for 1978 recommended that Parliament should add to the Official Languages Act a section drafted along the lines of the Canadian Declaration of Human Rights providing that the Official Languages Act take precedence over any federal legislation is incompatible, except where Parliament so decides expressly.

It is the famous notwithstanding section. In 1979 we had Mr. Corbin's Private Members' Bill to that effect, and the first of a series of bills from the hon. Member for Ottawa—Vanier (Mr. Gauthier) which were aimed at improving the Official Languages Act and many of which called for the supremacy of that Act.

Mr. Speaker, the Hon. Member for Ottawa—Vanier as well as the Hon. Member for Saint-Denis (Mr. Prud'homme) are undoubtedly the parliamentarians who did the most to improve the legal frame work of language rights. And if we had such an institution, they would deserve to be recognized as *Defensores fidei linguaeque* in Canada. Both of you would deserve that title. If I did not fear to offend your modesty in front of such a crowd today, I would ask every Member in the House to applaud both the Hon. Member for Ottawa—Vanier and the Hon. Member for Saint-Denis, who fought so intensely for the language rights, for the principle of Canada's official languages. Your determination and perseverance in this regard are well known, and every single Canadian who believes in official languages equality recognizes your sense of devotion in that regard.

With the coming into force of the Canadian Charter of Rights and Freedoms four years ago—as you have rightly recalled—the fundamental principes of the Official Languages Act are now obviously part of the Canadian Constitution. The enshrinement of these guarantees in this country's supreme legislation has given preeminence to the Charter's provisions regarding the equality of both official languages in all federal institutions, as well as to the provisions relating to the public service in Canada.

In its answer to the Special Joint Committee which had recommended the inclusion in the Official Languages Act of a clause regarding its primacy, the Government at the time had fully supported that aim, as you just reminded us. But in the light of the guarantees now granted in the Charter, its intention was to make a thorough examination of that important question. I know the determination and concern of the Hon. Member for Ottawa—Vanier. As mentioned by my colleague for Saint-Denis, in April 1983 the Committee submitted its fifth report in which it again recommended giving supremacy to the Official Languages Act. However, even Prime Minister Trudeau, who must of course be praised for his support of official languages in Canada, hesitated to accept it. So much so, that he said in a letter: As for your proposal to give supremacy to the Official Languages Act, this is still being examined by the Government.

These words more or less sum up my feelings about the present situation. It seems to me, Mr. Speaker, that it would be premature at this stage to go the supremacy route alone, since in-depth studies undertaken by the Ministers most involved in language reform, at the request of the Prime Minister, should very soon result in a number of proposals that will allow for consideration of all aspects involving the Act and its application.

Naturally, like my colleagues I am very anxious to see these proposals. The Joint Standing Committee of the Senate and the House will soon hear the Commissioner of Official Languages remind us once again that strong measures are needed to promote equality, ensure supremacy of the Act and

strengthen its application at all levels of our federal institutions.

In a letter dated October 24, 1985, the Deputy Prime Minister reaffirmed to the Joint Standing Committee on Official Languages policy and programs, the deep commitment of this Government to the promotion and expansion of official bilingualism in Canada. I would like to quote the Prime Minister who said:

Our willingness to advance the cause of the official languages was evident from the very first weeks of our mandate, when the President of Treasury Board, the hon. Robert de Cotret expressed the determination of the government not only to retain whatever gains have already been achieved in this area, but also to improve existing services to better meet the needs of Canadians.

That willingness was also brought to the fore in the Speech from the Throne of November 5, 1984, when the Government committed itself to ensure that the equality of both official languages would be enforced, in law and in fact.

The Government is currently reviewing the provisions of the Official Languages Act in light of the experience acquired since 1969, and also to make sure they do not violate the Canadian Charter of Rights and Freedoms.

I can assure you that the many proposals put forward in the last few years to improve the legislative framework of the policy will be reviewed, in particular those mentioned in its fifth report to Parliament by the former special mixed committee, as well as those presented by the Commissionner of Official Languages.

I do not think that, whatever our political stripe, we could doubt for one moment the determination of this government to go forward and along the same lines as the Member for Ottawa—Vanier (Mr. Gauthier) and the Member for Saint-Denis (Mr. Prud'homme). We are all working towards the improvement of the principles which govern this fundamental Canadian legislation and justify its existence and cohesion. If we as Members of Parliament from Quebec are still here today, I feel it is precisely because successive governments insisted that we should be able to live in this country and use our culture and our language, our cultures and our languages.

As the Prime Minister himself indicated to the Hon. Member for Ottawa—Vanier on April 15, when the annual report of the Commissioner of Official Languages was tabled, and I quote:

Last year, Mr. Speaker, upon receiving the report, I set up a committee of Senior Deputy Ministers to deal with this problem and to outline an action program that would promote the development and expansion of Canada's two official languages and their use on a daily basis. I am pleased to inform the Hon. Member that the committee has submitted a report. We are now at the ministerial level, and I think that in the near future, the Government will be in a position to make some important announcements with respect to this second facet, if you wish, of an action program to promote official languages.

Of course, we now know through recent information obtained in the Joint Committee of the House and Senate, that the new Official Languages Bill will probably be tabled early next fall.

With respect to possible amendments to the Official Languages Act, the Prime Minister on the same day replied as follows, and I quote:

I indicated publicly after the last report that I would designate a committee of senior Deputy Ministers, which I did, to prepare amendments to the Official Languages Act in order to ensure that vital piece of legislation is strengthened and enhanced and adapted to new conditions and requirements. That has been done.

The work is now at a senior ministerial level. It will go to Cabinet and will be introduced in the House at the appropriate time, and it will be of benefit to the country.

The Government's intention to go ahead with that important reform has therefore been clearly stated. However, the need to act cautiously on such a complex matter should be underlined. I understand the restlessness of my colleagues. Recent developments in Montreal have shown that we should never give in on matters pertaining to official languages—

Mr. Prud'homme: In Kapuskasing!

Mr. Hamelin: —never give in either in any other province, as my hon. colleague for Saint-Denis (Mr. Prud'homme) just pointed out. And following the example of my colleagues of St. Denis (Mr. Prud'homme) and Ottawa—Vanier (Mr. Gauthier), I urge all Hon. Members of this House to take an active part in the work of the Joint Committee of the House and the Senate. What you are asking us today, is to speed-up this reform . . . maybe. Therefore, I feel compelled as some of my colleagues, notwithstanding the respect and admiration I have for the determination of my colleagues, to ask this House to refrain from passing this Bill. We may be proceeding slowly, but with your determination and mine, the resolve of the Senate and this House, all together we shall achieve something far better than just asserting of the supremacy of the Official Language Act over the other Canadian statutes.

• (1740)

[*English*]

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I rise with pleasure to join in the debate on Bill C-203 and the motion that would refer the matter of the supremacy of the Official Languages Act to the Joint Standing Committee on Official Languages for study and recommendation.

I listened with interest and pleasure to the speech made by the Hon. Member for Charlevoix (Mr. Hamelin). I do not believe he noted that he is the new co-Chairman of this committee, and perhaps I can take this opportunity to congratulate him on that particular election. I want to thank him for his observations on the actions which the Government intends to take on the matter of official languages.

As a member of that committee, let me say that there seems to be a certain appropriateness in our addressing the matter of the supremacy of official languages in this, the first Private Members' Hour following the establishment of the new procedures in which private members' committees consider some Bills for a vote in the House.

While this Bill was not one of those to receive that designation, the motion to refer it to the standing committee may in fact give it that kind of possibility since it becomes a report from the committee and therefore can return to the House through that means.

May I say that it is with a touch of trepidation that I speak only in English, but there is an appropriateness to discussing

official languages in that language as well. Perhaps I could expand on that by saying that I am a Canadian who is not of British or French origin. I spoke only German until I was almost seven and began attending school in Manitoba. I gradually underwent the inculcation of the schools of Manitoba. Although not unique, those schools were quite successful in turning many of us into a particular kind of Canadian.

In my case, I have learned over the years a great deal about the country. For several years I taught Canadian history to university students in the darkest depths of interior British Columbia as well as across the Prairies and into Ontario, at Lakehead University. In that time I have had the opportunity to teach Canadian history, think about it and come to my own deep understanding, if I may say, of the importance of official languages. It is because of that understanding that I repeat there is an appropriateness to our debating the supremacy of the Official Languages Act in this Private Members' Hour.

The traditions of this country are diverse. As critic for multiculturalism, I am keenly aware of those traditions. However, the traditions of this country have included, in a certain pre-eminent way, the great achievements of people who came from France and built on this continent and achieved great things in the fur trade, in missions and indeed in building an empire through the years of the 18th Century. It was those aspirations to an empire that collided with the desires of the British. It is between 1759 and 1763, with the collision of empires, that the traditions of this country began to move toward bilingualism.

We recognize the diversity of the native people and the aboriginal societies of North America. As far as European, non-North American language is concerned, French was first. It was in the last decade of the 18th Century that Canada became bilingual with the addition of the English-speaking population.

One could spend a great deal of time talking about history, but the important matter is recognizing the events of the last quarter century. I do not suppose there is anyone in the House of Commons who still questions the simple reality that domestic peace and political tranquility call for the establishment of two official languages and the provision of government services in both English and French in far more areas than even now is the case. Canadian citizens must have the opportunity to approach their Government and be served in either language.

Surely we can say that it is necessary for similar practices to prevail in a number of provinces. As a native of Manitoba, schooled to narrow views but learning broader ones through those years of teaching in western Canada, I regret the fact that Manitoba has not yet fully achieved it. It was not for lack of effort on the part of the New Democratic Government there.

I admire the achievement of making the Province of New Brunswick bilingual. I regret that Premier Davis of Ontario never took the step of establishing bilingualism in his province when he surely would have had the support of the Opposition for doing so. If he had the courage at the end of his relatively long term as Premier to fight for separate school funding for Grade 13, why did he not have the courage to do it for official languages in his province? If that had occurred, I believe we would have a stonger case for pressing our friends in the Province of Quebec to establish both official languages in that province.

It is clearly imperative that we take action on these matters in Quebec, Ontario, Manitoba and possibly even farther west. I will not comment on the provinces farther east than New Brunswick because I am less familiar with those areas.

Much remains to be done. We need to establish and reassert bilingualism in the Provinces of Manitoba, Ontario and Quebec. Much needs to be done in those areas to ensure that the supremacy of the official languages in this country is recognized throughout the regions.

There are many citizens of this country who come from other countries and have their own interest in seeing heritage language programs established. They seek Government support in their efforts to have their heritage language programs established within school curricula rather than in continuing education programs.

Those among us who are sensible recognize that support for heritage languages also supports the position of official languages. Many people in these groups who want to see languages in addition to English and French maintained in this country realize that the establishment of official languages was part of a movement toward the multicultural policy of 1971. As a member of the Standing Committee on Multiculturalism as well as the Joint Standing Committee on Official Languages, I do not see any conflict or need for arbitrary distinctions. I can instead see the two working together to achieve the kind of Canada we want.

• (1750)

Having made these comments in general terms about the situation, obviously my colleagues, the Hon. Member for Charlevoix and the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who proposed the Bill originally, as well as I, would appreciate the opportunity to consider in committee how we can ensure that on the federal sphere the Official Languages Act will be supreme and that Government will act on it and provide the services which it still seems federal Government employees are recalcitrant to provide. Those are the sorts of things which should be before our committee, so I support heartily the amending motion put forward by the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Bob Horner (Mississauga North): Mr. Speaker, I appreciate this opportunity to speak on the subject of the amendments to the Official Languages Act which are proposed in the Bill before us today and, more specifically, on the amendments put forward by the Hon. Member for Saint-Denis (Mr. Prud'homme).

The issue of primacy for the Act is one that has come to the attention of this House on a number of occasions, either directly in the debates on this Bill and very similar ones tabled over the years by the Member for Ottawa—Vanier (Mr. Gauthier), or indirectly through the recommendations of the Commissioner of Official Languages in his reports to Parliament and through the testimony before, and the recommendations of the Special Joint Committee on Official Langues and its permanent successor. All of these deliberations have led me to reflect on the advisability of adopting at the present time the particular instrument by which the Hon. Member for Ottawa—Vanier proposes to achieve primacy for official languages rights and duties.

Let me state immediately that I am the first to recognize the fundamental nature of our language guarantees. As has been stated many times in these and other debates, Sections 16 to 20 of the Canadian Charter of Rights and Freedoms protect our basic rights and values as they relate to the status and use of the English and French languages in the institutions of the Parliament and Government of Canada. By virtue of Section 52 of the Constitution Act, 1982, any law that is inconsistent with those sections is, to the extent of the inconsistency, of no force or effect. In other words, these official languages provisions prevail in the face of conflict.

The Supreme Court of Canada put it eloquently last June in its opinion on the Manitoba Language Rights Reference. The Court stated:

> The importance of language rights is grounded in the essential role that language plays in human existence, development and dignity. It is through language that we are able to form concepts; to structure and order the world around us. Language bridges the gap between isolation and community, allowing humans to delineate the rights and duties they hold in respect of one another, and thus to live in society.
>
> The Constitution of a country is a statement of the will of the people to be governed in accordance with certain principles held as fundamental and certain prescriptions restrictive of the powers of the legislature and government. It is, as s. 52 of the Constitution Act, 1982 declares, the "supreme law" of the nation, unalterable by the normal legislative process and unsuffering of laws inconsistent with it.

There is another essential aspect to the constitutional protection accorded to our language guarantees. The official languages provisions of the Charter are not subject to the "override" provisions of Section 33. By that I mean that Parliament cannot derogate from the application of these guarantees by expressly declaring in an Act that the Act or a provision thereof shall operate "notwithstanding" a provision included in Sections 16 to 20 of the Charter.

In so far as the Official Languages Act is, or should be, a reflection of the Charter guarantees, it would appear to me that Parliament cannot simply invoke a "notwithstanding" clause to overcome the official languages obligation on federal institutions that are set out in that Act. However, the Member for Ottawa-Vanier has proposed exactly that formula in Bill C-203. His primacy clause is worded as follows:

> 11.1(1) Every law of Canada, unless it is expressly declared by an Act of Parliament to operate notwithstanding the Official Languages Act, shall be so construed and applied as not to abrogate, abridge or infringe the rule set forth in Section 2.

Section 2 is, of course, practically identical in terms to Section 16 of the Charter, which guarantees that:

> English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and Government of Canada.

The primacy clause in Bill C-203 would allow for the overriding of this guarantee. This is because that primacy clause was drafted along the lines of a similar clause in the Canadian Bill of Rights of 1960, and its wording has appeared unchanged in every Bill that the Hon. Member for Ottawa—Vanier has presented on the primacy issue since 1979.

But what may have been an eminently reasonable means of attempting to ensure primacy in 1960 or in 1979 may not be appropriate in 1986. If primacy may be accorded to the substantive provisions of the Official Languages Act, it may be, I would be inclinded to believe, because the substantive obligations described therein should stand on the same footing as the Charter rights from which those obligations flow.

In any event, the Official Languages Act is soon to be the subject of amendments that will be proposed to ensure its conformity with the Constitution and, as the Prime Minister (Mr. Mulroney) put it very recently, to strengthn and enhance "that vital piece of legislation". Thus, it would seem to me that we would be putting the cart before the horse in according primacy to the Act of 1969. I say with great respect to the Hon. Member who has proposed this legislation that the Bill before us today does very little to correct the deficiencies that have been noted in the Act as it stands. Instead it proposes to deal with a complex issue on a piecemeal basis, outside a comprehensive framework, using an outmoded and perhaps unconstitutional legislative formula. In view of this fact alone, I belive it would be unwise for us to proceed with this Bill or the amendments. However, Bill C-203 also contains consequential amendments to the Railway Act—

[*Translation*]

Mr. Deputy Speaker: Order! The Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, I rise on a point of order. There is one thing I would like to find out and it would be useful for every Hon. Member to know, because what we are discussing now is indeed a very important matter. Is it true that if the Hon. Member keeps on talking it will result in his talking out the bill, which means that he is opposed to the status of the French language being improved, and that hypocrisy prevails among Tory members?

Mr. Deputy Speaker: Order! I am sure the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) knows what Standing Order 42(1) says about that.

[*English*]

Mr. Horner: Bill C-203 also contains consequential amendments to the Railway Act, the Winding Up Act and the

Bank Act. The Bill would amend six sections of the Railway Act which govern language use on signs at level crossings and which restrict the mandatory use of English and French in notices, timetables, bills of lading and so on, to the Province of Quebec.

Could I have some order, please, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: Order, please!

Mr. Malépart: The francophones will remember that. You will not stay there for 16 more years.

Mr. Valcourt: If that happens, it will not be thanks to you.

Mr. Deputy Speaker: Order, please! On both sides of the House, please. Thank you.

[*English*]

The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

EMPLOYMENT—REDUCTION IN TRADES TRAINING IN NOVA SCOTIA. (B) REQUEST FOR ADDITIONAL FUNDING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on April 8, 1986, I asked a question of the Deputy Prime Minister (Mr. Nielsen) with regard to trades training in the Province of Nova Scotia. I regret to report that the answer which was given to me at that time was not a very thorough one. In fact, in my view, it was a complete denial of the facts which I presented to the Minister at that time.

Trades training is an important subject in the Province of Nova Scotia. Consequently, I would have thought that the Deputy Prime Minister, as well as other Ministers of the Crown, would have taken the representations I made much more seriously than they did. In fact, in the Province of Nova Scotia, we have had to sustain a 38 per cent reduction in moneys from the Government of Canada for trades training. This reduction comes at a time when unemployment in my province is well above the national average. I would have hoped that the Government would have been more forthcoming in its response.

Some Hon. Members may wish to doubt or call into question my statement and my facts with regard to the 38 per cent reduction of trades training in the province. A letter dated March 14, 1986, signed by the Deputy Minister, Mr. B. J. Nicholson, of the Department of Human Resources, Development and Training, went out to various institutions in the province which were teaching courses. The letter states in part:

> A substantial reduction in Federal funding is unfortunately resulting in a reduction of a number of training programs and related staff positions. The training program in which you are employed is part of this Federal Government reduction and therefore the program which you have been teaching will not be able to be offered in the coming year, and your position will no longer be funded.

A 38 per cent reduction in a small province such as Nova Scotia is overwhelming. We do not need less money for trades training, we need more.

To add insult to injury we in Nova Scotia—a have-not province—are being discriminated against by the Government. Hon. Members may ask why. I will tell them why. Arrangements have been made with the Province of Ontario which are entirely different. This is not an across-the-board reduction to various provinces. Ontario received a special deal while Nova Scotia did not.

I have in my hand a letter of intent between the Government of Canada and the Minister of Skills Development for Ontario. To substantiate my allegation of discrimination I will read paragraph 7 of the letter which states:

> In addition, Canada will ensure that the sum total in fiscal year 1986/87 of both direct and indirect purchases of institutional training, including the associated administrative costs, and a targeted allocation of $9 million for training purchases by CITCs, will be no less than $166.3 million, representing 100 per cent of the institutional training allocation in Ontario for fiscal year 1985/86.

As Hon. Members can see, there is no reduction for the Province of Ontario while there is one for the Province of Nova Scotia. The issue is not a partisan one. The Tory Minister responsible in Nova Scotia, the Hon. T. Donahoe, said in the Legislature that he expects a $2 million cut in funding for Nova Scotia this year, to be followed next year by a further 15 per cent cut and yet another 20 per cent cut in 1988.

• (1805)

This will have drastic effects upon the economy of Nova Scotia, particularly upon the human resources of that province. As I said in the beginning of my remarks, Nova Scotia needs additional income from the Government of Canada in order to provide the necessary training and basic skills to Canadians living in that province so that they may take advantage of job opportunities which may be presented to them at some point in time.

Therefore, the logic of reducing this funding to my province is both discriminatory and unfair; it certainly does not meet with the favour of my provincial colleagues on the Government side and on the opposition side in Nova Scotia.

A parish priest from Holy Family Parish in Eskasoni, Nova Scotia, wrote to his local MLA seeking the reinstitution of the trades training programs. Also, a Conservative MLA who was written to made a statement to the effect that he would wish to have additional funding. There are individuals who are ready and willing to take advantage of the trades training programs.

I ask the Parliamentary Secretary, as a representative of the Government of Canada, to give us clear and concise answers as to why Canadians in the Province of Nova Scotia are being discriminated against, while Canadians in the Province of Ontario are receiving a distinct advantage. Again I say that it is both unfair and discriminatory. I hope the practice will stop and stop forthwith.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, on behalf of the Minister of Employment and Immigration (Miss MacDonald), I should like to provide the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) with a more detailed reply to his questions of April 8, 1986 which he directed to the Deputy Prime Minister (Mr. Nielsen) concerning an apparent reduction in federal funding for trades training in Nova Scotia.

To begin, I should like to point out that the federal funding for purchases of training programs will not be reduced this year. In fact, this year the federal Government will provide the same funding as last year—90 per cent will flow directly from the federal Government to the institutions and the remaining 10 per cent is available to flow to the institutions via purchases made by third parties under the programs of the Canadian Jobs Strategy. Furthermore, the Government has agreed to pay the provinces an amount equal to the difference if third party purchases from public institutions are less than 10 pent cent. Funds will also be available to make up differences in 1987-88 and 1988-89, and to accelerate adaptation of provincial institutions and administrative structures to the needs of the labour market.

The direct purchase of institutional training programs responds to the needs of the labour market and is not arbitrarily pursued. The Hon. Member for Cape Breton—East Richmond has referred to recent lay-offs in trades training. I would inform the House that these lay-offs are not the result of any federal reduction in funds. Rather, they are a consequence of the provincial government decision to emphasize construction trades training and de-emphasize industrial trades training because of changes in labour market demand.

The demand for industrial trades apprenticeship training in Cape Breton has fallen off over the last two years. This has resulted in more funding going to another institution in Nova Scotia for training in apprenticeable construction trades than is going to a Cape Breton institution for training in apprenticeable industrial trades. However, this choice is a provincial responsibility. The federal Government cannot be held responsible for lay-offs of teachers at provincial institutions due to a provincial decision on training for indentured apprentices. As I have said, the provincial decision is based upon a response to measured labour market demand.

The Government has been involved in negotiations for new training arrangements with all provinces since last July. Negotiations have been and will continue to be based upon the fundamental principles of the Canadian Jobs Strategy, principles to which all provinces agreed in February, 1985. We are not reducing the amount of federal dollars for training in the coming year, but we have indicated our willingness to guarantee that dollars for both direct and indirect purchases will be 100 per cent of those available last year.

• (1810)

Yes, we are proposing reallocation of some of our training dollars to increase the scope of private sector involvement in training. Reallocation of some funding to the private sector is needed to achieve the best possible blend of on and off-the-job training options with substantial but limited federal dollars.

We recognize the need to introduce change in a planned fashion to ensure stability for public training institutions as they adapt their training to tap a larger pool of training dollars outside Government.

This Government is confident the shift of some of our training purchase decisions to the private sector will result in more business, not less, for provincial institutions as the private sector begins to sponsor and pay for courses at these institutions and elsewhere.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION (A) MATANE PAPER MILL—GOVERNMENT POSITION (B) AGREEMENT PERMITTING ESTABLISHMENT OF MATANE PAPER MILL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker I wonder if I should take part in the late show in view of what has just happened, in view of the parliamentary hypocrisy in the debate on official languages. And it is the same guy who manipulated all that who will answer me.

But I will come back all the same to the question I directed on April 7, 1986, to the Minister of Regional Industrial Expansion (Mr. Stevens). I asked him why he would not sign the agreement after having given his word to the Quebec minister of Natural Resources, Mr. Ciaccia, regarding the Matane paper mill.

Mr. Speaker, as in several matters concerning Quebec, like the Domtar case, the Gulf-Ultramar case and this one, the Matane case, people in Quebec always notice that the ministers as well as the Prime Minister (Mr. Mulroney) do not keep their words.

In this case, the request does not come from just anybody. It is from a Minister of the Government of Quebec and I think I have a lot more confidence in him than in the Minister of Regional Industrial Expansion. These two peoples agreed on one common action. The Minister gave his word that he would sign the joint letter that he had received from Mr. Ciaccia following negotiations with officials. Mr. Ciaccia also sent the letter to the compagny so that it could discuss the proposals, that is the grant proposals as well as other opportunities made available by the government.

The Quebec minister knew, as well as his federal counterpart, that the company was to be involved in a takeover and

that the whole deal was to be decided upon today, April 24. That was no reason to keep the Minister from signing the offer inviting the company to build in the Matane area, that it might pursue discussions and avoid undue delays.

But because of the stubbornness of the minister who did not sign the joint offer together with Mr. Ciaccia, although I do hope that the Parliamentary Secretary will come up today with some informations about the situation even if decisions are currently . . . That means that the minister will delay the implementation of that industry since it is only as of tomorrow that he will send the joint offer for grants that both the federal government and the government of Quebec are prepared to make so that the company can build this paper mill in Matane.

Mr. Speaker, we are experiencing in this case exactly the same thing that happened in the Gulf-Ultramar deal where Quebecers have been diddled to the bones if I may say so! We are living the same tragedy as was the case with Domtar in the Eastern Townships where once again Quebecers were conned. They did receive the money but it was their own money which was in the envelope; so they have been taken for a ride one more time.

Mr. Speaker, as I just found out once again, the French-speaking Quebecers have been had because they could not discuss in committee the means to improve the Official Languages Act.

Mr. Speaker, I will conclude, and I dare hope that this time, the Parliamentary Secretary, who was prepared earlier to kill this motion which is so important to protect all French-speaking Canadians, will have a very bright answer.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I would like to answer the question of the Hon. Member for Montreal-Sainte-Marie. When during his ramblings the Hon. Member said that I killed Bill C-203—Well, a conservative Member from New Brunswick, a province run by Premier Richard Hatfield, a man who fought for French-speaking people and Acadians, has no lesson to take from the Liberals—

Mr. Malépart: Mr. Hatfield did not do what he should have done.

Mr. Valcourt: Mr. Speaker, I do not appreciate such an answer.

We do not like to be reminded that Liberals have been in power for 16 years and that they did not amend the Official Languages Act since 1969. We are prepared to do it. But, to come back to the Matane papermill. The same thing has to be repeated over and over before some people can understand.

The Matane papermill issue consist of a project of an overcalendered papermill with a capacity of 180,000 metric tons a year, and the total cost is estimated at $327 million, in addition to the $25 million needed for the infrastructure off site.

We know who the sponsors are. Up to now, there have been many meetings between federal and Quebec government employees to explore the possibility of government funding in order for the project to proceed. In fact, a clear declaration of intent has already been issued.

When you listen to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), you would swear that he was with Messrs. Ciaccia and Stevens, the Quebec and federal ministers, when they discussed the Matane paper mill because he says that he gave his word. Now, as far as I know, and the Hon. Member for Montreal—Sainte-Marie may agree with me, a proposed draft agreement is not an agreement. However, to further his own political interests, the Hon. Member for Montreal—Sainte-Marie says that Quebecers are being fooled by this Government, but Quebecers know better because they see what happened with the unemployment rate in Quebec since Septembre 1984. At any rate, when the decision on this matter is made, some factors will have to be taken into consideration.

They can listen because they might learn what will be considered. They will consider of course the social and economic impact of that investment in the Lower St. Lawrence region and the Gaspé Peninsula. But, Mr. Speaker, they will have to take into account as well the representations of the pulp and paper industry which do not favour discretionary funding of such projects, because those who know the market know what it means and what possible impact such funding will have, Mr. Speaker, on the trade negotiations which will begin shortly with our neighbours to the South, the United States of America.

A draft presentation to Cabinet regarding the Matane paper mill is under way and should be submitted shortly so that a final decision can be taken in this regard.

• (1815)

[*English*]

COMMMUNICATIONS—BELL CANADA TELEPHONE BILLS—REFUSAL OF CASH PAYMENT

Mr. Bob Horner (Mississauga North): Mr. Speaker, several weeks ago I asked the Minister of Communications (Mr. Masse) a question relating to the payment of Bell Canada telephone bills. I asked this question because, with very little warning, Bell Canada unilaterally changed its payment policy. All of a sudden, only cheques or money orders were acceptable tender at Bell Phonecentres in Mississauga. When I asked the Minister for an explanation of this situation, the hon. gentleman responded by informing the House that such matters were within the jurisdiction of the CRTC and that the CRTC was looking into the situation.

Several weeks have since passed. The CRTC is still looking into the situation. For the following reasons, it is my submission that that is not good enough. First and foremost, since

when has cash minted at the Canadian Mint been unacceptable payment for Canadian goods and services? I question the legality of such a resolution. Second, Bell subscribers were not given adequate warning of this policy change. One morning my constituency office was inundated with phone calls from citizens who had made the trip to the Bell office. These citizens were following their normal practice of paying their bills in person with cash. I cannot accept that the powers that be at Bell would be so remiss as to forget to notify their customers of such an important change. Yet there were an awful lot of constituents who were not aware of this new regulation. I would be remiss if I did not suggest that, in this matter, Bell was just not trying very hard.

• (1820)

My third protest against this regulation is that many of my constituents must now pay a charge to their banks for the processing of cheques and money orders required for bill payment. One constituent calculated that this will cost him an extra $24 a year. This is hardly fair when Canadian legal tender can be used without service charge. I have a dollar bill here and it states on it: "This note is legal tender".

Fourth, the Bell Canada office in question in my riding will not accept cash payment for bills, but it will accept cash for the purchase of phones and equipment. I cannot wait for an explanation of Bell Canada's convoluted reasoning on this one! Worst of all is the fact that residents of nearby Toronto can still pay their phone bills in cash. I bear no ill will toward Torontonians, but this is a clear case of discrimination against citizens of the eighth largest and fastest growing city in the country.

My final worry is the relationship between the CRTC and Bell Canada. When this problem first came to my attention, I phoned the CRTC. I was informed that the Commission was looking into the situation. However, I sensed a certain reluctance by the CRTC to become involved. Personnel at the CRTC explained that it was not normal policy to interfere with internal administrative issues at Bell, that rates were the matter of greatest concern. What this means is that the CRTC is taking a long time to look into a situation, but in the final analysis no action will be taken. This is not good enough.

Of course, the role of Bell Canada cannot be overlooked. I have nothing in principle against Bell Canada. Bell does an extremely efficient job in allowing Canadians to communicate across this vast land and around the world. Yet Bell is a monopoly, one that makes a great deal of money. In looking over Bell's financial statements, we find that for the nine months ended September 30, 1985, Bell's net income increased 15 per cent from the corresponding period in the previous year. We find that total revenues rose by 28 per cent. For the year ended December 31, 1984, total revenues were up by 19 per cent. During 1984, Bell's acquisitions included new interests and remaining interests in several large corporations.

At the time of the drafting of this speech, Bell had not responded in the news media to complaints about this action, although I understand that a statement may be forthcoming. I have ascertained that Bell has taken this action in the name of cost-cutting and efficiency, and because Bell believes this action will keep phone rates at a reasonable level. Bell also suggested that this policy was justified because it was no different from that of other large utility companies. I am 100 per cent in favour of efficiency, cost-cutting and reasonable phone rates, but Bell's action promotes none of these goals.

What is efficient about a Phonecentre which accepts cash for equipment, but which will not accept cash for telephone bill payment on the very same premises? How does this policy help to keep phone rates reasonable when consumers must pay a service charge on the cheques required to pay bills? For those who make few long distance calls, service charges mean that the total amount paid for phone bills could even increase.

After phoning both Ottawa Hydro and Mississauga Hydro in my riding, I was informed that it is standard policy to accept cash payment for bills. In the matter of cost-cutting, I would be very interested in seeing Bell's figures on how much this action will save. To my knowledge, Bell staff has not been let go, nor have Bell offices closed as a result of this. What and where are the savings? More important, is this action justified? Even if Bell Canada saves a few dollars, can this decision really be condoned? It is discriminatory. It causes inconvenience and expense to the consumer. It represents a unilateral decision made by a powerful monopoly. It may be illegal.

It has been said that the Progressive Conservative Party is the Party of big business. I have always found this view to be unfounded and uninformed. Especially in this matter, I have no intention of siding with the big guy, nor do the other members of this Progressive Conservative Government who have spoken out against Bell Canada's action.

• (1825)

I urge Bell Canada to waste no time in reversing this ill-advised policy. Barring this, I expect the CRTC to perform its duty in ordering a reversal of this policy. If all else fails, the Government should do everything in its power to have this decision revoked.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Hon. Member for Mississauga North (Mr. Horner) has raised a very important issue, one that is of concern to his constituents and, indeed, to all Bell Canada subscribers. As I understand it, Last November Bell Canada started to phase out its teller facilities in its Phonecentres and teleboutiques. This means subscribers will no longer be able to pay their telephone bills with cash. While by far the majority of subscribers, 90 per cent, pay their bills by mail or at banks, some customers have been accustomed to visiting a Bell office and paying cash.

Bell Canada has indicated that it has taken this action because the role of the Phonecentres has changed in recent years. Phonecentres were originally set up to display phones

that could be leased and, more recently, purchased by consumers. Today the telephone equipment market is highly competitive and Bell has apparently found that it is expensive to maintain teller facilities in its Phonecentres. According to Bell, this means the general body of subscribers are subsidizing the cost of these tellers that are only used by a small number of subscribers.

I can understand Bell's motives in its efforts to be cost efficient in its operations. However, I have greater sympathy for those subscribers who feel they are inconvenienced by what they perceive to be a lower level of service. For many years the terms and conditions relating to the provision of telephone service have been set out in the company's general regulations. In a comprehensive review, begun in 1983, the CRTC has reviewed the regulations. With the benefit of a thorough public consultative process, the Commission has revised the regulations "terms of service". The terms of service will provide customers with adequate safeguards against possible abuses by companies providing services on a monopoly basis.

One of the old regulations, number 28, specified that subscribers must pay their bills at the company's business offices or at authorized agencies. The new rule adopted by the Commission in March of this year deletes the provision relating to locations where customers may pay their accounts. The Commission was of the view that customers should be able to pay their accounts by mail as well as designated company offices.

The CRTC has a solid record of proceedings and decisions which have maintained a high level of service provided to the public. With respect to this issue, I am advised that the Commission has received several complaints regarding Bell's refusal of cash payments. Furthermore, I understand the Commission has been in contact with Bell Canada to obtain more information and a full explanation for this change. The mechanism for this request is a formal interrogatory in connection with the Commission's proceeding to review Bell's rate of return. This proceeding, which is similar to the one which is conducted when Bell Canada applies for a general rate increase, will afford the general public and interested groups the opportunity to comment on Bell's operation.

Given that the Commission has only recently adopted new "terms of service" for Bell and the formal proceeding on Bell's rate of return is under way, I think it is opportune that the Commission fully investigate this issue and subsequently determine the extent to which provisions should be made by the company to accept cash.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, April 25, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EXTERNAL AFFAIRS

PEACE AND DEMOCRACY IN LATIN AMERICA

Mr. Marcel Prud'homme (Saint-Denis): Recently, Mr. Speaker, the Hon. Members for North Vancouver—Burnaby (Mr. Cook) and Spadina (Mr. Heap) travelled to Guatemala with me to attend a conference of Latin American countries on peace and democracy in that part of the world.

I would like to thank Guatamalan authorities for their warm welcome and extend our best wishes to their newborn democracy.

Eighteen countries were represented. We were the only foreign observers in attendance, and I am convinced that we entertained at least one thought upon our return from this momentous one-week conference held during the Easter break: democratic process and patience alone will resolve the difficulties now facing Latin America, particularly the extremely delicate situation in Nicaragua. Neither aggressiveness nor the Contras will stem violence. Lasting peace in Nicaragua and Latin America can only come through the development of the Contadora process and of those four countries, with the co-operation of nations that support the Contadora.

* * *

• (1105)

[*English*]

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the changes the Minister of State for Multiculturalism (Mr. Jelinek) is making in multicultural policy have aroused strong and appropriate opposition across the country. The Minister wants to bring the ethnic minorities out of the ethnocultural corners he thinks they live in now. He is convinced that the big majority of the ethnocultural community want to become another Stronach, achieving success like that of the chairman of Magna International Inc. The Minister appears to have forgotten how few people will achieve such entrepreneurship in our society.

In the meantime he has raised questions about support for immigrant settlement, language instruction, and other programs which assist ordinary immigrants in obtaining work in Canada. He has done nothing to advance the certification in Canada of professionals trained in other countries. His narrow preoccupation with entrepreneurship and trade expansion was clearly expressed at the Multiculturalism Means Business conference. However, multiculturalism is not for sale. Enhancement of Canada's multiculturalism requires large efforts by a Department of Multiculturalism, not abandonment of initiatives before they have succeeded.

* * *

HEALTH

HARMFUL EFFECTS OF SMOKING

Mr. Bill Attewell (Don Valley East): Mr. Speaker, surely there can be no doubt about the harmful effects of smoking, both on the person smoking and on others due to second-hand smoke. Notwithstanding the commercial concerns of Imperial Tobacco and the giant conglomerate, Imasco, I applaud the recent decision of Air Canada to begin flights which will ban smoking entirely.

Actuarial studies prove that at every age smokers are three times as likely to die as nonsmokers. There is strong medical evidence now emerging of the dangers of second-hand smoke.

I have seen several of my friends die of lung cancer over the years, so I commend any voluntary or legislative action which will not only help nonsmokers but might also deter smokers and thereby lengthen their lives.

* * *

COMPETITION TRIBUNAL ACT

CRITICISM OF NEW DEMOCRATIC PARTY'S OPPOSITION

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, in recent weeks the NDP has been raising questions about corporate concentration in Canada and the dangers this could pose to the Canadian economy. All Members of Parliament are aware of the dangers. That is why the Government has brought forward Bill C-91, the Competition Tribunal

Act. Today, in the absence of this Act, we have no effective competition legislation in Canada. After this Bill is passed we will have, for the first time, competition legislation which has teeth.

Both the Official Opposition and the Government favour speedy passage of this Bill in order to get some control over the situation. However, the NDP seems determined to delay passage of this Bill while still complaining of increased corporate concentration and decreased competition. It is time for the NDP to stop this charade and give Canadians a law which can offer them protection.

* * *

[*Translation*]

TRADE

REQUEST FOR PREMIERS' CONFERENCE ON PARTICIPATION IN FREE TRADE NEGOTIATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in answer to the question I put to the Prime Minister (Mr. Mulroney) yesterday, he did not want to say whether a federal-provincial conference of First Ministers would be convened to define the Premiers' role in free trade negotiations with the United States.

Mr. Speaker, I would strongly suggest that such a conference has become imperative because several provinces, including Ontario and Quebec, have voiced serious reservations on these free trade negotiations. A survey has revealed that close to 100,000 jobs are on the line in Montreal alone.

I urge the Prime Minister to honour his promise and allow the provinces to participate in the negotiations. That is why a federal-provincial conference should be held before Canadian negotiators are given a specific mandate.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

REGULATION CHANGE—POSITION OF GOVERNMENT BACK-BENCHERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, yesterday the Member for Annapolis Valley—Hants (Mr. Nowlan) told a group of Armed Forces retirees outside the House of Commons that he and other Progressive Conservative Members oppose his Government's move to deny unemployed pensioners UIC benefits. If this is true, I challenge him and the Progressive Conservative back-benchers to have the Government bring this matter to a vote now. The House of Commons can then determine how many back-benchers are speaking out of both sides of their mouths at the same time.

• (1110)

BALTIC EVENING

COMMEMORATION OF FORMER INDEPENDENCE OF BALTIC STATES

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, last night Canadians of Estonian, Latvian and Lithuanian origin gathered on Parliament Hill to commemorate the independence of the Baltic States which was lost after the occupation of their homelands by the Soviet Union. At this 14th annual Baltic Evening we were reminded of our good fortune as Canadians able to live and practise the tenets of democracy and social justice, and how valuable and fragile these rights are. The Baltic States are subjected to harsh policies of Russification and cultural genocide.

In Canada the cultures of the Balts flourish and there is the constant hope that their artistic and linguistic heritage will not be lost. As proud Canadians, Estonians, Latvians and Lithuanians contribute their strength and perseverance—ever mindful of and ever vigilant—in the cause of freedom.

Canada does not recognize the forcible occupation of the Baltic States by the Soviet Union. Parliamentarians and diplomatic dignitaries joined with them to mark this special occasion. As Canadians from many backgrounds, we join with them in the continued effort to restore justice, freedom, and democracy in eastern Europe.

* * *

AGRICULTURE

IMPROVED CROP INSURANCE INITIATIVE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I applaud the recent agreement in principle to provide increased crop insurance coverage for farmers facing successive years of crop losses. Areas of Saskatchewan, Alberta, and British Columbia, where widespread losses occurred in 1984 and 1985, will be eligible. Under the new program, additional coverage equal to 10 per cent of average yield, to a total maximum of 80 per cent of average yield, will be tacked on to the 1986 crop insurance purchased by individual farmers. No additional premium will be charged for this enhanced protection. This all-risk benefit will be provided under the Crop Insurance Act, based on crop insurance principles. To be eligible a farmer must apply for insurance by April 30, 1986.

I commend the Minister of Agriculture (Mr. Wise) and his three western provincial counterparts on this initiative, and note as well their continuing commitment to bring a long-term comprehensive crop disaster program into place for 1987.

[*Translation*]

UNEMPLOYMENT INSURANCE

MODIFICATION OF BENEFITS—ALLEGED INJUSTICE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, increasingly, Canadians are wondering what kind of social justice inspired this Government to cut unemployment insurance benefits for 34,000 early retirees who, before January 5, had agreed to early retirement, and lost their jobs and were drawing unemployment insurance benefits. On January 5, the Government decided to cut them off, which meant a loss of $10,000 for these people. Why did the Government decide to penalize people who were getting pension benefits from their employer's pension plan after losing their jobs?

Members of the military, police forces and other groups of citizens who are obliged to take early retirement and who have paid their unemployment insurance premiums are no longer entitled to those benefits. Why? And what kind of social justice made the Minister of Finance (Mr. Wilson) decide that a person drawing $300 from his employer's pension plan will lose $200 in unemployment insurance benefits, while those who are better off and get $300 a week from a private plan, an RRSP, are entitled to their unemployment insurance benefits?

I urge all Conservative Members to insist that the Prime Minister correct this unfair situation.

* * *

[*English*]

COMPETITION TRIBUNAL ACT

NEW DEMOCRATIC PARTY'S POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Hon. Member for York-Scarborough (Mr. McCrossan) criticized the NDP, and myself, I suppose, for saying that we would not permit quick passage of the competition Bill. He should know that the independent operators in the oil industry appeared before the committee yesterday with amendments to the Bill. They said if they were not included, the Bill should not be passed. He should know that Professor Stanbury, one of the best experts in the field, has said there are important deficiencies in the Bill. Until those are dealt with we are certainly going to fight that Bill as hard as we can.

[*Translation*]

ENVIRONMENTAL AFFAIRS

POSSIBILITY OF $80 MILLION GRANT TO ELIMINATE POLLUTION OF ST. LAWRENCE RIVER

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, Wednesday the Minister of the Environment (Mr. McMillan) announced that Quebec could expect to receive the same assistance for cleaning up the St. Lawrence as Ontario did for cleaning up the Great Lakes.

Under the previous Liberal Government, Quebec was unfairly excluded from the Great Lakes Water Quality Agreement signed by Canada and the United States in 1978. This decision was made despite the fact that the waters of the Great Lakes flow into the St. Lawrence River.

Our government, a Conservative Government that is well represented in Quebec, will soon be taking steps to remedy this situation, and, Mr. Speaker, people are talking about a grant of nearly $80 million to clean up the St. Lawrence River. I think that is good news.

* * *

[*English*]

AGRICULTURE

MEETING OF GRAIN EXPORTING COUNTRIES URGED

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, this week several Members of the House of Common's Standing Committee on Agriculture were in Washington to meet with the newly-appointed Secretary of Agriculture, the Hon. Richard Lyng, Under-Secretary Amstutz, and several congressional leaders. Unfortunately our talks confirmed some of our worst fears. While there is widespread awareness of the impact of the U. S. Farm Bill on Canada and other exporting nations, the United States is clearly determined to meet the EEC exporting nations head-on in what has become the war of the subsidies.

• (1115)

While the future for Canadian agricultural exports is clearly threatened by this all-out trade war, there is a glimmer of hope, Mr. Speaker.

American officials are aware of and applaud the efforts of the Minister of State for the Canadian Wheat Board (Mr. Mayer) to convene a meeting of the exporting nations. American officials also agree that it is extremely important that the "talking process" continue at all levels, including the upcoming round of GATT negotiations. In the meantime we, as a nation, will have to do whatever we can to be of financial assistance to Canadian farmers who will be the unfortunate victims of this trade war.

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

TRANSFER PAYMENTS TO PROVINCES—QUEBEC—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. The Conservative Government promised that federal-provincial relations would be harmonious. As far as equalization payments to the provinces are concerned, the Minister of Finance has refused to extend the transitional guarantee formula established in 1982, and on top of that, he seems unwilling to meet a commitment he made last April with respect to Quebec. My question to the Minister the Finance is as follows: When does he intend to correct this injustice and pay Quebec the $66 million to which it is entitled for the 1985-86 financial year?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no commitment to the Province of Quebec, and the Hon. Member knows that. In the legislation that was presented a year ago it was made very clear that these were *ex gratia* payments.

We used two guidelines to provide us with some direction as to what the amounts should be, but those guidelines were only guidelines. They were never part of any commitment.

[*Translation*]

INQUIRY WHEN GOVERNMENT WILL KEEP PROMISE TO QUEBEC CONCERNING BILL C-39

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, unlike what the Minister of Finance has just said, in April 1985 the Minister and the Minister of State for Finance both promised that Quebec would not receive less than 95 per cent of the equalization payments it had received the previous year—this was a firm commitment—and I therefore want to ask the Minister of Finance when he intends to meet the commitment he and his colleague, the Minister of State for Finance made in the House during consideration of Bill C-39.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there was absolutely no commitment. That is very, very clear. The legislation itself says that there would be a basis for arriving at that, but there is no commitment at all. The 95 per cent is not a 95 per cent commitment. The commitment on the floor level is 85 per cent for the Province of Quebec. That legislation was not touched.

[*Translation*]

PROMISE MADE TO PROVINCES—QUEBEC—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, on April 18, 1985, the Minister of State for Finance said the following before the House:

> The highest protection, the 95 per cent floor, is given to those provinces which are not as strong fiscally as others and ensures their payments will decline by no more than 5 per cent from one year to the next.

Mr. Speaker, Quebec is losing $66 million in 1985-86, and again I want to ask the Minister of Finance when he intends to meet the commitment made in the House by the Minister of State for Finance, a commitment he himself mentioned in answer to a question from my colleague from Montreal—Sainte-Marie a few days ago.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is trying to stir up differences that are not there. We have made it very clear that the $110 million that we provided to the Province of Quebec was over and above what was required by law. It was a total voluntary payment on the part of this Government to assist the Province of Quebec in a difficult period. That $110 million was totally in excess of what was required by the law.

* * *

[*Translation*]

AGRICULTURE

REQUEST FROM QUEBEC POTATO PRODUCERS' FEDERATION—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Agriculture. Equalization is not the only area in which Quebec is treated unfairly. Agriculture is another example, now that potato producers are in a very tight financial situation and the federal Government is doing nothing to help them. I therefore want to ask the Minister whether he is prepared to immediately respond to a request from representatives for the Quebec Federation of Potato Producers who are asking him to intervene through the Farm Price Stabilization Board and pay farmers about $1.84 per hundredweight. Otherwise, hundreds of Quebec producers will be in dire financial straits. Could the Minister give the House the assurance he will take immediate action?

• (1120)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know better. If he refers to the record he will recognize that we have dealt fairly and squarely, and equitably, with the Province of Quebec in relation to any other province.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT DO MORE FOR QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister dares to tell us he acted fairly. Perhaps he could explain to the House why he got a letter—why all federal Members are getting letters from the Quebec Minister of Agriculture, Mr. Pagé, who starts by criticizing the lack of action on the part of the federal Government and the discriminatory nature of the measures taken by the Minister.

Why did the Minister pay nearly $10 million to provinces like Prince Edward Island and New Brunswick, which in itself is quite laudable, but do nothing for Quebec?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is interesting to note that when they were in office they did not pay their bills with the Province of Quebec. We paid those outstanding expenditures when we came to office. For instance, the bill for crop insurance alone amounted to $25 million or $30 million. Indeed, we paid that bill.

The Hon. Member does not know the difference between stabilization and diversion. We did not pay stabilization in Prince Edward Island or the Province of New Brunswick. Rather, we participated in a federal-provincial program of diversion. There is a difference.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF MEMBERS OF PARLIAMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday in the House, in response to my colleague from Ottawa Centre who asked about releasing or making available to Members of Parliament the impact studies on free trade, the Minister for International Trade said, as reported at page 12608 of *Hansard*:

> Representatives of all sectors of our economy, including the manufacturing, labour, and farming sectors, will be involved in the elaborate advisory system which we have set up.

Why is that not also afforded to Members of Parliament who represent the country as a whole in a variety of ways? Why will Members of the House of Commons not be invited to take part in a discussion of what is going on as well as participating in the monitoring, making judgments, and giving advice with regard to the free trade talks that are about to be undertaken?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for some time both sides of the House have expressed an interest in having a debate in the House of Commons with regard to the trade negotiations. Certainly the Government would welcome and encourage that kind of debate and, now that there has been an agreement reached by the U.S. Senate to authorize the President to negotiate, we would hope it might be possible for House Leaders to work out the details of that debate.

As far as other discussions are concerned, I think we would be quite prepared to make the maximum information available to Members of Parliament consistent with the necessary position that Canada would have to take at any bargaining table. No one in the House would want information here to prejudice the Canadian case that might be made in the privacy of negotiations.

REQUEST THAT IMPACT STUDIES BE MADE AVAILABLE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I interpret that to mean that the impact studies that have already been done and will be made available—if not in whole, at least in part—to the groups that were mentioned by the Minister for International Trade, will in fact be made available to Members of the House of Commons in advance of a debate taking place in the House so that the debate can focus on the role that both the Parliament of Canada and the Government will play in the determination of the free trade talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to take a very careful look at precisely what the Hon. Member is proposing, but I believe that we can agree to the request that he made.

PROVISION OF INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, since the House of Commons may well be given the information that is necessary, will the Government, in advance of any negotiations taking place, make sure that at least the same degree of information that has been made available to the provinces so far is made available to Members of the House of Commons? The President of the United States has guaranteed that that kind of information will be made available to Senators in the United States which means that they would, in fact, have far greater knowledge of what is going on in the talks than we would have.

• (1125)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, information which is being exchanged between the federal Government and the provincial Governments is not all one way. They are providing information to us and we are working very closely together in the preparation of a common information base. There might be some reluctance about some details of that information being made available publicly, but my view is that we should make available to Members of Parliament as much information as we can. I will take a very careful look at the details of the Hon. Member's request and we will try to honour it as fully as we can.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

MATANE PAPER MILL PROJECT—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I would like to ascertain whether another Minister on the other side is looking after the interests of Quebecers. Hon. Members would know that answers are not forthcoming with respect to equalization payments and potatoes.

Concerning the Matane paper mill project, about which the Minister of Regional Industrial Expansion made a commitment to his Quebec counterpart, I should like to know if a Minister might have an explanation for the fact that, in a prepared statement he read yesterday, the Parliamentary Secretary said: "Before making any decision about such projects, we would have to take into consideration the possible impact our assistance might have on the current trade negotiations with the Americans." Is there any connection between the delay in granting financial assistance to the Matane paper mill and the free trade negotiations with the Americans, as implied in the statement?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Member can see, the Minister of Regional Industrial Expansion is absent from the House today on Government business. I will take the Hon. Member's question as notice and ensure that it is brought to the Minister's attention immediately upon his return for his disposition.

[*Translation*]

REQUEST THAT GOVERNMENT RESPECT ITS PROMISES AND WORD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): A supplementary question, Mr. Speaker.

In the discussions and agreements between the Governments of Quebec and Canada there was no mention of taking into consideration the fact that the pulp and paper industry might object to the Matane paper mill grant.

Will the Deputy Prime Minister make sure that Quebecers and Conservative Members will live up to their promise to Matane residents and honour their commitment to the Quebec Minister?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I shall certainly make the representations of the hon. gentleman known to the Minister of Regional Industrial Expansion immediately upon his return.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this Friday morning conciliation from the Secretary of State for External Affairs is much appreciated.

Mr. Crosbie: Question.

Mr. Langdon: Given that Simon Reisman has refused to rule out bargaining with respect to the Auto Pact, and given the damage the Government's secret study on it has suggested supposedly could take place—

Some Hon. Members: Order.

Mr. Crosbie: Order.

Mr. Langdon: —will the Minister specifically authorize today the release of that study which has already reached the public, according to the *Toronto Star*, through leaks to the newspaper?

Mr. Hnatyshyn: What paper was that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, surely the Hon. Member would not expect me to trust the word of the *Toronto Star*. I believe in reciprocity. I will take a look at the possibility of acceding to the Hon. Member's request, and respond.

Mr. Crosbie: He has stars in his eyes.

Mr. Nystrom: Generous Joe.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): May I ask the Minister if he now recognizes that the lack of trust which a good many Canadians, not just the *Toronto Star*, have exhibited with respect—

Mr. Crosbie: Order.

Mr. Langdon: —to the Government's handling of the free trade issue has come directly out of the secretive closed basis upon which it has proceeded to take these policies forward? Why has the Minister not—

Mr. Crosbie: Order.

Some Hon. Members: Order.

Mr. Langdon: —brought the Canadian people more into this process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I certainly would not agree with the suggestion that the people of Canada suffer from the same disease as the editors of the *Toronto Star*.

• (1130)

UNEMPLOYMENT INSURANCE

CHANGE IN REGULATIONS—REQUEST FOR WITHDRAWAL

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday the Conservative Member for Annapolis Valley—Hants said what we in opposition have been saying for months, that is, the recent cuts in unemployment insurance are wrong, unfair, unjust, bad, and have to be changed. He said that if there were a vote in the Conservative caucus they would be changed. If the Minister will not listen to veterans and pensioners, will she at least listen to members of her own caucus and the Conservative women of Oromocto, and withdraw this cruel measure while the Forget Commission is sitting?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as you know, this issue has been raised on a number of occasions in the House of Commons. I have made responses at those times. The Government has made a response as well. The question was debated at length this morning in the Standing Committee. As for comments with regard to the caucus, I would say that what goes on in caucus is a matter for members of caucus.

Mr. Orlikow: It's what he said in public, not what he said in caucus.

Miss MacDonald: The Hon. Member must be somewhat concerned about caucus when he listens to the Hon. Member for York South—Weston.

CONSERVATIVE CAUCUS INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, is the Minister saying that this large Conservative caucus of 211 Members not only has no impact on bad legislation in the House of Commons but that it has no impact behind the closed doors of caucus? Is that what she is saying about this large caucus?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what I consider—

Mr. Deputy Speaker: I must rule the question out of order.

Some Hon. Members: Hear, hear!

* * *

CONSUMER AND CORPORATE AFFAIRS

PRICE OF GASOLINE—SHELL COMPANY'S PROFITS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who has the responsibility of trying to protect the consumers of Canada. The Executive Vice-President of Shell Canada confirmed Wednesday that his company is padding profit margins by 2 cents to 3 cents per litre of gasoline. Yet the Government is asking the oil companies to pass on the savings from reduced crude oil costs. How is this voluntary policy effective when the Shell Canada slogan "Shell helps" really means "Shell helps itself"?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): In my opinion, Mr. Speaker, our Government's energy policy has already paid handsome dividends, and consumers are now benefitting from lower market prices. Hopefully the situation will continue to be favourable to consumers, and I can assure my colleague that we will monitor developments very closely.

[*English*]

PETRO-CANADA—INCREASE IN TORONTO GASOLINE PRICE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if the Government is monitoring the situation can the Minister explain why the Government owned oil company, Petro-Canada, is now following the Shell pricing policy by raising its price today in Toronto to more than 40 cents per litre when it should be 38 cents per litre? Will the Government direct, or at least urge, Petro-Canada to pass on the full 12 cent per litre saving to the consumer?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am rather surprised to hear such comments, if only because last year the Hon. Member's Party urged the Government to adopt a hands-off policy and let the marketplace set prices; yet now that prices are falling they want us to set a floor price.

The only thing we have to be concerned about, Mr. Speaker, is that consumers should reap the full benefits of declining oil prices, and that is what the Government is monitoring on a regular basis.

* * *

RAILWAYS

POSSIBLE LAY-OFF OF CN WORKERS AT JONQUIÈRE, P.Q.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I have a question for the Hon. Minister of Transport.

Within the next few weeks, 15 CN workers in Jonquière could be laid off following the manpower rationalization announced by the CN. The loss of 15 jobs in remote areas is equivalent to a loss of 200 jobs in Montreal.

Can the Minister give me the assurance that the meeting which I have requested between officials from his Department, the CN authorities and representatives of the 15 employees in Jonquière who could lose their job will be held as soon as

possible and that the options proposed by the union will be examined seriously?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the Hon. Member for his representation. I know it is of concern to him. I can confirm that a meeting is being set up in early May, thanks to the Hon. Member's representations. This meeting will involve members of CN, members of the union, and members of my office, who will examine this situation to see whether, in fact, any alternative proposals might be advanced.

* * *

THE ADMINISTRATION

MINISTERIAL REGIONAL OFFICES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Supply and Services my question is directed to the President of the Treasury Board. Will the President of the Treasury Board explain why, on the one hand, the Government is turning its back on the pensioned workers of the country while, on the other hand, it has approved six ministerial offices across the country? According to our information the B.C. office space alone will cost somewhere in the neighbourhood of $87,000. Does he not think this is a little expensive for a regional powder-room?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as the Hon. Member opposite well knows, it has been a long-standing practice that Ministers have been entitled to an office outside the national capital region when business warrants. That was a practice of the former Government and it is a practice of this one. In the major centres we have consolidated some of these offices.

COST OF OFFICES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I know that the B.C. plans, for example, include office space for the Minister of Energy, Mines and Resouces, as well as offices for two other Ministers. Is the Minister not a little bit embarrassed about the fact that the interest on the Vancouver office alone, which we conservatively estimate will cost $250,000 a year, could permit the rental of a $100-a-night hotel room for 250 nights out of the 365 in the year? Does he really think he needs these regional powder-rooms for Ministers from which they can expand their own political bases and their political propaganda machines, in the same way they did with the B.C. Expo tickets?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am happy to report to the House that through this measure no additional office space will be required. Because of this measure expenditures for the total cost of ministerial offices outside the national capital region will actually decrease. This fits very well with our concern for better management of public funds.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

SALE OF AMERICAN WHEAT TO ALGERIA

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Agriculture. We were all shocked this week to hear that the Americans are planning to use their massive subsidies to undercut a traditional Canadian wheat market in Syria. I find that it has already done the same thing in Algeria. Is the Minister aware that in the last six months the Americans have signed 11 separate agreements for the sale of one million tons of wheat to Algeria? In one case it sold wheat at $103 per ton with a subsidy—if Hon. Members can believe this—of $54.38 per ton. Is the Minister aware of this? What does he plan to do about it?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I can tell the Hon. Member that, indeed, the Minister of Agriculture is aware of this. I would say that the question should more properly be addressed to the Minister of State for the Canadian Wheat Board.

Mr. Nystrom: He is not here.

Mr. Wise: Absolutely. He is on his way to Toronto to meet with the agriculture committee of the Canadian Bankers' Association concerning the interests of Canadian farmers. I discussed the matter with the Minister earlier this morning. Preliminary information is that that market is primarily interested in receiving Durum wheat from Canada. The program of the U.S. Government is not designated or oriented in that direction. The latest information is that we are maintaining our historic sales levels in that country.

UNITED STATES SUBSIDIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, since these massive subsidies have only started in the last few months does the Minister not agree that, according to the Wheat Board, they will undercut some of our traditional markets and they are a violation of the International Wheat Agreement? If he agrees, does he intend to lodge a complaint with the International Wheat Council in London?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we do not have to speculate on this. The results and the impact are already there. That is recognized. It has been recognized by the Government. In fact it has been recognized in the House in questions posed earlier this week and responded to by the Minister of Finance and the Prime Minister. The Minister of Finance indicated the very leading role that he took on behalf of our country at the OECD meeting. I am sure the Hon.

Member in the next short while will see leading roles taken in the interests of Canadian agriculture by the Minister of Finance, the Prime Minister, and other cabinet Ministers.

* * *

• (1140)

AIR SAFETY

ARCTIC AIRPORTS PROGRAM—REQUEST FOR REINSTATEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is for the Minister of Transport. In view of the Canadian Aviation Safety Board's finding that inadequate facilities are compromising air safety in northern Canada, will the Minister now reinstate the Arctic Airports Program cancelled by the previous Government?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to advise the Hon. Member that my official response to the Canadian Aviation Safety Board is being drafted and it will be submitted before the deadline of May 19.

With respect to the program to which the Hon. Member referred, it is something that is being discussed with my cabinet colleagues, but I should remind him that some $4.5 million has been spent on the Arctic Class "B" airports in the North since September, 1985. We will continue to use resources that are available to us to improve air safety in the North, as well as the infrastructure.

* * *

IMMIGRATION

REPORTED PROPOSAL TO REQUIRE VISA PERMITS FOR PORTUGUESE VISITORS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns today's media reports suggesting that the Government is considering slapping visa requirements on all visitors from Portugal. I said in the House on April 11 that that action would be unwarranted and unfair and asked the Minister to abandon the proposal. Is the Minister prepared to confirm that officials have recommended such action and, if so, is she prepared to assure the House that she will reject it and thus avoid needlessly penalizing the Canadian Portuguese community and a European friend and ally?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think it can be said without fear of contradiction that Canada has a well-known generous humanitarian attitude toward people coming to this country, whether as refugees or as immigrants. We want to ensure that that continues without fraudulent activity or abuse. In order to ensure that we have a proper and humanitarian refugee determination system, certain options are being considered. I can tell the Hon. Member that when these options have been finalized and the decisions are taken, they will be announced.

REFUGEE DETERMINATION POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister did not answer my question. I would like to pose the following question. Does she think it is fair to impose these sanctions on Portugal as a response to the refugee dilemma when she and the Government have failed miserably to bring in a refugee determination process that would address the 21,000 claimant backlog? Is she using Portugal and the Portuguese as a scapegoat for her own shortcomings?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this Government and this Party have no excuses to make. This Government stands second to none in its approach to refugees being accepted into this country.

Some Hon. Members: Hear, hear!

Miss MacDonald: We will continue that approach. As I told the Hon. Member, we are at the present time considering options which will ensure that our refugee determination policy is just, humane and fair. I also want to assure him that the Minister of State for Immigration will be addressing this issue shortly and at the same time addressing the issue of the backlog.

* * *

AGRICULTURE

SALE OF SUBSIDIZED AMERICAN WHEAT TO ALGERIA

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is supplementary to the question put by the Hon. Member for Yorkton—Melville to the Minister of Agriculture. The Hon. Member for Yorkton—Melville mentioned the export enhancement program the U.S. is using on the sale of 100 million tons of wheat to Algeria, which has been our market, at export subsidies up to $54-American per ton. Can the Minister tell us if the United States complied with the article of the International Wheat Agreement which provides that, when a country engages in concessional export transactions, it shall consult with the exporting members whose commercial sales might be affected by such transactions to the maximum possible extent? Did these consultations take place? Did the U.S. initiate these consultations with us? When were they, and what was the nature of them?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I will take notice of that question in the absence of the Minister of State for the Canadian Wheat Board. Again, though I was recalling from memory, I said that we were still maintaining

our historic grain sale volumes to Algeria. In 1984-85 the Canadian sale of Durum to Algeria was 473,000 metric tons. This year, 1985-86, to date we have sold 430,000 metric tons to Algeria. The answer is clear.

PRICE PAID FOR CANADIAN WHEAT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, can the Minister tell us what sort of concessions we had to make in price in order to meet the export subsidy of up to $54-American per ton?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it has been some time since I had the opportunity to report on behalf of the Canadian Wheat Board but I think I am recalling accurately that it is not the policy of the board to disclose price.

* * *

[*Translation*]

EXTERNAL AFFAIRS

USE OF FRENCH LANGUAGE ACCENTS ON PASSPORT DATA

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Secretary of State for External Affairs. According to an item which appeared in the Toronto *Express* this week, a departmental official has decided to eliminate all French accents from the names of French-speaking people in the new Canadian passports. My question is this: Is Canada truly a bilingual country or not?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada is truly a bilingual country. I am not yet a member of the French Academy, but I do not think that it is the practice to use accents for capital letters, which are those used in passports. However, I shall consider the representation made by the Hon. Member seriously and examine the whole matter.

* * *

[*English*]

REFUGEES

PORTUGUESE CLAIMANTS FOR REFUGEE STATUS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Employment and Immigration. Will the Minister confirm that the number of people awaiting refugee determination is now some 21,000, 1,500 of whom are Portuguese nationals?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I cannot confirm those numbers exactly. I will be glad to get the information from the Minister of State for Immigration and see that it is passed on to the Hon. Member.

SPEED OF APPLICATION PROCESSING

Miss Aideen Nicholson (Trinity): Mr. Speaker, if the figures are not exact, they are approximate. In view of that proportion, would the Minister agree that the first priority now has to be shortening the refugee process and that any special measures for Portuguese visa are really a long way down the line?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I totally agree with the Hon. Member that in the review of and revisions to the refugee determination policy, speed of processing must be one of the key criteria. We are looking at a refugee determination policy that will be more effective and more efficient but will retain its fairness and its humanitarian concepts.

* * *

LOBBYING

DISCLOSURE OF LOBBYISTS' ACTIVITIES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the—

Mr. Crosbie: Behave yourself today, John.

Mr. Rodriguez: Always do, brother.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: My question is directed to the Minister of Consumer and Corporate Affairs. Is it the intention of the Government that full disclosure with regard to lobbying should be made public and, if so, will he instruct his friend, Mr. Frank Moores, to disclose the information which we have been attempting to obtain from his corporation in committee?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, as the Hon. Member knows, we tabled a document back in December and we created a committee to have hearings on this matter. It is for the Chairman of the committee to call on the Members or any individual who would like to appear.

GOVERNMENT POLICY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we are unable to get information from the witnesses, the friends of the Conservative Party, in committee. Is the Minister going to allow firms such as the Moores company, the Bill Neville company, and other Tory companies that are in the business of arm twisting, to continue pulling down a veil of secrecy around their operations when they approach the Government and Members of Parliament?

• (1150)

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think the Government has already shown its intention by tabling a document and dealing with the issue of integrity.

An Hon. Member: You did nothing.

Mr. Côté (Langelier): We have already had much discussion on the subject and we hope the committee will bring forward recommendations to give us good legislation.

Mr. Rodriguez: Horsefeathers.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

ESTABLISHMENT OF FRENCH EDUCATIONAL TELEVISION NETWORK IN ONTARIO

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. On December 4, 1984, the federal Minister of Communications, accompanied by the Minister responsible for TV Ontario at the time, announced an agreement to create a French-language educational television network in Ontario. The federal-provincial agreement signed on June 18, 1985 and worth $30 million is a five-year agreement. The province is still waiting for the federal Government's financial contribution. Since June 18, the Minister of Communications has been silent, and it has been impossible to get to him. According to the provincial authorities, the federal Cabinet and the Minister are trying to get out of meeting their commitments. Why is the Government so reluctant? Why has it failed to keep its word?

Hon. Robert de Cotret (President of Treasury Board): Mr. Speaker, I shall be glad to take this question as notice and discuss the matter with the Minister responsible. I will make sure that my hon. friend gets the correct explanation for the delay, if any, in implementing the agreement.

INQUIRY WHEN FUNDING WILL BE MADE AVAILABLE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, according to the agreement, the federal Government owes $350,000 to the Province of Ontario now, and will owe $2,350,000 next year. Getting a French-language educational television network in Ontario is important. The agreement was signed. Are we going to know when the money is going to be paid or do we have to send a collection agency?

Hon. Robert de Cotret (President of Treasury Board): Mr. Speaker, I repeat, I am going to take these concerns as notice. I can inform the House that I agree this is an important matter, and I can assure my hon. colleague that he will get a reply, and that he need not go to the expense of hiring a collection agency at this time.

* * *

[*English*]

SHIPBUILDING

MORATORIUM REQUESTED ON IMPORTATION OF VESSELS CONSTRUCTED ABROAD

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have a question for the Secretary of State for External Affairs. The Minister is undoubtedly aware that most of the work being done in Canadian shipyards is Government work for the Coast Guard and the Navy and that commercial work is almost ended, leaving yards like the ones in Collingwood and Thunder Bay likely soon to be without work. Will the Minister give us his assurance that the Government will impose a moratorium on any imported vessels that may be required in the next year or two by Canadian shipping interests?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is aware that my colleague, the Minister of Regional Industrial Expansion, is currently seized with the issue of the shipbuilding industry and is examining policy options to provide some stability and some security for the shipbuilding industry. I will certainly take the Hon. Member's representation and refer it to the Minister. I think that it would be fair to say a policy will be forthcoming in the very near future.

REQUEST THAT GOVERNMENT ANNOUNCE POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister of Regional Industrial Expansion has been seized with this question for a long, long time. I have heard that sort of promise time after time, as have people in the industry, and the workers continue to wait. When will the Government state a policy and end the agonizing state for the owners and workers in these yards across the country?

Hon. Don Mazankowski (Minister of Transport): Yes, it is a situation that has been with us for quite some time, Mr. Speaker. It is a very serious situation, but instead of the Hon. Member simply pointing the finger at my hon. colleague, who is attempting to resolve the issue, if the Hon. Member could sit down with the Minister and provide some of his advice and wisdom, perhaps we might take that into consideration.

This issue has been going on for years and the Government is taking action.—

Mr. Althouse: What is it?

Mr. Mazankowski: In the meantime, contracts have been awarded recently that are going to serve the long-term interests of the shipbuilding industry. The rationalization

process that will take place I am sure will be such that it will provide a long-term future for the shipbuilding industry.

* * *

DEPARTMENT OF EXTERNAL AFFAIRS

ATTITUDE OF FOREIGN VISA OFFICERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. This Government's strong initiative to open our doors to immigrants to help make this country grow and prosper was warmly welcomed by Canadians of ethnocultural backgrounds. How does the Minister plan to change the sometimes arrogant attitude of foreign visa officers who, for many years, have continued to block people from simply visiting Canada through a negative "screen and restrict mentality"?

Mr. Ouellet: That is a good question.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I must say that I am a little surprised by that question because Members of this House representing opinion on both sides have come to me in very recent days to express their appreciation of the attitude that has been shown by Canadian officers serving abroad. Nonetheless, if there are particular instances where a Member of Parliament has evidence that the kind of high standard of service that is traditionally associated with the Department of External Affairs is not being delivered, I would like to receive that specific information, and I will follow the matter.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MODIFICATION OF BENEFITS—CONSEQUENCES FOR PENSIONERS AND EARLY RETIREES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a question for the Minister of Employment and Immigration.

Concerning pensioners and early retirees, can the Minister tell us why her Government passed regulations which undermine the vested rights of workers, when we know full well that Canadians want to do everything to improve the economic situation of women, who happen to be a significant contingent among pensioners and early retirees? Why such unfair regulations?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, perhaps the Hon. Member would explain what rules she is referring to.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT CORRECT SITUATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am talking about the new unemployment insurance regulations governing pensioners and early retirees, and I am referring to a letter the Minister received from the Hon. Member for the constituency of Champlain.

I would like to know why the Minister does not want to correct this injustice, and do so now that most pensioners have not received their cheque since last January.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, on a number of occasions this issue has been raised in the House of Commons by Members.

An Hon. Member: And there has never been any answer.

Miss MacDonald: I think this is the first time the Hon. Member has addressed the issue.

Mr. Deans: So?

Ms. Copps: Are you a teacher?

Miss MacDonald: I may say to the House that this announcement was made in November, 1984.

Ms. Copps: Thank you very much.

Miss MacDonald: It was given a year's lead time for implementation before it came into effect on January 1, 1986.

Mr. Crosbie: Wake up, Lucie.

Miss MacDonald: It is an issue which has been raised on a number of occasions, and as I have said on many of those occasions the over-all assessment of the Unemployment Insurance Program—

Ms. Copps: Order.

Miss MacDonald: —and its ineffectiveness and inefficiencies, and the complaints that have been raised about it, are now under review by the Forget Commission, and its recommendations will be forthcoming in a short period of time.

* * *

OCCUPATIONAL HEALTH AND SAFETY

ESTABLISHMENT OF ADVISORY COMMITTEE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Justice. The Government of Canada has proclaimed the Canada Labour Code changes which provide that "there shall be a council called the Advisory Committee on Occupational Safety and Health". Since the legislation requires the Government to establish this council, can the

Minister explain whether the Government is living up to the law when the Minister of Labour says he will not do so?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this particular issue has never come to me before. I am sure the Minister of Labour is complying fully with the law in every way the law requires. I would say he is one of the best Ministers of Labour, certainly since 1979 when we had the present Lieutenant Governor of Ontario as the Minister of Labour—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Minister is an outstanding Minister of Labour and complies with the law in every respect. If he doesn't, I will certainly see that he does.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

CHALLENGE '86

EXPENDITURES IN WINNIPEG NORTH CENTRE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Employment. Is she aware of what is going on with regard to spending under Challenge '86? In Winnipeg North Centre I have information that indicates the Government is spending one half of the amount of money this year, namely, $600,000, as compared to last year when the Government spent $1.2 million. Is the Minister aware of that and, if she is, how can she be satisfied with such a dismal performance?

• (1200)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am indeed aware of what is going on with Challenge '86 and the results which are pouring in from across the country. As I mentioned the other day, some 58,000 applications have resulted from the Challenge '86 program. That means that, in addition to the money allocated to it by the federal Government, there is now an indication that the private sector would be willing to contribute an extra $150 million if all of those projects are approved. Therefore, Mr. Speaker, the program is working well in Manitoba as well as elsewhere in the country.

Mr. Keeper: Mr. Speaker, I have a supplementary question.

Mr. Deputy Speaker: The Hon. Member for Papineau.

TERRORISM

REPORTED PRESENCE OF TERRORISTS IN CANADA

Hon. André Ouellet (Papineau): Mr. Speaker, my question is for the Deputy Prime Minister and is with regard to the alarming revelation that 14 international terrorists from the Baader Meinhof gang are apparently hiding in Canada. What is the Government doing with regard to these terrorists? Is the Government not ready to apprehend them and bring them to justice, or to kick them out of Canada?

Mr. Crosbie: They're hiding in your caucus.

Mr. Boudria: Erik would know about that.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): In the first place, Mr. Speaker, the reports to which the hon. gentleman refers have yet to be confirmed. In the second place, this would be the last place that I think he would want that sort of matter to be discussed.

Mr. Ouellet: What are you doing?

Mr. Keeper: I have a supplementary question, Mr. Speaker.

Some Hon. Members: Oh, sit down!

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Pursuant to Standing Order 106(8), Mr. Speaker, I have the honour to table in both official languages the Government's response to the nine following petitions: Nos. 331-400 to 331-406 inclusive, and 331-411 to 331-416.

* * *

[*English*]

SUPREME COURT ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice) moved for leave to introduce Bill C-105, An Act to amend the Supreme Court Act and to amend various other acts in consequence thereof.

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Questions on the Order Paper

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 541 and 542.

[*Text*]

SUPPLEMENTARY RETIREMENT BENEFITS ACCOUNT

Question No. 541—**Mr. McKinnon:**

1. With respect to the 1984-85 Supplementary Retirement Benefits Account how much was paid (*a*) into it by members of the Canadian Armed Forces (*b*) into it by public servants (*c*) into it by the Government (*d*) into it as interest (*e*) out of it to retired members of the Armed Forces or their beneficiaries?

2. What was the balance in the account at year end?

Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):

Supplementary Retirement Benefits Account 1984-1985
(in millions of dollars)

	PSSA	CFSA	RCMPSA	Other	Total
Balance March 31, 1984	1,440.2	399.2	100.9	7.1	1,947.4
Receipts					
Employee contributions	93.3	22.5	6.1	0.7	122.6
Employer contributions	93.7	22.5	6.1	0.6	122.9
Interest	192.8	53.2	13.4	0.8	260.2
Transfers	0.1				0.1
	379.9	98.2	25.6	2.1	505.8
Disbursements					
Annuities*	19.7	4.4	0.3		24.4
Gratuities, Residuals	0.4				0.4
Withdrawals	7.9	2.0	0.3	0.2	10.4
Transfers	0.5	0.1			0.6
	28.5	6.5	0.6	0.2	35.8
Balance March 31, 1985	1,791.6	490.9	125.9	9.0	2,417.4
CRF Charges*	421.4	236.0	18.2	7.9	683.5

*Benefits paid in respect of a former contributor are charged to the Account only until their accumulated total equals the aggregate of all amounts credited to that Account in respect of that person. Supplementary benefits paid in excess of that aggregate are then charged to the Consolidated Revenue Fund (CRF).

SUPERANNUATION ACCOUNTS

Question No. 542—**Mr. McKinnon:**

With respect to the 1984-85 Superannuation Accounts for the (*a*) Canadian Forces (*b*) Public Service how much was paid (i) into it by members (ii) into it by the Government (iii) into it as interest (iv) out of it to retired personnel or their beneficiaries (v) what was the balance in the account at year end?

Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):

(a) Canadian Forces Superannuation Account: 1984-1985

(i)	Member contributions	$ 119,846,665
(ii)	Government contributions	$ 212,109,856
(iii)	Interest*	$ 1,125,115,220
(iv)	Annuities	$ 362,822,818
(v)	Account balance March 31, 1985	$13,351,721,682

(b) Public Service Superannuation Account: 1984-1985

(i)	Member Contributions	$ 516,903,178
(ii)	Employer Contributions:	
	Government	$ 372,905,203
	Crown Corporations	$ 121,979,063
	Total	$ 494,884,266
(iii)	Interest*	$ 1,615,140,017
(iv)	Annuities	$ 637,363,120
(v)	Closing Balance March 31, 1985	$19,919,638,902

*The accounts earn interest quarterly at a rate determined as if the excess of receipts over disbursements each quarter since the accounts were established had been invested in Government of Canada 20-year bonds. In effect, the quarterly rate is based on the weighted average yield of all investments over the previous 20-year period.

Some interest earnings in excess of the rate used in the most recent actuarial reports on the accounts (6.5 per cent per annum) have not been credited to the accounts, but rather have been used to offset the cost of amortizing actuarial deficiencies that arise mainly as a result of annual salary increases. These amounts are as follows for 1984-85:

Canadian Forces Superannuation Account	—$202 million
Public Service Superannuation Account	—$356 million

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Thursday, April 24, 1986, consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a legislative committee, and the amendment of Ms. Copps (p. 833).

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I rise to support the amendment moved by my colleague, the Member for Hamilton East (Ms.

Copps), to have this piece of legislation delayed for 30 days in order to give the unions involved a respite in order to try to come to some reasonable agreement with the Government.

The Bill we have before us now is clearly unreasonable. It is not good legislation. It is unfair and discriminatory. It takes from employees of Parliament Hill rights and privileges which they should have which other workers across the country enjoy.

The main argument was set out in a letter of October, 1985, from Jacques Audette, the President of PSAC Local 70390 here on Parliament Hill in which he said the following:

> Over one year ago, the Canada Labour Relations Board ruled that parliamentary employees come under the jurisdiction of the Canada Labour Code. This legislation provides the tools with which to deal with the problems we face as workers on the Hill. In forming a union, our intention was to join together and elect representatives who, in negotiating with management, could find solutions to these problems.
>
> The issues of greatest concern were, and continue to be, classification, job descriptions, competitions, promotions, transfers and fear of lay-off or dismissal. These have always been totally up to the discretion of management and there have been serious abuses such as the recent problems with the pension plan, forced overtime hours, and the payment of overtime on a bi-annual basis. Many of us are improperly classified and often do not have any job descriptions. Many of us have applied for promotions and transfers only to have the rules governing competitions changed arbitrarily.
>
> Technological change is occurring on the Hill as elsewhere and even employees with many years experience fear that they will be laid off.
>
> Rather than allay these fears, management has fueled them with major reorganizations and cut-backs in several areas.

Bill C-45 is opposed by both the PSAC and NABET. Their concerns centre on the point that Bill C-45 enshrines in law an employee-employer relationship which does not meet with the employees' approval. The employees want to be governed by the Canada Labour Code, as has been ruled by the Canada Labour Relations Board. I understand that the courts have ruled against that, but courts are appealable. Today we are asking for time so that a fair and equitable agreement can be reached with these employees. They are clearly against this legislation and want to be governed by the Canada Labour Code and to negotiate as do all employees elsewhere in Canada. They see Bill C-45 as a step backward.

The main clauses to which they object are Clause 5(3) and Clause 55(2). These two clauses prohibit unions from referring to arbitration the important matters of job classification, appointment, appraisal, promotion, demotion, transfer, and lay-off or release of employees. These are legitimate concerns and areas for discussion, bargaining, and arbitration which should be available to employees of Parliament Hill as they are available to other employees within the Public Service across Canada, to employees of Crown corporations, and to many other workers across the country. That is the main concern of the employees. We on this side of the House support them and that is why this particular amendment has been put forward.

It is not as though there are not adequately documented areas of abuse. There are many and various examples. Some time ago a senior position became vacant in a technical service. Several employees inquired about a competition, but none was held. The husband of a manager in another department of the same service was brought in to fill the position on a temporary basis. Several months later a competition was announced. The then experienced husband was hired permanently. The appeal of employees in the service was denied.

There are other examples of abuse and discrimination which have been adequately documented which need redress. Strong legislation is necessary to prevent them from happening again. For example, there was an older female employee with close to 20 years seniority who injured her back and was off on long-term disability for a couple of months. On returning to work she was assigned duties which include heavy lifting and carrying, although her old position still exists. She was told she should apply for early retirement if she was not pleased. Her internal grievance was denied.

• (1210)

Employees of the Library of Parliament were denied maternity benefits for a full year after such benefits were finally extended to House of Commons' employees. The library administration states that an administrative error was made.

I could go on and on documenting instances of abuse, discrimination and inequity in dealing with employees of Parliament. In the cafeteria service all job classifications have been revoked. All employees have been informed that they can be assigned any duties, although many of them held specialized positions for a number of years. For example, two butchers were assigned to drive food delivery trucks. A pastry chef was assigned to washing and cutting vegetables.

The level of frustration and employee harassment in this service is very high. Those of us who have been here for some time are aware that nowhere do we get the kind of faithful, competent, loyal and efficient service that we get here on the Hill. It is incumbent upon us to stand behind these workers. All they are really asking for, indeed all this amendment asks for, is time to come to an equitable agreement.

The President of the Treasury Board (Mr. de Cotret) has stated previously that he is willing to give parliamentary employees the same rights enjoyed by federal public servants. Clearly, though, Bill C-45 does not do that. I refer again to the clauses which prohibit the referral to arbitration of important matters such as job classification, appointment, appraisal, promotion, demotion, transfer, lay-off and release of employees. How can the Minister say he is willing to give these employees the same rights enjoyed by federal public servants and at the same time bring in a Bill which prohibits them from dealing with these very important issues? It seems to me the Minister is not prepared to go so far as to give them equal rights with other workers. The Government could agree to at least a 30-day delay so that some work can be done to arrive at a reasonable compromise. That is the only way to do it, and it is incumbent upon the Government to do it.

What is involved here is not simply a matter of the rights of employees of Parliament, important as that may be. The issue

is what sort of accommodation are we going to come to with labour in this country in the future. Everyone in this country feels threatened at present. There is opportunity ahead. We are presently coming to grips with such things as trade, economic development, restructuring, retooling and refinancing of industry. However, we can only come to a reasonable accommodation if we have some sort of pact with labour from now on. That has to happen. I believe the Government should lead the way in making agreements with its own employees.

In my own Province of Newfoundland we are still going through a very disruptive strike with provincial government employees. Those employees brought the province to a virtual standstill because of inequities in their contract with the provincial Government. Some workers were not making the same rate of pay as others in equal positions. The other issue was the ability of the Government to designate those employees who would not be allowed to strike. The support of the people of that province was, by and large, behind the union. The Government had to make important concessions and negotiations are still going on.

I raise that to illustrate the need for Governments, provincial and federal, to show the way to an accommodation with the working people of this country. If that does not happen, I do not believe we can have a sound economy or build a sound economic base. We can do all we like about financing. We can get our economic house in order. Yet if we are not prepared to come to a reasonable agreement with the workers of this country, then I do not believe Canada can look forward to a healthy economy in the future.

In this present instance there is an opportunity for the Government to show the way by agreeing to this very reasonable amendment put forward by the Hon. Member for Hamilton East. In that way, some accommodation can be arrived at. The workers on the Hill have asked us to do this. They do not want this legislation to go forward. They want some time to either appeal the judgment or deal with Treasury Board to try and come up with a fair and equitable working agreement.

This has been a long battle for them. On November 4, 1985, the Canada Labour Relations Board certified four bargaining units of employees of the House of Commons and the Library of Parliament. Since that time an additional bargaining unit has been certified. Over 1,000 House of Commons and Library of Parliament employees are certified and have entered into negotiations with their employer. Indeed, a conciliator was appointed. Now the courts have made a decision and that process is in jeopardy. That is exactly why we need the time. The House of Commons, the Senate and the Library of Parliament have fought the recognition of collective bargaining rights every step of the way. They have used every means of delay, including court action. Now we have Bill C-45. It is regressive legislation, and the alternative is simply to allow those workers to bargain in a just and fair manner with Treasury Board to try and come up with some fair and just conclusions. Because of the efforts those workers have put into this, and because of the wider issue concerning coming to accommodation with labour all across this country, I hope this House will accede to the amendment of my colleague from Hamilton East and agree to the 30-day period in which some reasonable and just accommodation can be worked out.

Mr. Deputy Speaker: Questions or comments.

Ms. Copps: Mr. Speaker, I would like to ask a question of the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey).

• (1220)

The Hon. Member has had a unique experience in the Province of Newfoundland regarding the labour dispute that is going on there at the moment. The court has just come down with a decision on the application of the Canada Labour Code as it relates to the certification of employees on the Hill. Does the Hon. Member think that in the interests of making a decision and undertaking some negotiations in good faith it might not be best simply to delay the whole process approximately 30 days, which would give us a chance to see what the impact of the court judgment is, whether it is going to be appealed or whether the Government is going to modify its position? We have seen what the hardening of positions has done, for example, in Newfoundland in certain circumstances. It seems to me a delay at this time would be effective in potentially diffusing any problems that might result if the legislation we put forth does not take into consideration all of the elements of the court judgment as well as the potential for appeal.

Mr. Rompkey: I think the key phrase is the "hardening of positions"; that is exactly what happened in the province. As a matter of fact the situation in Newfoundland threatened to become very, very ugly, indeed. I think we were on the brink of not only a disruptive strike but a very serious situation in our province. Public opinion was on the side of the workers. The two sides were very strongly entrenched, and the situation only began to be resolved when the head of the Newfoundland Association of Public Employees and the Premier happened, as a matter of chance, to be on a radio open line program, and through their statements on that program they were able to bring the two sides together.

That strike is still not settled, and that threat is still there. At least there is time and they are at the table and talking. What threatened to become a very ugly situation has been diffused, and that is exactly what is being asked for here. We are asking for time so that people can sit down together and attempt to come to a compromise, a framework for working out the rights we all enjoy across this country. All of us enjoy certain rights and privileges. All workers across Canada, those in the Public Service, those in Crown corporations have certain privileges, and what this amendment asks for is simply time to work out a framework whereby those employees can start to enjoy the same kind of benefits that most of us do, and most of us want for the workers all across this country.

I do not think that that is such an unreasonable request. It is not as if we were asking for a monstrous pay increase. It is not as if we were asking for all sorts of outrageous concessions. What we are asking for is time, which does not cost anybody anything; all it costs is some goodwill. If we do not have that goodwill with our own employees how are we ever going to send a message to the workers of Canada that we are going to have it with any of them across this country. That is the important issue. There is a wider issue than simply the rights of the employees on the Hill, as important as they are. There are messages going out every day from Governments to workers across this country, and I think the message that this Parliament should send is that we want to give time so that people can sit down at the table and work out a reasonable arrangement.

Mr. Rodriguez: Mr. Speaker, I heard the Hon. Member's colleague from Papineau yesterday make a fine speech about the rights of workers on the Hill to have collective bargaining. I heard a fine speech from the Hon. Member today. Both of these Members have been in the previous Government Cabinet. From 1968 they had some 16-odd years to express this great concern which they now express in Opposition about being sensitive to the rights and the needs of our employees on the Hill. Mr. Lloyd Francis revealed that conditions on the Hill, according to him, were replete with nepotism and sexual harassment. The question I want to ask this Hon. Member is what is on his mind, is it because he is now in the Opposition or is it really a conversion on the way to Damascus that suddenly made him realize what he could not do in the Government he is now trying to get from the Opposition benches?

Mr. Rompkey: Mr. Speaker, I simply want to say to my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez) that I do not think he serves the union well by repeating history. The enemy is over there. The NDP wants to take unto itself the mantle of self-righteousness in which it girds itself historically over the years to show that only they care and those of us who accept responsibility in Government are somehow less righteous, less caring, less sensitive to the needs of workers across this country. That is the historical position of the NDP. The people we are talking about today are going to dismiss that as trite and irrelevant. If the Hon. Member wanted to be helpful to the people that he purports to support he would stop debating history, he would stop fighting the Opposition, and he would start attacking the people who are actually dealing with this legislation. That is my answer to him.

• (1230)

Ms. Copps: Mr. Speaker, I would like to ask another question of the Member for Grand Falls—White Bay—Labrador. This week there were revelations about one of his colleagues, the Member for St. John's West (Mr. Crosbie) and his allegations against his own Government that it was unfair and unjust and, in fact, discriminatory in its hiring policies with respect to regional wage rates across Canada. He stated this in a letter to a constituent. These regional wage rates do not reflect equality across Canada. We see great difficulties in areas like Newfoundland where wage rates have been negotiated with the existence of collective bargaining. How much worse must it be for people currently working on the Hill in the House of Commons who do not even have the instrument or the tool of collective bargaining with which to redress these types of injustices? If the Government's own Minister of Justice has stated that it is unjust and discriminatory to impose the kind of wage rates that his Government has imposed upon the people of Newfoundland, woe betide those on the Hill who have no rights to collective bargaining and are at the mercy of the Government and the mercy of the Ministers with respect to wage rates. I would like to ask him about that. I would also like to ask him whether he feels the Government's refusal to accept the hoist amendment, which just calls for a 30-day delay, is indicative of their willingness or their desire to press forward with legislation which does not give the employees the protection they should be getting. Does the Hon. Member feel that it indicates a belief on the part of the Government that they want to get the most spineless and least effective legislation through as quickly as possible so they will not be put in a position where they have to give employee rights? This was clearly demonstrated by the fact that the Government of Canada took the Canadian Labour Relations Board to court on their own decision. The CLRB ruled in favour of the workers. The Government could have allowed that decision to stand, but they chose to appeal it and will probably continue to appeal it to the highest courts of the land. It does not seem to me that this is a Government interested in the rights of the workers on the Hill. It seems to me that it is a Government interested in introducing the weakest possible piece of legislation so they can continue to run things in the kind of atmosphere of nepotism and fear which the Member for Nickel Belt (Mr. Rodriguez) cited in his previous question.

Mr. Rompkey: I am glad my colleague has brought up that issue, as I think it is apropos. The Hon. Member for St. John's West (Mr. Crosbie) is a very straightforward man, which sometimes gets one in trouble when one is a politician. However, he says what he thinks and what he believes. He is right when he says that there is discrimination in pay rates. He is only saying what the people who elected him want him to say in the House. People in certain areas of the country make less than people in other areas of the country, which is clearly discrimination in terms of wage rates. That situation must be addressed. The Hon. Member for St. John's West supports that view and I agree with him. He is right to support it because he is pointing to an inequity and saying what should be changed. At least the people he is talking about have the right to negotiate because they are in a union that has some bargaining rights and can raise that particular issue. We are asking that employees on the Hill be given those same rights.

Mr. Deputy Speaker: The period for questions and comments is over. Resuming debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Bill before us today has a long history. The background to this Bill should persuade Members of the House to reject it and request the Government to consult fully with the employees on the Hill to work out a more satisfactory agreement between the Government and those who serve us on Parliament Hill. After all, it is here in Ottawa, in our relations with the staff who serve us in the House of Commons, that we should have model legislation that reflects a clear-cut, open agreement so that the employees do not feel they have been tricked, treated unfairly or left out of the consultation process.

I believe it is a sad day when the Government introduces a Bill which a majority of the employees of this Parliament have clearly rejected. It indicates that the Government has not fulfilled its commitment to make consultation honest and meaningful to people. I have seen the Government's failure to consult in many areas, since its 211 members came to power. I saw it in the case of the Minister of Finance (Mr. Wilson) when the effort to consult with business, labour and other groups did not lead to some kind of new initiative or agreement that was a step forward for the Government, but to a sense of betrayal on the part of those who felt that they had entered into the consultation process honestly. Ultimately, they felt they had not been listened to honestly. They found that consultation did not mean having a real input. They did not necessarily want to directly or comprehensively shape policy, but at least have some influence on policy.

The Government, in the middle of its mandate, faces questions about what it will do in the future. Its inability to meet the expectations of Canadians throughout the country with respect to consultation and the real meaning of consultation will be its greatest failure and will cost it dearly. This Bill demonstrates that failure. The employees who serve Members of Parliament and the Senate have jobs in which they serve the country. These jobs are often interesting but very demanding and often force them to work long hours under difficult conditions. The relations between us, as employers and those people who work here should be a model of decent, civilized employer-employee relations.

Workers on the Hill have been engaged in a long-term effort to organize themselves collectively. This led to a majority of Hill employees being able to go before the Canada Labour Relations Board in 1983 with a request to become regular unionized employees under the Canada Labour Code itself. Personally, I believe that the right to collective bargaining is fundamental in this country. As the employers of these Parliament Hill employees, we should have celebrated the fact that these workers sought to exercise that right. We should respond by trying to work out an agreement under the Canada Labour Code.

The Government saw it otherwise. It decided that this represented some kind of threat to established practices. Perhaps it was a threat to a system of internal patronage that had ruled for many years. Perhaps it was a threat to the ongoing work of Parliament during a time when the country needed it to function. Therefore, instead of accepting that request for certification, the Government introduced Bill C-45 which attempts to provide a supposed form of bargaining rights for employees. In practice, however, it creates a situation so restricted and distorted that these workers will not really have the basic rights to which any employee in the country should be entitled.

• (1240)

Let me give some examples of the kinds of rights which any employee should have and which employees under this Bill will not have. First, they should have the right to negotiate with respect to classification of positions and assignment of duties. In Windsor, where I come from, to even think that a contract negotiation could somehow have validity without the workers being able to discuss classification of positions and assignment of duties is laughable. There is not a union member in all of my community who would see this as a valid piece of labour legislation if that basic right is left out. The same is true with respect to negotiation over staffing. If it is not possible for workers to at least negotiate potential arrangements which have to do with job appointments, appraisals, promotions, demotions and transfers, and if they cannot even negotiate about provisions for lay-offs, what kind of legislation is that? It is a lot closer to sham than it is to real bargaining legislation.

Perhaps most crucial, as I look at this Bill, is that there is not even provision for workers to put into their negotiation process the question of grievance procedures. They cannot even negotiate over what the grievance procedures are to be. Of all the basic rights which any worker should expect, regardless of whether they are in the private or public sector, their right to negotiate over grievance procedures is crucial.

No one is arguing that workers themselves should unilaterally have the right to set what those grievance procedures should be, but what this Bill does in effect is give the employer the right to unilaterally set down those grievance procedures. We cannot expect workers to accept that as somehow logical, fair and equitable. We are talking about a new House of Commons, about a context in which it is possible for us as Members of Parliament to change items in Bills in such a way that they are not matters of confidence. I very much hope when this Bill is looked at item by item that that particular obnoxious clause in the Bill will be one all of us on all sides of the House will agree has to be changed.

The kinds of very basic rights which any worker must be able to negotiate are with respect to classification of positions, staffing and, above all, with respect to the grievance procedures which are going to exist. We on all sides of the House must surely come to an agreement to change those clauses in this Bill so that our employees on the Hill will know that this is a serious piece of legislation in which they can have some faith. At this stage it is quite clear they do not have faith in this legislation.

I would like to quote from the President of the PSAC local on Parliament Hill. Jacques Audette stated quite clearly, and I quote:

> The issues of greatest concern were, and continue to be, classification, job descriptions, competitions, promotions, transfers and fear of lay-off or dismissal. These have always been totally up to the discretion of management and there have been serious abuses such as the recent problems with the pension plan, forced overtime hours and the payment of overtime on a bi-annual basis. Many of us are improperly classified and often do not have any job descriptions. Many of us have applied for promotions and transfers only to have the rules governing competitions change arbitrarily.

There has to be a wholesale housecleaning of staff relations here on Parliament Hill. It has to start with agreement between the employers and employees with respect to the legislation which will dominate their lives. To demonstrate I will cite some of the cases before us which cry out for this kind of agreed legislation to exist instead of this imposed legislation represented by Bill C-45.

There is the case of an older female employee with close to 20 years seniority who injured her back. She was off on long-term disability for a couple of months. Upon returning she was assigned duties which include heavy lifting and carrying although her old position still exists. She is told she should apply for early retirement if she is not pleased. Her internal grievance is denied. That is not the way we should treat older workers in our service.

There is the case of employees in a technical service here on the Hill who are required to attend training courses on their days off and on weekends, without pay. When these employees protested they were told it was mandatory and they had no choice. That is something they must be able to bargain about. We have to set up legislation which permits that, which does not rule it out of court.

I will relate the last case of many which I could present. In the cafeteria service an employee cut his hand on the job. He was told to visit the nurse. The nurse told him it was not safe to work and that he should go home. However, the manager informed the employee that he should go back to work or face discipline.

• (1250)

We cannot live in the feudal ages in the Houses of Parliament which are supposed to lead the country. We must have legislation which escapes the Dark Ages. Bill C-45 does not do that. It does not give workers the rights they deserve. For that reason the House must either massively, and in detail, amend the legislation, or we must reject it when it comes to a final vote. At second reading stage, since the choice of amendment is not availabe to us, we say it has to be rejected in order to take us out of the feudal age. This must be done to give fairness to employees in this, the key institution in our country, which should be a model employer instead of one which reeks of the Dark Ages still.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Hamilton East (Ms. Copps).

Mr. Murphy: Ask a decent question.

Ms. Copps: Mr. Speaker, I have been asked to ask a decent question. I want to tell the Hon. Member for Churchill (Mr. Murphy) that I hope I always ask decent questions. This is a decent question. Given that we have been debating the 30-day hoist amendment and the main motion for a couple of days now since the court judgment was handed down, does the Hon. Member not find it passing strange that we have not heard from any Government Members with respect to their position on this issue?

Mrs. Mailly: That is not true.

Ms. Copps: The Hon. Member for Gatineau (Mrs. Mailly) says that is not true. She obviously did not listen to my question. I asked why members of the Government have remained strangely silent with respect to my amendment for a 30-day hoist. This amendment simply asks for 30 days in which to look at the results of the court judgment. Since the court judgment was rendered, not one single Conservative in the House has opened his or her mouth. That is true. I find it somewhat strange.

By way of question to the Hon. Member for Essex—Windsor (Mr. Langdon), perhaps we could smoke out some of the silent members of the Government who have sat on the sidelines and who are prepared to allow the Government to take the employees to court as a result of the Canada Labour Relations Board decision. The Government is not prepared to waive the right to go to court. It took the employees to court and now that the decision has been rendered against the employees not one member of the Government has opened his or her mouth.

Mr. Oostrom: And they should not.

Ms. Copps: The Hon. Member says that they should not. What are we here for if they should not?

Mr. Oostrom: You do not comment on something which is before the courts.

Ms. Copps: The Hon. Member obviously does not understand the principle of *sub judice* which applies to criminal and civil proceedings of which this is neither. First, the court judgment has already been rendered. Second, all we are asking for is a 30-day delay so that we can have a chance to consider the court decision as it relates to Government employees. The Hon. Member for Gatineau—in fact, all members of the Government who represent the Ottawa area—have sat on their hands and have said absolutely nothing with respect to this matter. Does the Hon. Member for Essex—Windsor feel that that is the normal course of events for Conservative backbenchers to follow?

Mrs. Mailly: This Bill will do more for employees than all your rhetoric.

Mr. Langdon: Mr. Speaker, I thank the Hon. Member for Hamilton East (Ms. Copps) for this chance to comment on how passing strange many things are in the House of Commons. I must say it has been a passing strange week in the House of Commons.

Mrs. Mailly: We got some work done for a change! We passed Bill C-62.

Mr. Langdon: The notion that we might actually smoke out some Conservatives to speak on this matter is one which I find delightful.

Mr. Thacker: There's no smoking in this place.

Mr. Langdon: With all due respect to my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald), the idea of smoking out Conservative Members to speak on an issue as important as this is a serious matter.

Mr. Gauthier: You can flush them out.

Mr. Langdon: If they are not prepared to be smoked out then perhaps, as my colleague suggests, they can be flushed out.

Mr. Gauthier: Just pull the chain!

Mr. Langdon: Flushing them out is likely to lead to commentary which will at least be as interesting as that usually heard from Conservative back-benchers.

To be absolutely serious, we are talking about an important principle. I put it to every Conservative back-bencher who is here that we should not impose on our employees—and they are our employees—a piece of legislation with which they so fundamentally disagree.

Mrs. Mailly: That's not what they tell me.

Mr. Langdon: If we do that then we will create for ourselves, for the House and, therefore, for the country, tremendous problems in the future. We do not have to do that. We can accept the motion with respect to a 30-day hoist. We can send the Bill back for consideration to see what discussions can take place with respect to it, just as they should have taken place, on an equitable basis, between the Government and the employees who have expressed their desire to become unionized. We could see brought back to this House a piece of legislation which represents agreement instead of disagreement. I put it to Conservative back-benchers, many of whom have been involved in business dealings, that the basis upon which one must act with one's employees, certainly the basis I learned in any organizations which I helped run, has to be one of agreement. I agree with the Hon. Member for Hamilton East. Let us try to smoke out Conservative back-benchers. Let us try to get this Bill hoisted and ultimately changed so that it meets the needs of our employees.

Mr. Lewis: Mr. Speaker, in view of the Hon. Member's responsibilities to his constituents and his oath as a Member of Parliament, is he prepared to cross a picket line in order to come to Parliament?

Mr. Gauthier: That's my question.

Mr. Langdon: The question which has been asked is a very serious one.

Some Hon. Members: Oh, oh!

Mr. Langdon: I will answer it. Let us recognize that the right to strike is not—

Mr. Andre: Who's being flushed out now?

Mr. Langdon: —at the heart of the Opposition which has expressed it.

Some Hon. Members: Oh, oh!

Mr. Langdon: My answer to the question is quite clear.

Mr. Andre: Who do you think you are, Brian Orser?

Mr. Langdon: As Simon Reisman said the other day: "Who's Brian Orser?"

Ms. Copps: Who's Brian Muldoon?

Mr. Langdon: They still have not discovered who he is.

The question I have been asked is would I be prepared to work if Parliament were faced with a strike. We have faced the question in the past when the translators went on strike. Our caucus answered by agreeing to sit in the Chamber but refusing to work in committees. I expect the same thing would take place with respect to any strike which might occur. But to trivialize this crucial issue of agreement in this way is to make a serious mistake, as the Government so often makes.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock today.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. Bob Kaplan (York Centre): Mr. Speaker, before I turn to the substance of the motion, I wish to reflect on something of which all Members are aware. Yesterday, a very important decision came from the courts on the subject of the legality of the unionization of parliamentary employees. Although, as I understand it, it came from the court of first instance, the decision was that unionization is not lawful under the Canada Labour Code.

We are actually debating a motion for a 30-day hoist of this Bill. I would ask Hon. Members opposite to take account of the decision that was made yesterday. It does change a great

many of the considerations that have animated the debate on this motion and have been reflected in the many briefs and petitions we have received, as well as many of the discussions we have had on Parliament Hill about where the public servants who work here stand so far as the Canada Labour Code is concerned.

I would have expected that some Government Members might have risen today to respond to the situation and to give us the Government's position in light of the important decision that was reached yesterday. So far, as I understand it, no Government Members have spoken since the—

Mrs. Mailly: To support Ms. Copps?

Mr. Kaplan: The Hon. Member oppposite says that she does not want to support the Hon. Member for Hamilton East (Ms. Copps), but I would urge her to put her own personal antipathy to my colleague to one side and to face the issues. There is more at stake here than whether or not the Hon. Member for Gatineau (Mrs. Mailly) gets along with the Hon. Member for Hamilton East. As much as all of us would want the two of them to get along, I think it is more important that we deal with the issues raised by this legislation and by yesterday's decision.

At times, we have moved reasoned amendments at second-reading stage for six-month hoists or three-month hoists. Under the rules of the House, that is one of the ways the Opposition may show its protest about the legislative menu that the Government has put before us. In this case, the motion moved by my colleague is for a simple 30-day hoist. I would have thought that, with yesterday's decision, it would not be unreasonable to delay the Bill for 30 days. Indeed, the Government itself should initiate some type of respite so that we may take a look at the legislation, and so that the parties who work on Parliament Hill and are bargaining for their rights will be able to take account of the change represented by yesterday's decision.

I do not even know if there is to be an appeal of that decision. If it is appealed, I would have no hesitation in expressing my own hope that the appeal succeeds. I would very much welcome a situation in which the staff on Parliament Hill have the same kinds of collective bargaining rights as other public servants, for reasons to which I will turn in a moment.

Having entered this place in 1968, I can recall the early developments in collective bargaining rights for public servants. The British tradition which we inherited has always put the Crown and anything associated with the Crown in a very special position. The Crown could not be prosecuted and employees of the Crown did not have the right to strike, nor did they have many of the rights that employees of ordinary citizens in society had. There has been a movement, which I suppose is at least 70 or 80 years old, toward narrowing the prerogatives of the Crown, trying to address them by legislation, and also trying to remove the privileges of the Crown.

• (1410)

I had some involvement with the development of a responsible Crown as a party in lawsuits. When I was a law student it was a convention that the Crown could not be prosecuted. Then there developed a situation where the Crown could be prosecuted, but the Crown's permission was required to issue a writ in Her Majesty's Court and, in fact, against Her Majesty. The same or similar constraints applied in the rights of public servants who faced the Crown in the way ordinary citizens did, although they were employees of the Crown.

I think we live in a day and age where a lot of arguments should be required to justify giving emanations of the Crown or giving the Crown itself any special privileges at all in the law. The presumption should be the other way. The presumption should be that the Crown, when it is operating a business or running an institution, even an essential institution such as the Parliament of Canada, should be seen in no more privileged position than circumstances require. I am glad to see that the tradition which gives an automatic and special privileged position to the Crown is being eroded. I think even with the very conservative nature of some members of the Government Party opposite, they are seeing the wisdom of that.

One needs only to examine the case of an ordinary citizen crossing the street—this is one of the teaching cases I remember from my days in law school—being hit by a truck owned by the Eaton's company compared to a citizen crossing the street being hit by a truck from the Post Office. You can ask why it should make any difference whether the victim is a victim of a commercial operation or a victim of the Post Office. Just to ask the question in the modern environment illustrates that there should be no difference, and that, as far as the victim is concerned, the victim is just as entitled to compensation if the postal official driving is at fault as he or she is if the individual driving the Eaton's truck is at fault. It is hard to believe, when you are talking to people who are not familiar with the legal history, for how many centuries a special privilege has existed in that area.

The Crown has taken, and in the present Government the Crown still takes the same attitude toward employees who work on Parliament Hill. There is no doubt that the tradition entitles the Crown to view the employees on the Hill as having less rights than employees of the private sector. That is the point of the decision reached in the court case and released yesterday, that for traditional reasons based on historical precedent people who work on the Hill, even if they are doing exactly the same types of jobs as people who work off the Hill in the private sector, are not entitled to the same legal rights as are enjoyed by the private sector.

Let us ask the question I asked in connection with the truck driver and the traffic accident situation. What is the justification for any difference at all? I am not denying that there is some justification for a difference, and I hope I will have time to deal with that, but I want to make the point that in modern times that is the way to approach the question. The right way to do it is to say that a person who works on Parliament Hill,

prima facie, or from the outset, should have at least the same rights as people who work elsewhere in society. We should challenge those who want to deprive people on the Hill of equal rights. We should challenge them to give their reasons. What possible public interest is served by a member of the staff of this place, a member of the staff of a Member of Parliament or someone who works in the cafeteria, not having the same bargaining privileges and the same fundamental employment rights as Canadians who work in cafeterias away from here, as Canadians who work in other institutions or work for other executives or individuals than Members of Parliament? Yet when we look at Bill C-45, which has been brought forward by the Government, it tends in an unanalytical way to assert that those who work in this place should not be given the kinds of rights that other Canadians enjoy.

I want to refer to a precedent brought to my attention. One of the most fundamental rights in the private workforce is the right to strike. Even so far as the right to strike is concerned, in the Parliaments of the United Kingdom and Australia employees have the full right to strike the same as the rest of the people in society. You can imagine all kinds of horrible scenarios in which one would want Parliament to be able to function in circumstances when a strike might be wanted by some or even a large number of the employees here. But such hypothetical circumstances have not occurred and have not materialized either in the United Kingdom or in Australia. In those two countries, where I am told the right to strike is available to public servants, there has been no difficulty resulting or impeding the proper functioning of society.

Surely it is possible to devise a set of rules, and there are precedents even within the area of the Public Service itself, for essential jobs on Parliament Hill, the job for example, of calling us together. I see people sitting at the Table who I know would be quite sympathetic if they had no right to strike because of the very essential nature of the work that they do compared, let us say, to employees who work in the cafeteria or employees who work in Members' offices. But no effort has been made to approach the problem from that point of view, to try to find the mininum restriction to put on the free market rights, the free employment rights of the people covered by this legislation. The approach has been totally the other way.

While I think it is possible to draw a list, and the list would be a very short one, of employees within this place who ought not to have the right to strike, which would enable the right to strike to be broadly available to everyone else, and while one hopes that strikes would not result, that arbitration would be resorted to as it is in most cases where there is a breakdown in negotiations within the Public Service, there is no need to provide for compulsory arbitration or to eliminate the right to strike. In fact, reflecting on it, even compulsory arbitration would be better than the system which I understand applies under Bill C-45, where very little effort is made to approach the question in an open way to try to make employment on Parliament Hill as normal as general employment in the Public Service or as general employment in the Canadian market-place.

I can remember the period in the 1960s when it was generally held that public servants should not have the right to strike at all. That was the situation in which the Pearson Government, I believe it was, introduced the first legislation recognizing and permitting a right to strike and a right to collective bargaining within the Public Service. I do not think anyone would want to look back and see that right removed, because there will be hundreds of thousands of people affected by it if one looks at just the machinery of Government. But looking at the larger Canadian national scene, looking at Crown corporations, one adds immediately hundreds of thousands more people who would be excluded completely from having the normal rights enjoyed by Canadians generally in the workplace and which one has a good argument for constraining in their case.

• (1420)

Earlier in the debate the issue was raised of the decision of the court yesterday which held that the Canadian Labour Code did not apply to the public servants covered by this Bill. The argument was made that that case should not be referred to because of the *sub judice* rule. The *sub judice* rule is getting a new life in this Parliament. Ministers opposite do not have to answer questions if they do not want. They can give any answer they like, if they choose to give any answer at all, to questions asked. As an excuse for unsatisfactory and incomplete answers they are saying that a matter is *sub judice*.

The other day the rule of *sub judice* was invoked in a case before any charges had been laid. The Minister of Justice (Mr. Crosbie) invoked the rule in a matter in which there was no litigation under way. Members on this side of the House, and hopefully even some on the other side of the House, will take a very strong opposing position on attempts to use that rule too broadly.

Two very important conflicting interests are at issue when the *sub judice* rule is invoked. On the one hand, we want courts to be able to proceed without undue influence from debate in the Parliament of Canada characterizing witnesses or commenting on the guilt or innocence of the accused, the situation of the victim, or the dastardly nature of the alleged crime. That is a very important consideration. The right to a trial in which the evidence is presented before the presiding authority without pressure and influence from outside is a very important consideration.

On the other hand stands the importance of debate in this place. It is important that the Government be fully accountable to the Canadian people for Government activities and matters for which Ministers are responsible. It is totally unsatisfactory for Ministers to invoke the *sub judice* rule in order to avoid their responsibilities for answering questions about ongoing police investigations or other areas such as this in which the Government is responsible for bringing forward

and defending legislation dealing with the unionization of an important category of public servants.

I do not want to reflect upon the Chair, Mr. Speaker, but I hope that the Chair will take the unprecedented initiative of calling it to the attention of a Minister when the *sub judice* rule is wrongly invoked. Regardless of how many excuses the Government seeks for not giving forthcoming and complete answers, at least it will not be able to find refuge in abuse of the *sub judice* rule.

I hope the Government will delay pressing ahead with this legislation until the full implications of yesterday's court decision are known. I hope also that it will allow the amendments which will bring employment in this place into line with employment elsewhere in the Public Service and the entire country.

Mr. Boudria: Mr. Speaker, I would like to congratulate the Hon. Member for York Centre (Mr. Kaplan) for his excellent speech in the House this afternoon. I am sure all Hon. Members on both sides now more clearly understand the application of the *sub judice* rule and how it has been too frequently invoked and abused by the Tories.

I believe it was the Member for Willowdale (Mr. Oostrom) who said earlier that we should not be discussing this issue because of the *sub judice* rule. He said something to the effect of this precluding members of the Government from speaking on this issue. This begs a very interesting question. Could my hon. colleague, who is learned in the law, inform us whether the *sub judice* rule applies differently to Government Members than to Opposition Members? I, frankly, would doubt that very much.

If the *sub judice* rule applies at all, which most of us question very seriously, why on earth are we discussing the Bill at this time? In order to avoid all doubt, why do we not withdraw the item from the Order Paper and wait until the court process is complete before putting it back on the Order Paper. I think that would be very wise in order to allay any fears of breaking the rule of *sub judice*. Would my learned colleague share with us his thoughts on the suggestion I have just made?

Mr. Kaplan: Mr. Speaker, I would like to thank my friend for the kind words he said about me, and also for the interesting question which he asked. I have difficulty thinking of any civil litigation to which the *sub judice* rule should apply. It may apply under combines legislation where the plaintiff is a private party who represents a Department of the Government, but that is not normal private civil litigation. However, the *sub judice* rule should certainly not be dragged into every civil case, and that is what we are talking about here. It is a simple civil case which involves no criminal jurisdiction at all.

With regard to whether *sub judice* applies to Government Members any differently than it does to Opposition Members, as I understand it, the rule applies to all equally and to whatever any Member might otherwise feel free to say in this place. In a sense it is a voluntary constraint because, to my knowledge, the Speaker has never risen to prevent a Member from violating the *sub judice* rule. If a Member chooses to do so, he takes the responsibility. The result might be that a case will be dismissed.

I recall a very recent situation in Quebec where a criminal case was proceeding and a witness was called for the Crown. Premier Lévesque of Quebec did not think much of that witness and attacked the credibility of the witness from the legislature. The case was dismissed. It will never be satisfactorily determined whether the accused was guilty or innocent. That case demonstrates the importance of the *sub judice* rule being respected, and also the absence of any recourse against a Member who chooses to violate the rule.

It is a different situation to plead the rule. With regard to this the responsibilities of Members are the same, but a Member who is asked a question or is called upon to comment on a matter and chooses not to do so because of the *sub judice* rule should think very carefully before invoking it. I invite the Chair, in future cases, to contribute to the deliberations of an individual about whether he should invoke this rule.

• (1430)

While I would not want to tell my friend that any one Member here has a greater responsibility to respect the rule than any other, I would hope that the Minister of Justice and Attorney General of Canada, above all, would make his use of the rule a model for all Members of Parliament. It should not be used unless it is precisely justified by the question he is asked and the circumstances he wants to address in giving his answer.

Ms. Copps: Mr. Speaker, I too would like to ask a question of the Hon. Member. Government Members seem to be invoking these rather bizarre and inapplicable rules in order to remain silent. This is particularly true of those Government Members who represent areas in the Ottawa-Hull region. Does he feel those members on the Government side are shirking their responsibility to their constituents? At the moment all we are discussing is simply an amendment which would bring about a 30-day delay while the implications of the court judgment can be reviewed and discussed with respect to what new decisions the Government is prepared to take to possibly change this legislation. We do not know whether this particular decision is going to be appealed. If it is, there will no doubt be a lengthy process before the resolution of the appeal. I wonder if the Hon. Member has any comment as to why Government Members have been strangely silent, have in fact abdicated their responsibility to their constituents on this issue?

Mr. Kaplan: I am as surprised about that as my colleague indicated she is in the way she phrased her question. After all, when one looks at the distribution of public servants in this country, a lot of them are represented here by Conservative Members. They are close to the Government and should be

conveying the concerns of their constituents who happen to be public servants. I do not want to suggest that a Member representing a strongly public servant riding should think only of their side. There no doubt are issues on which one has to decide whether to support something the public servants want or look at the other side and the way the country in general feels about it. However, that has nothing to do with the responsibility to be aware of what is happening and be prepared to come forward and express your constituent's point of view.

Each of us is called on to represent a diverse riding. As issues arise which affect one group more particularly than others, that group is definitely entitled to look to their Member of Parliament. Therefore, I am not going to comment on their absence from the House. It is Friday afternoon and that is not something to be commented on. However, it is important to note that they have done nothing at all to give us that extra time. The amendment calls for a month, but it could be just as easily six weeks. Whatever it is, some period of time is needed in which to get the reasons for judgment, review them, decide whether there is going to be an appeal, and permit the groups concerned to reformulate the briefs they have submitted to us in light of this important decision yesterday.

Mr. Deputy Speaker: Resuming debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I support the amendment calling for a 30-day hoist of Bill C-45. This Bill is an attempt to place the employees on Parliament Hill under the ageis of collective bargaining. The workers on Parliament Hill serve Members of Parliament. They work in the restaurants and cafeterias. They bring us back and forth in those little green buses. They answer to our beck and call and take messages between offices. We send them to get our laundry, take our suits to be pressed and our shoes to be shined. I want to tell you that the Members of Parliament are a pampered lot. They are served and ministered to around here in a sort of master/slave relationship.

Mr. Kempling: Oh, that's sick.

Mr. Rodriguez: We have touched a very sensitive nerve over on the Government side. I would hope they would be so touched that they would get up and participate in this debate, because I want to hear the Government rationale for this garbage called Bill C-45. It is supposed to protect workers and allow them to bargain collectively on the Hill.

One of the things we hear a lot about in Parliament is its historical privilege. You cannot do anything to infringe on the privileges of a Member of Parliament. Creeping into Bill C-45 is the suggestion that somehow or other the privileges of Parliament must be continued. We must not allow the workers on the Hill to not take our shoes to be shined. We must have the bus go directly from the Confederation Building to the Centre Block without stopping at the West Block if there is an underling on the bus. Do you know that if a Member of Parliament is on the bus coming from the Confederation Building to the Centre Block and there is a lowly messenger on the bus who has to get off at the West Block, that driver is going to bring the Hon. Member of Parliament all the way to Centre Block without stopping at the West Block. That is because he says the Members have privilege! Privilege! The Government wants to ensconce in Bill C-45 a master/slave relationship.

Do the workers on Parliament Hill deserve collective bargaining rights? The answer is an unequivocal yes, they deserve it. They do not deserve it in half measures. They do not deserve it with this built-in protection for what is called, in parliamentary language, privilege. One of the things the Government is concerned about is that these people will go on strike. I know a lot of the Conservatives come from the ivory towers of the corporate world and they have a certain bias against collective bargaining in the first place. They say we cannot have these workers going on strike. If they go on strike, somehow or other that interferes with the so-called sacred privilege which Members of Parliament enjoy when they do the work of the nation. Some out there might argue that if a Parliament did not sit and closed down for a couple of weeks maybe the taxpayers would save a pile of money!

• (1440)

It is funny that this whole question of privilege that Members of Parliament are supposed to have comes from the mother of Parliaments at Westminster. We always go back, as some sort of touchstone, and say, "This is the way it was at Westminster, the mother of Parliaments. That is where our system comes from." At Westminster the employees in the Parliament are unionized; they have full collective bargaining rights with the right to strike. What has the Government done here?

You think I was kidding when I talked about the master-slave relationship. Well, there are such relationships. Mr. Lloyd Francis pointed out in his interviews, which are on tape in the Library of Parliament, some of the things that took place on the Hill. He was the Speaker of this Chamber and he pointed out that there was sexual harassment. Unless a woman was prepared to take her clothes off she could not get a job or she could not get a promotion. He pointed out clearly that nepotism was rampant on the Hill. This place has been like an enclave disconnected from the realities of what is happening in the private sector and the public sector off the Hill. Are the workers on this Hill not entitled to the same sort of collective rights as the workers at Inco or Ford Motor Company, or workers anywhere else in this country? Are they not entitled to bargain collectively to protect their rights on the job? The answer is yes.

We know, for example, there is an abuse on the Hill because there is no protection of a collective agreement. I had workers from the restaurant in the Cafeteria of the Parliament coming to me last summer because they were working overtime and they were not getting paid for the overtime they worked in the subsequent pay, but were getting it six months later. If they

had expenses to put out such as child care, travel costs, they had to put all that out to come back here to work overtime. They did not get their overtime pay in the subsequent pay-check and they had to wait six months to get the overtime. If it were a tradesman on the Hill he got his overtime pay in the next check.

I had to write a letter to the head of the administration over in Vatican II across the road, they call it South Block. I had to write to the head honcho and say, "Look, why do these people have to wait six months to get what is theirs, what they have worked for?" Suddenly after a week they got their overtime pay. There is no reason at all for that.

There are other examples. Employees of the Library of Parliament were denied maternity benefits for a full year after such benefits were finally extended to House of Commons employees. The Library administration said it was an administrative error. We had the case of Library employees who worked side by side in the same office, doing the same job, with the same responsibilities, yet classified differently and at significantly different salary levels. Indexers in the Library of Parliament earn an average of $6,000 a year less than people doing the same job for the House of Commons.

In the Cafeteria service an employee cut his hand on the job and was told to visit the nurse. The nurse told him it was not safe to work and he should go home. The manager told the employee he either got his butt back on the job or he would face discipline. There is no system, there is no method. You cannot impose it from the top, the worker has to sit across from the employer and they have to negotiate.

When you look at Bill C-45 you ask yourself where are the shortcomings? Why is the New Democratic Party opposed to Bill C-45? Because, in fact, Bill C-45 is almost the son of the PSSRA, the Public Service Staff Relations Act. We know from experience that the PSSRA caused enough problems with the workers in the Post Office. That is why they fought so hard and so long to be taken out from under the PSSRA and put under the Canada Labour Code. We were all part of that fight, because the Public Service Staff Relations Act limits what things can be negotiated. For example, under the PSSRA you cannot negotiate technological change, and under the Canada Labour Code you can. There is the whole question of staffing, grievances, the right to strike, and the question of classification; there are limitations in the Public Service Staff Relations Act that are not in the best interests of workers.

This Government has chosen to introduce Bill C-45 with all of its shortcomings and it is asking this Parliament to accept them. It is asking this Party, which is a labour party, to accept Bill C-45 as adequate. As a matter of fact the workers themselves do not want Bill C-45. There are far too many limitations in Bill C-45. Any collective bargaining act must have important factors such as classification. They ought to be able to negotiate job descriptions, the assignments of pay levels, and the evaluation of duties. Presently, as I have pointed out, job descriptions are changed arbitrarily by the powers that be over at Vatican II. All that does is result in frustration, poor morale and ultimately second class service to the honchos in the House of Commons.

Bill C-45 excludes classification from negotiations so the employees on the Hill would not be able to negotiate job classification, that area where some of the greatest injustices take place on the Hill at the present time. Under the PSSRA you cannot negotiate job classification. The Bill does not allow the employees to negotiate staffing. Unfair job appointments, promotions, demotions, transfers, etc., cannot be grieved to third party arbitration. There is no conciliation process in Bill C-45 on these matters.

We have a history of nepotism on the Hill. There was a time when, if an M. P. had a third cousin from a sixth uncle, fifth removed, he could get a job on the Hill. There are some people on the Hill who somehow or other ended up working in the Cafeteria of the House of Commons because they knew a friend of a friend who knew an M. P.

An Hon. Member: No.

Mr. Rodriguez: Yes, yes, absolutely. It has been known to happen. "You have to have connections" as it said in *Death of a Salesman.* This Bill does not—

Mr. Boudria: Say that outside the House.

Mr. Rodriguez: Why is the Hon. Member so sensitive? Did I mention a name?

Mr. Deputy Speaker: On a point of order.

[*Translation*]

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I am listening with great interest to the Hon. Member, but with reference to his comments on that restaurant employee who could have become a Member of Parliament, I do not think he has to give his name in order for us to know very well who that person is. I would hope the Hon. Member who is well known for his oratory would stick to the legislation. We are listening carefully, but I do not see why he should attack one of our colleagues. We know very well who is involved and I find that really unfair, as we say in English!

• (1450)

[*English*]

Mr. Deputy Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor on debate.

Mr. Rodriguez: Mr. Speaker, I do not know where all this sensitivity comes from. I pointed out that nepotism on the Hill has been historical. The fact that this Bill does not allow one to negotiate staffing means that we can very well end up continuing the same process. I did not name any names, but if there

are insensitivities in this chamber, so be it. I say, if the hat fits, wear it.

Let me deal with grievances. Any collective bargaining must permit the employees to negotiate grievances. Bill C-45 does not allow workplace problems to be addressed by union grievances. For example, health and safety problems in the print shop and cafeteria, or air quality environmental problems in the Wellington building cannot be subject to a union grievance. Technological change cannot be grieved under Bill C-45. All of these remain management rights, but do not just touch the rights of management, they affect the workers. Technology on the Hill has moved ahead rapidly. Yet, Bill C-45 does not allow workers to grieve technological change. Can you imagine that occupational health and safety infractions cannot be grieved.

What is the purpose of Bill C-45 if there is no right to strike? The workers retain the right to remove their services if an impasse comes. I do not believe that the employees on the Hill are any different from others in the workforce. They do not go out on strike every year. Statistics show that 93.7 per cent of all contracts in this country up for negotiation are settled without a strike. We cannot take seriously any suggestion that in 1986 the whole operation of Parliament would grind to a halt and somehow our ancient privileges would be breached if the workers on Parliament Hill go on strike. Bill C-45 would give limited bargaining rights to workers on the Hill, because it does not cover all the employees on the Hill. The workers in the cafeteria, the restaurant, and the Library, and the bus drivers and messengers are covered by Bill C-45. However, the employees who work for MPs, Senators and the Speaker are not covered by Bill C-45. The fact is that we are eliminating about 1,200 employees from any coverage whatsoever.

We in the New Democratic Party entered into an agreement with our employees. We have a parliamentary association of support staff which is called PASS. We negotiate within the limitations of what the House allows and we have put in place a grievance procedure. We have established a technological change clause. We have tried to implement with our employees an agreement about all of those items under our direct control and which we can negotiate. I believe we have given an example of a process that other political parties in this chamber ought to consider with their staffs as an interim measure, but interim measure only.

Any collective bargaining process must have certification. It must allow the employees to have a process to apply for certification. Bill C-45 states that applications for certification must be made to the Public Service Staff Relations Board. If normal Public Service Staff Relations Board procedures were followed, existing cards would be void, due to being untimely. All these cards that the workers have signed in their application to the Canadian Labour Relations Board and subsequently through their appeal board would be wiped out. They would be starting from scratch. It seems to me that this whole process in Bill C-45 is a thinly veiled attempt at union busting. That is what it is.

In conclusion, this Parliament of Canada ought to be an example of how we treat employees. It should be a shining example and a beacon to the private sector throughout the land, that this is how the Members of Parliament deal with their staff, the people who serve them and help them perform their duties to the best of their ability. Anything less is a dereliction of duty.

Mr. Boudria: Mr. Speaker, I want to take a few moments to make some comments on the speech made by the Hon. Member for Nickel Belt (Mr. Rodriguez). I listened to him very attentively because I do have considerable interest in the fate of the employees of the House of Commons. As the House knows, I am the only former employee of this institution to have been fortunate enough to be elected to represent a constituency. During his remarks, the Hon. Member alluded to a certain Member who had been previously on staff. Of course, there is only one, as you know very well. I will come back to that in a moment.

The Member stated that he believed that a number of Canadians would think we would perhaps be better off sometimes if this Parliament was shut down for a period of time. I really take offence to that remark, because I think it is the greatest honour and privilege of all of us, to serve our constituents in the House of Commons. To suggest that the role is worth anything less than that does no service, not only for the employees of this House we are defending, or pretending to defend, when speaking on this Bill, but it does no service for the constituents we represent here in Parliament.

Let me deal with the Hon. Member's remarks concerning past harrassment of employees, nepotism and so on. There are employees in the House who have been working on Parliament Hill for many years. Yes, the practices that were in place perhaps did not have all the redeeming qualities they might have had, and it is quite true that perhaps all the formal structures to ensure that there never was favouritism were not there. However, to claim that throughout the years the employees who have been working here for all these years are somewhat less than qualified does no service to them.

Mr. Rodriguez: Put your question.

Mr. Keeper: Let us hear the question.

Mr. Boudria: My final comment concerns the remark that was made in regard to myself and how I got my job on Parliament Hill. I am not ashamed of my humble beginnings. I started here on October 25, 1966, as a bus boy for the parliamentary restaurant making $44 a week in salary. When I walked to Parliament Hill to ask the manager of the parliamentary restaurant for a job on that day—

[*Translation*]

Mr. Desrosiers: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers), on a point of order.

Mr. Desrosiers: Mr. Speaker, I think we are here to discuss Bill C-45. Some sort of trial is being staged in this House. In my view, he does not have to defend himself on account of what the Hon. Member for Nickel Belt (Mr. Rodriguez) said earlier. No one in particular was attacked, no name was mentioned. So he is bringing him up for trial, and I for one am asking to return to the matter of Bill C-45, Mr. Speaker.

[*English*]

Mr. Boudria: Of course, I will continue my comments in this period for questions or comments regarding the Hon. Member's speech. I am almost finished, and I am sure the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) will take all the time he requires.

I want to repeat to the Hon. Member that I am not ashamed of those humble beginnings. It is a feature which I think assists me in representing my constituents in the House of Commons. It is a feature not often found in silk stocking socialists and one perhaps which would be required by the Hon. Member for Nickel Belt (Mr. Rodriguez).

• (1500)

Mr. Rodriguez: Mr. Speaker, I do not want to start comparing my humble beginnings with the Hon. Member's humble beginnings. I do not want to get into a spitting match. First, I alluded to people who may have come into the House of Commons. I did not name anyone.

Mr. Boudria: There is only one.

Mr. Rodriguez: I do not know what particular Members of Parliament have paraded through this House of Commons over the last 15, 20 or 25 years. Furthermore, I do not back away from my comment about possibly closing the House. There was a whole lot of bell ringings which closed down the House of Commons for two weeks, three weeks or whatever. Members of Parliament did not concern themselves about the importance of Parliament then. The Liberals in this session have tried to pattern themselves after the Tories when during the last Parliament they closed the place down. I did not hear any great concern about the importance of this place making laws. The Hon. Member knows this is a political arena and I wish he would stop this nonsense.

Mrs. Mailly: Maybe to you it is.

Mr. Rodriguez: Second, the Hon. Member is the last one to cast aspersions on me. Every single day he casts aspersions on government Members in the House. He throws mud all the time across the Chamber. Now some of it gets stuck on him and he does not like it. I am sorry. I have been noted to call a spade a spade and I will repeat that people got their positions working on this Hill because of whom they knew, not because of what they knew. There were no competitions on the Hill. I do not back away from that.

I am saying that the Hon. Member had ample opportunity, if he knew all of those things were wrong, to convince the Liberal administration, of which he was a member, and he could have perhaps forced the Liberal Government to bring in some legislation to give protection to workers on the Hill. At least the Conservative Party had enough courage to bring Bill C-45 forward. At least that is something, as bad as it is. It shows a lot more courage than the Liberals showed when they were the Government for 16 years.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) for a question or comment.

Mr. Desrosiers: Mr. Speaker, I heard the Hon. Member for Nickel Belt (Mr. Rodriguez) refer to the cafeteria service earlier in his remarks. I would like to know whether under Bill C-45 this Government could not have done something else concerning the cafeteria service. We know this is a major problem. Nobody is happy. Given this Bill, would the Hon. Member allow the Government to decide for instance to privatize everything in the way of restaurants, cafeterias, and so on? Would the Hon. Member allow that?

[*English*]

Mr. Rodriguez: Mr. Speaker, first let me say I welcome at least the attempts by the Hon. Member to try to resolve some of the problems. I would suggest that rather than privatizing the cafeterias and the restaurant, we sit down at committee stage to beef up and tighten up Bill C-45. If we can get that commitment, we can give the workers the opportunity to negotiate some of the injustices in the Bill. I would not want to privatize the cafeterias and the restaurant because I know that turning them over to the "whirly whips", or whatever the fast-food outlet is called, would be worse. We have an opportunity to correct the injustices in Bill C-45. I take the Hon. Member's question as a serious commitment to resolving some of the inconsistencies and injustices in the Bill.

[*Translation*]

Mrs. Mailly: Mr. Speaker, this is exactly what we would recommend to the Hon. Members opposite. We would like the Bill to be referred to committee, as required, where it could be improved upon specifically in the direction suggested by the Hon. Member for Nickel Belt (Mr. Rodriguez) and in other directions also because there are other aspects of the Bill we would like to have improved. So that is the suggestion. I am going to ask him a question.

[*English*]

The purpose of this part of the Bill—

[*Translation*]

We are talking about one aspect of the Bill, in Clause 5.

[*English*]

The purpose of this Part is to provide to certain persons employed in Parliamentary service collective bargaining and other rights in respect of their employment.

[*Translation*]

I would like to ask him this: Those people who are covered by this legislation, what are their rights now? Do they have the right to collective bargaining? Are they allowed to join an employee organization? Or will the Bill give them for the first time a chance to join an employee organization?

[*English*]

Mr. Rodriguez: Mr. Speaker, the Hon. Member prefaced her question with some remarks, but we are debating principle here. In all honesty, we have been trying to put forward the kinds of principles we stand for as a Party and we are trying to exchange ideas about where the Bill is lacking. I hope to hear from members of the Conservative Party as to whether they agree that some of these things can be improved so that we can, in debate on principle, at least go into committee knowing that there is a meeting of minds. At the present time the cafeteria and restaurant employees, the messengers and bus drivers, are not covered by any collective agreement. In fact this Bill would give them collective bargaining rights but because it is based on the Public Service Staff Relations Act there are shortcomings which have created a great deal of hardship where it applies at the present moment. Bill C-45, because it incorporates that Act, would in fact create the same problems for employees on the Hill. How can we say to workers: "You cannot grieve occupational health and safety complaints"? That is their main—

Mrs. Mailly: It's covered under the Canada Labour Code.

Mr. Rodriguez: When Bill C-45 comes into effect, they are covered—

Mrs. Mailly: Part 4 puts it under the Labour Code.

Mr. Rodriguez: But the grievance procedures are under Bill C-45. What the employees can grieve is outlined in—

Mr. Deputy Speaker: Order, please. could I ask the Hon. Member to conclude as we have passed his allotted time?

Mr. Rodriguez: I will conclude by saying the same thing about other issues. I invite Hon. Members to participate in debate. I would like to go into committee with a meeting of minds in terms of broad principles.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would also like to speak for a few minutes in the debate on Bill C-45, especially since the amendment we are discussing now was presented by my hon. colleague from Hamilton East (Ms. Copps), an amendment aimed at obtaining a 30-day postponement, which makes perfect sense. In fact, my hon. friend from Hamilton East has a long record of protecting unionized employees, who represent a substantial part of the workers in the steel town she represents so well in Parliament. In fact, she presented this amendment so that there would be time to examine the Court ruling we have just received today.

The Canada Labour Relations Board had decided that employees of the House of Commons had the right to organize for the purpose of setting up a union. It had recognized that right, and in fact, certain steps had been taken.

Strangely enough, the Government appealed this decision before the court. Actually, the Government should be asked to clarify its attitude, because by tabling Bill C-45, it seems to want to allow the employees to organize. So why appeal the decision of the Canada Labour Relations Board, which had granted the employees this right or rather, recognized their right to do so, since I believe the employees have had this right for a long time but never used it.

Mr. Speaker, I think I can say why the Government acted this way. It is because if the employees had availed themselves of the right given them by the Canada Labour Relations Board, they would have organized in their own way and would have tried to negotiate with the Government on the basis of what they believed to be reasonable. But that is not what the Government wanted. The Government preferred to have the employees organize according to the formula defined in Bill C-45, and that is the crux of the problem. Because I think that Bill C-45, and I am not alone in this, will not give House employees sufficient protection nor sufficient means to get their point of view across when they face the employer at the bargaining table.

This is why I would suggest that the amendment of my colleague for Hamilton East (Ms. Copps) is quite justified. Negotiations were already under way when the Canada Labour Relations Board made its ruling—I respect the judgment of the court, it was made by a court because Canadian legislation is interpreted by the courts. I respect the ruling, but I must emphasize it came after negotiations had begun, and in a way it throws a monkey wrench into the works.

Therefore I think it would be useful if we were to defer debate on this Bill for a few days—my colleague from Hamilton East recommends two months—so as to consider the full impact of the court ruling and analyze its consequences. We would then be in a much better position to hold a meaningful debate on Bill C-45.

Strangely enough, most back-benchers on the Government side appear unwilling to take part in the debate on this measure. Earlier this morning, I am told, the Hon. Member for Willowdale (Mr. Oostrom) resorted to the *sub judice* argument to explain why very few of his Progressive Conservative Party colleagues would join today's debate on Bill C-45. Ridiculous, the court ruling is out and the issue is no longer before the courts. In fact, any Member who feels that the question of labour relations on Parliament Hill is important ought to seek the floor and speak out. Besides, Bill C-45 has a number of shortcomings and could stand some improvement.

Mr. Speaker, I would like to call your attention and that of the House to some of the deficiencies in this Bill. For instance, Clause 5(3), which deals with classification would prevent any

negotiation for classification problems, such as those related to job descriptions, the level of pay and job evaluations.

How could we imagine that employees who work for us on Parliament Hill would be satisfied with a collective bargaining system which does not allow for the negotiation of classification matters? This would mean that the classification level of an employee could be changed arbitrarily by management without the employee or his representatives being able to negotiate this matter with the employer. It is unthinkable. This would mean a bargaining system much weaker that those which exist in the private sector. Yet, Mr. Speaker, if there is one place in Canada which should serve as a model for collective bargaining and employee protection systems, it is certainly the House of Commons.

If those who work for the Ministers and the Members of Parliament, and thus for the Canadian public, are not well protected and do not have a satisfactory system or collective agreement, how can this be held up as an example for the private sector, where workers are often prevented from organizing and are given as few benefits as possible?

As concerns the classification system, I would like to quote some of the views expressed by the Public Service Alliance of Canada: "The present classification system has evolved throughout the years in the very special environment of Parliament Hill. People there say: 'This is the source of a lot of employee discontent. Many employees have no job description. Those who have feel that they are outdated, frequently and arbitrarily amended in an environment which recently witnessed major technological changes. This situation—"

I am quoting the Public Service Alliance.

"—is a source of frustration, insecurity and a very low morale among employees."

I suggest, Mr. Speaker, that merely by this text which I have just quoted from, it becomes abundantly clear that clause 5(3) of Bill C-45 is not good enough. We want employees who are happy, who have a part to play in the determination of their salary levels and who have a say in the assessment of their performance.

We do not want the arbitrary which has reigned for so many years over employer-employees relations on the Hill to continue. If we have to deal with a bill such as Bill C-45 to set the bargaining rules between employer and employees, we want to start on the right foot. There has never been a global protection scheme for Parliament employees on the Hill.

Therefore, on this side of the House, we are saying that if we are to start on the right foot, we should not accept this Bill which, in the opinion of several House Members and employees—you have heard the objections put forward by House Members, Mr. Speaker, and I support them—is not satisfactory.

I feel, therefore, that it would be reasonable to have the amendment moved by my colleague the Hon. Member for Hamilton East (Ms. Copps) be put and that Hon. Members should support it, especially those on the Governement's side: those who have taken part in this debate so far have been few and far between. That would provide them with the opportunity to think this over for a few days and take part in the debate some 30 days hence, when the period suggested by my colleague the Hon. Member for Hamilton East is expired.

I do not want to speak any longer, Mr. Speaker. I think we should vote immediately on my colleague's amendment, because I feel it is a major one which should logically allow us to study with a clear mind the consequences of the Court's ruling.

• (1510)

[*English*]

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Mr. Speaker, I have a question for my colleague. The problems which led employees on the Hill to organize and seek collective bargaining rights had to do with classification, promotion and staffing decisions. However, questions with respect to these areas are not dealt with in the legislation which is before us. How is it that the Government can possibly think that Bill C-45 will resolve the labour-management difficulties on Parliament Hill when the Bill does not deal at all with the root causes of the discontent? The legislation fails to deal with these areas which led to organizing in the first place. Could the Hon. Member please comment on my remarks?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Hon. Member is entirely right. What he has just said is a summary of my speech. When some of the main elements normally found in a collectively-bargained contract are not found in this legislation then I say that it is faulty. The Government should go back to the drawing-board. This is exactly what I have been saying. In fact, there is little more I can say. The items outlined by the Hon. Member should be subject to negotiation. The employees should have a say in how they are classified, paid and so on. It was the purpose of my speech to point that out.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment standing in the name of the Hon. Member for Hamilton East (Ms. Copps):

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

"Bill C-45, and Act respecting employer and employee relations in the Senate and House of Commons, be not now read a second time but that it be read a second time one month hence."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), the recorded division stands deferred until 6 p.m. on Monday, April 28, 1986.

* * *

• (1520)

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

Hon. Harvie Andre (for the Minister of Finance) moved that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. If it were 10 minutes to four, I would have more luck, but I wonder if the House Leader would consider calling it four o'clock so that we may call the Private Member's Bill, because those who would like to participate—I see that there is no co-operation.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, I rise to move the second reading of Bill C-96 which amends Part VI of the Federal-Provincial Fiscal Arrangements Act, 1977. Let me begin with the purpose of the Bill.

This Bill involves the implementation of a key element of the Government's over-all fiscal plan. It follows a long process of consultation with the provinces over the past year or more which has involved both the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney). This process began following the Government's November 1984 Economic Statement which laid out the basic parameters of the strategy for reducing the federal deficit and securing national economic renewal. The May 1985 Budget subsequently confirmed that the financial transfer that the federal Government provides to the provinces would be included in deficit reduction so as to spread expenditure restraint as broadly and as fairly as possible.

Specifically, this Bill determines the future growth of the transfers that the federal Government provides to the provinces for health and post-secondary education under what is known as established programs financing or EPF. In essence, this Bill does two things. First, it moderates the growth of EPF transfers as part of a general effort to restore stability to federal finances. By slowing the annual growth of these transfers by two percentage points, the deficit will be lower in 1990 and 1991 by $2 billion. Second, it provides continued strong support for provincial health and post-secondary education programs.

Under the provisions of this Bill, EPF transfers will be large and they will grow substantially in the years ahead. The average growth over the next five years is expected to be about 5 per cent on the basis of current economic projections. In total, the federal Government expects to provide over $90 billion during this period or about $25 billion more than was provided over the last five years.

The reasons for moderating the growth of EPF transfers together with the growth of the federal program expenditures generally are well known. As the Minister of Finance reported in his recent Budget, the Government is faced with a debt problem of massive proportions. For years, more and more spending has been financed by borrowing more and more money and for years the Government has had to borrow billions of dollars just to pay the interest on past loans. As a country, we have been mortgaging our future year by year and paying the interest by taking out a new loan. That is the reality with which the Government has had to deal, the reality that threatened rising debt, falling confidence, a falling dollar, rising interest rates, slower growth and even higher deficits.

It is inevitable that transfers to the provinces be included in the broad effort to deal with this problem. These transfers now represent a major proportion of total federal budgetary expenditures. Cash transfers alone now amount to about $20 billion or about 20 per cent of federal budgetary expenditures. There is also a further $7 billion in revenue forgone by the federal Government through the provision of tax transfers.

[*Translation*]

However, Mr. Speaker, the purpose of the economic renewal plan of this Government is not simply to reduce the federal deficit. Essentially, its purpose is to allow the Federal Government to continue to finance important public services in coming years.

[*English*]

It is a matter of basic arithmetic. The more the federal Government has to pay spiralling service charges on a mounting national debt, the less it will have available to fund important programs like health and post-secondary education. In effect, our ability to meet the needs of Canadians in the years ahead will simply be eaten away by our debt problem. That is not an eventuality which any responsible Government wishes to contemplate.

[*Translation*]

These are the reasons why the Federal Government is acting and acting now to put an end to this vicious circle and to put the federal finances on a solid base.

[*English*]

I would like to explain now how this Bill fits into the over-all fiscal plan of the Government. I should emphasize first of all that the burden of federal deficit reduction is not being borne by transfers to the provinces. It is being borne by other federal program expenditures. As I indicated earlier, the growth of the cash and tax transfers which together make up the federal EPF contribution is expected to average about 5 per cent over the next five years. Federal program expenditures generally will be growing much more slowly.

As indicated in the February 26 Budget, federal program spending this year will actually decline. For the remainder of the decade, federal program expenditures are expected to grow by an average of about 3.2 per cent. Total federal budgetary expenditures which include public debt charges is expected to grow by about 4 per cent.

Let us look at federal support for health and post-secondary education. In short, provincial health care and post-secondary education programs will be receiving more federal support than almost any other area. This is in keeping with the high priority the Government attaches to health care and post-secondary education. Nor are transfers to the provinces the only support the federal Government is providing for health care and post-secondary education.

[*Translation*]

As the provinces are mainly responsible for the provision of these services, the major part of the federal assistance is naturally assured under the transfer system. In 1985-86, these transfers amounted to nearly $15 billion.

[*English*]

However, there is also a substantial direct federal contribution to these areas. In the health area, an additional $1.5 billion is provided in the various health service programs carried out by National Health and Welfare and other Departments including Labour, Indian and Northern Affairs, National Defence, Veterans Affairs and the Department of the Solicitor General.

On the post-secondary education side, there is a further $1,100 million in funding of provincial bilingualism in education programs, support for university research through the granting councils, the Canada Student Loan Program and other support. The tax system also provides support in the form of various tax deductions and exemptions for medical and education expenses and for certain goods used in the health and education fields.

[*Translation*]

In addition to these contributions, the Federal Government helps lower income provinces through equalization payments which now amount to $5 million more each year and which can be used to support important public services, such as health care and post-secondary education.

• (1530)

[*English*]

Let us look at consultation with the provinces to assure the House that the maximum possible consultation has taken place with those who are most directly affected by EPF.

As you know, Mr. Speaker, EPF's transfers are authorized under federal legislation. This is not subject to any particular time frame and it can be amended by Parliament at any time. Nonetheless, we have consulted extensively with provinces in keeping with our desire to work as closely as possible with them. We have discussed the over-all fiscal plan and the need to restore federal fiscal responsibility. We have also tried, where possible, to accommodate provincial concerns regarding the future growth of EPF transfers.

Ministers of Finance met immediately following the November, 1984 Economic Statement. Provincial Ministers subsequently sought and obtained an assurance that no changes would be made in EPF transfers in 1985-86.

The May 1985 Budget confirmed the Government's intention to provide substantial growth in transfers, while at the same time moderating that growth by some $2 billion annually by the end of the decade. There followed an extensive series of consultations on implementation of the measure beginning in 1986-87.

[*Translation*]

In the context of this consultation process, the Ministers of Finance met immediately after the May Budget, at the end of September, in early November and in late December.

The matter was also discussed at the First Ministers' meeting in Halifax last November.

[*English*]

These discussions proved helpful in coming to a specific decision on how the future growth of EPF transfers should be determined.

As Hon. Members are aware, the EPF arrangements replaced cost-sharing in 1977 with the mutual consent of the federal Government and the provinces. Federal support for provincial health care and post-secondary education programs is now based on an equal per-capita federal contribution, whose growth is linked to the growth of the economy as a whole and the population in each province. These contributions take the form of cash and tax transfers under the EPF "block fund", which provinces allocate to specific programs according to their demands and priorities.

The discussions with the provinces suggested that an EPF growth formula linked to Gross National Product and population remains the fairest way of supporting provincial health and post-secondary education programs.

Now we come to the amendments. You can see, therefore, that the main provision of this Bill does not make any changes in the basic way in which the growth of EPF cash and tax transfers is now determined, Mr. Speaker. This will continue to be linked to the growth of the economy generally and to population increase in each province, as it is now. EPF transfers will also continue to be based on the fundamental principle that they represent an equal per capita contribution for every Canadian. The only difference is that from 1986-87, the per capita amount will grow by 0.02 per cent less. This means that each province can expect to receive approximately 105 per cent of the previous year's contribution under current economic projections. The figure is approximate because the precise year-to-year increases will continue, as now, to depend on the actual rate of growth of GNP and population.

A secondary, but nonetheless important, part of the Bill is a provision for possible special adjustment payments. Under current economic projections, the EPF transfer as a whole is expected to grow faster than the rate of growth of inflation. However, in the event it does not, the Minister of Finance will be able to make special payments. Any such payments will take the form of equal per capita payments in any given year to all provinces. With the special payment, the rate of growth of the total transfer to all provinces will be equal to the rate of inflation. Such payments would be limited, in the event of extreme inflation, by what the Government would have provided under EPF had the legislation not been changed. Everybody has that straight!

I should emphasize, however, that this provision is not one which we expect will be needed. It has been included as a further measure of protection for the provinces.

[*Translation*]

To summarize, Mr. Speaker, this Bill shows the determination of this Governement to act in an enlightened, reasonable and fair manner in spite of our present difficult financial position.

[*English*]

The Bill is responsible because it will, along with more stringent measures being undertaken to control federal expenditures, make a significant contribution to ensuring a strong and lasting period of economic renewal in Canada. It will also help to safeguard the federal Government's ability to continue providing vital services like health care and post-secondary education to Canadians in the many years ahead. The Bill is reasonable because it provides increases in federal contributions to provincial health and post-secondary education programs which are large, and it is the best we can afford. Over $90 billion in support over the next five years and average annual gross of about 5 per cent are figures of which we can be proud. The Bill is fair because all provinces are treated equally. Total EPF transfers to all provinces will grow in the years ahead. No province will be affected any more or any less than any other province through this Bill.

[*Translation*]

Throughout the long period of consultation with the provinces, we have done everything possible to give them the opportunity to adjust to the budgetary imperatives of the Federal Government and to take their concerns into consideration.

[*English*]

I said at the outset of my remarks that this Bill originated with the comprehensive strategy for economic renewal laid out in the agenda which the Government presented in November, 1984 and reinforced in the recent February Budget.

Through this Bill we are implementing an important part of that strategy. We are providing a financial contribution to provinces which is sustainable in current financial terms. It is also an increase which reflects the strong importance the Government attaches to providing health care and post-secondary education services. Together with direct federal funding of these areas, it provides ample evidence of this Government's desire to help provide Canadians with the services they want and need.

However, there is also another part of the over-all strategy. This will take a little more time. In November, 1984, we pointed out that the need to contain costs and reduce deficits is a concern shared by both the federal and provincial Governments. The pressures on scarce financial resources are strong at both levels. We are each constrained in our ability to devote large amounts of new money to programs, even important ones like health care and post-secondary education.

[*Translation*]

More co-operation is needed between the Federal Government and the provinces. We must determine how to use existing financial resources as efficiently as possible and find new ways to finance these sectors while taking into account our present budgetary position.

[*English*]

These are important considerations, especially in the vital areas of health and post-secondary education. I am pleased to say that the Minister of National Health and Welfare (Mr. Epp) has begun such discussions with his provincial colleagues. The Secretary of State (Mr. Bouchard) is also looking forward to discussing co-operation in the post-secondary education area with his counterparts.

• (1540)

In short, Mr. Speaker, there is a need to explore further how the federal and provincial Governments can work more effectively and efficiently together. We want to get on with this once the basic parameters of our financial contribution to provincial programs are in place. I, therefore, hope that all Members of the House will give this Bill their careful consideration and support.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I would like to say that I am pleased

to be able to take part in the debate on this Bill. Unfortunately, I cannot say that I am pleased to speak on this particular Bill because I think this is one of the most serious actions to be taken against young people in Canada in a long time. We have just gone through the episode of Senator Hébert's fast on behalf of Katimavik. He was on a specialized mission, but the wider issue touched a nerve in Canada, an untapped reservoir of support. The wider issue is the problem of young people in Canada.

Having gone through that experience, the Government now introduces a Bill which will reduce the expected educational funding in the country this year. The provinces expected to receive an increase of 8 per cent in funding from the Government of Canada in cash and tax points. They will now receive an increase of only 6 per cent. The provinces will receive less than they had anticipated. That is the reality. The Parliamentary Secretary pointed out that there will be an over-all percentage increase from last year's funding. The point is that the increase is less than the provinces expected and counted on getting for the financing of health and post-secondary education.

In my own Province of Newfoundland there will be a reduction of $7 million in 1986-87. Newfoundland will get $7 million less than it had expected. It will have to find that money within its own economy. Over a five-year period the province will receive $48 million less than it expected. That is in the province which has the highest unemployment rate in the country and an economy which is very, very vulnerable, and which has already experienced cut-backs in Government programs. It has seen the lay-off of public servants. It has seen the world oil price plummet, which has put in jeopardy the one great hope which the province had; that is, the development of Hibernia. Newfoundland and other provinces like it will be forced to look to their already weakened economies to make up the disparity in funding. In his attempt to come to grips with inflation at the federal level and to lower the federal deficit, the Minister is passing the problem on to the provincial economies. I am not alone in taking this position. It has been echoed by the Premier of Newfoundland.

There has been a break with tradition with regard to consultation with the provinces and the new stability and harmony in federal-provincial relations. Over the years the federal Government and the provincial Governments negotiated new fiscal arrangements. That did not happen on this occasion. There is a new regime to take over at the end of the present five-year period.

My friend has said that there has been consultation with the provinces. I would like to read to him the reaction of some provincial premiers and ministers. Mr. Peterson from Ontario said: "You don't call it a cut. You could call it a breach of faith. You could call it breaking a promise". In the Halifax *Chronicle-Herald* of December 4, 1985, Mr. Nixon said: "There was uniform opposition to the Ottawa plan. Nobody thought it was a good idea". In the *Gazette* of December 13, 1985, Mr. Gerard D. Levesque of Quebec said: "It is unfair to the provinces because they have been counting on the amounts agreed to in the accords". In *Le Devoir* of November 29, 1985, Mr. Hatfield said:

[*Translation*]

I shall have no other choice but to increase user charges for health services.

[*English*]

Mr. John Baxter, the Finance Minister for New Brunswick, said: "It is unreasonable for a federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level". Mr. Keer from Nova Scotia said: "Every province in there made it clear that there's probably nothing more important to deliver to Canadians than health and education". That is the reaction from the provinces, and I think we must put it on the record. The fact is that the action was taken unilaterally and the provinces do not like this measure. I do not think we should attempt to tell people that they do.

I do not know where the money went, but the first indication we received was that these cut-backs would come only in 1987. We have now been told that the cut-backs will come in 1986. There has obviously been a reorganization of money and that money has gone elsewhere. We know that it is not being spent on health or post-secondary education. We heard some views from the post-secondary education community on this issue as well. Mr. Roger Hamel of the Canadian Chamber of Commerce urged the federal Government to spend more on universities. He said that the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for universities to meet the demand for research and development.

Mr. Ed Anderson, the President of the Canadian Association of University Teachers, said: "Proposed federal cuts to post-secondary education could place a university education beyond the reach of many students". That brings me back to the first point I made, Mr. Speaker. The crisis is in post-secondary education. In this country we now have a generation which the Senate report recently descibed as in danger of becoming a "a lost generation". That is the issue I want to address more than any other.

In my own province, close to 50 per cent of eligible young people are unemployed and have dim prospects. This Bill is one of the most important to come before the Chamber because it touches upon the essence of what kind of country we will have in the future. Young people in the country are concerned about their future. They have dismal hopes and dim prospects for the future. They want, need, and deserve all the help, encouragement, and support that they can get. The Government is now cutting back on the funds which could help them to get their place in the sun, to play the role that only they can play in Canada. We should be making education the number one priority of the country. I do not think we can talk about a trade strategy or an industrial strategy without considering

education. My own opinion is that, rather than cutting back its transfers to education, the Government of Canada should increase them. It should become actively involved with the provinces in devising a national strategy on education. The Johnson report also addressed this issue. He made some recommendations. He said:

> It is recommended that the rates of growth of EPF/PSE fiscal transfers, and of provincial grants to universities and colleges, be harmonized. This would be achieved by:
>
> The affirmation by the Government of Canada of its willingness to escalate its PSE transfers at the rate of increase in GNP and population (the present "escalator"), and an invitation to the provinces to follow the same course in their grants to universities and colleges.
>
> The affirmation by the Government of Canada that, within this context, it would nonetheless respect the priorities adopted by individual provinces for PSE, by escalating its PSE transfers to them at the rates they themselves chose for increasing their grants to universities and colleagues—up to the GNP rate.

• (1550)

I do not necessarily agree with that either because I think it simply perpetuates inequality. If you match the provinces dollar for dollar, you will simply be making the rich richer and the poor poorer. There are provinces which cannot keep up with others in the amount they contribute to education. I made the point earlier on that if you pass on the federal deficit to the provinces, then already weak economies have to struggle to make up the difference. I think we have to keep on funding post-secondary education on a per capita basis and I hope to see it at the level it was. I also hope to see some built-in mechanism for ensuring that the money is spent on post-secondary education. There is some fault here on the part of the provincial Governments in how the money is spent. All of the money given to the provinces for post-secondary education and health is not spent on post-secondary education and health. There are no safeguards to ensure that it is. The Government of Canada should build those safeguards in. There should be penalties which would take effect if the money allocated for education and health are not spent in those two areas.

Let me get back to the point I was making that not only should the Government of Canada be spending more money on post-secondary education, it should go farther than that. It should become actively involved in a national strategy for post-secondary education. The health of our economy and society is tied in no small way to the health of post-secondary education. We are going to need liberally-educated men and women who are at the leading edge of their discipline. In an age when one of the few constants is changed, those nations which grow and prosper are the ones that emphasize research and development and have a workforce prepared to meet rapid changes in the market-place.

We have to look at our educational systems across this country in the way the OECD did in 1976. The examiners from that organization came to the following conclusions about the state of Canadian educational policy-making:

> The lack of educational policies for the future is striking.
>
> The problem of defining goals for education that fit a vision of national interest is desirable.
>
> There is an array of exceptionally active programs derived from no explicitly-stated overall national conception of the country's interest.
>
> Decisions now have to be taken concerning the destination of the Canadian school system within an ordered view of the Canadian nation.

That is relevant here because we are talking about the financing of a system which needs to be redefined and reorganized. The OECD examiners also said this:

> Politicians, parties and governments will not be able to avoid much longer taking some political stands, and that means also nation-wide, and not simply province-oriented positions. They need to give Canadian answers to Canadian problems. Without political leadership and responsibility—and after all neither of these is forbidden under the BNA Act—a severe backlash against future educational development in Canada may be unavoidable.

Right now we are getting into a national debate on free trade. We have tried to come to grips with an industrial strategy. We have just come out of a recession and we know the need to compete in a more integrated world. Yet in spite of this, and while education and the educational system is going to be so fundamental to the future of Canada, there is no national debate, emphasis, forum or strategy for education. No other federal state in the world is in that position and no self-respecting state should be. We purport to have a national financial strategy, trade strategy, defence strategy, transportation and immigration strategy, but we do not have a national education strategy. Surely the whole is greater than the sum of its parts. Surely we cannot simply depend on provincial education strategies in this day and age.

The fact is that higher education is financed to the extent of more than 50 per cent from money provided by the Parliament of Canada. Yet the idea still persists that post-secondary education is a purely provincial matter. There is a massive and pervasive federal presence in higher education; in basic funding, research funding, professional and training programs, scholarship bursaries, student assistance programs, northern studies, native studies, multicultural and Canadian studies, as well as international relations and military studies. All of this is education and all of it is being financed through funds voted by the Parliament of Canada.

There are legitimate and unavoidable federal interests in higher education. This covers such things as an adequate supply of highly-qualified personnel, equality of opportunity for young Canadians regardless of where they live, and the development of the knowledge base required for economic growth and national sovereignty. Instead of debating a Bill which will mean cut-backs to the provinces for post-secondary education, we should be talking about how we are going to use that money in a new national strategy. There is a need now as never before. We are on the threshold of a smaller, inter-dependent world involving tough competition. Values and beliefs are constantly being challenged. Therefore, there is a need for greater co-ordination of Canadian education.

A number of organizations in Canada have stressed this point. The Social Science Federation of Canada stressed this in 1982 in its reaction to the conclusions of the parliamentary

task force on fiscal arrangements. In 1984, the third volume of the report of the commission on Canadian studies of the AUCC made similar recommendations. It referred to a crazy quilt pattern of post-secondary education policy. It called again for a national strategy for higher education and research, with the universities and colleges and the federal and provincial Governments playing appropriate roles in a co-operative fashion.

• (1600)

Perhaps, Mr. Speaker, if you are agreeable could we call it 4 o'clock at this point?

Mr. Deputy Speaker: It is four o'clock.

PRIVATE MEMBERS' BUSINESS

[*English*]

Mr. Deputy Speaker: We will now proceed with consideration of Private Member's Business.

The Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) on a point of order.

Mr. Lewis: Before the Bill is called I would like to put a couple of points on the record as a result of a discussion yesterday. There are two things to which I would like to address myself. One is what might be taken into consideration in the event that a Member is not available to debate his or her Bill when it comes up in the order of precedence. The other is what would happen if that Member were not here. In other words, what happens to the Member's Bill, in the order of precedence, and what happens to the House time. I want to address first the question of the order of precedence.

What the House tried to do was to get away from the practice where the Table Officers arranged the order of precedence in accordance with a lot of unknown, but I am sure very valid, principles. We now have a situation where there is an order of 20 items drawn and everybody has some knowledge as to where they are in the pecking order. There is an attempt in the *Votes and Proceedings* to spell out the day upon which a Members' Bill might come up for debate. We want to see that that order of precedence, which has been created, is maintained.

We cannot believe that the House would want a practice to begin which would subvert that order of precedence which the draw took care of, regardless of the Party or circumstances. If a Member is unable to be in the House when his or her item is called, we think that Standing Order 23 could be invoked and the item could, at the request of the Government, be stood over without losing its order of precedence. I think that is a remedy which I am sure all Members would want to agree to in order to maintain the order of precedence.

I do have some questions I would like to raise as to the reasons a Member might give, to the Table or to yourself, in the event that he or she cannot be here to proceed with his or her Bill. In the event that a Member is not here to proceed with his or her Bill I might have some personal difficulty in granting the right for somebody else to move the motion for debate for fear that that might be done for the wrong reasons. That is a personal view that I would like to put on the record.

Having raised the question of the order of precedence I would like to go on to what happens if you were to invoke Standing Order 23, and what would happen to the remainder of the time. I think that everybody realizes we now have a standard calendar for the year, we have standard hours for each day and the taxpayers expect us to use the debating time in this House to the best advantage of the country. I suggest that if you invoke Standing Order 23(2) and stand the matter over to the next day, that would be Monday, you might consider, under Section 39(2), reverting back to Government Orders, since it is not now possible to give 24 hours notice of any other item of Private Members' Business.

We would contend that you should look at the provisions of Standing Order 39(2), and we would suggest that if the Chair interprets this Standing Order to mean that only in the event that there is no notice on the Notice Paper for a given day would the provisions of the Standing Order apply, then we would suggest to you that there is never going to be any time when Standing Order 39(2) could be used. It could never be used since the order of precedence provides for that notice which is in the Order Paper.

We think the House must have intended that the Standing Order be used, and we think it is intended for a situation where a private Member cannot proceed with his or her business, and that in order to use the time of the House effectively we should revert back to Government Orders.

We would suggest that if you do not take that approach, we would be in a bit of a conundrum. You have the authority to adjourn the House under Standing Order 9(1) or Standing Order 6(2), and we do not think that either situation applies in this case.

I should just like to go back to the question of Private Members' Business. You will appreciate that the Special Committee on the Reform of the House of Commons gave its reasons for highlighting Private Members' Business, and that the reforms that were brought in give much more importance to Private Members' Business in that up to six Bills can be proceeded with to a vote, and that process has recently been proceeded with through the chairmanship of the Hon. Member for Burlington (Mr. Kempling).

In closing, there are two things that we want to suggest to you, Mr. Speaker. Number one, you have the decision as to what happens if somebody does not appear. But what do we do to be fair to the Member, and what do we do to be fair to the Members who follow him or her in precedence? The second question is, what happens to the balance of the time between the commencement of Private Members' Business and five o'clock? I would suggest to you that if someone else asked to

move a Member's motion privately, there should be something in writing to give proof positive that the Member realized he or she would not be here, intended the debate to go ahead, and gave that permission. Those are two things I would like to see considered in view of the fact that the Member who has moved this Private Members' Bill is not here today.

Mr. Deputy Speaker: Thank you.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would also like to take a few minutes to speak to the point of order raised by my hon. colleague, the Deputy Government House Leader.

I agree that considering the way the order of precedence is determined now, a Bill that cannot be considered at the given time should, to a certain extent, retain its place in the order of precedence, because unlike the previous system, the order of precedence concerns not only the Members of this House but the public as well, since it is established in such a way that everyone may know the order of business in advance.

I may add that when a Member knows he cannot be in the House to debate a motion or a Bill in his name as scheduled, there must be have some kind of procedure for the Member to give official notice—and not at the last minute—in writing. I do not mean this notice should include all the reasons why he cannot be here, because I don't believe in going back to when we had to bring the teacher a note if we had not done our homework the night before. I think Hon. Members should be considered as such, and if a Member knows he cannot be in the House on the agreed date, he can simply give notice, in writing, that he will not be present.

Regarding the other point raised by my hon. friend, I do not agree, and in this particular case when we cannot debate the motion presented by the Hon. Member for Hull—Aylmer (Mr. Isabelle) because he is not here, I don't think we could revert to Government Orders as the Hon. Member's interpretation of Standing Order 39(2) seems to indicate, because, Mr. Speaker, here in the House, our system is based on providing sufficient notice for Members to prepare themselves for debate.

Now if I may get back to the Government's suggestion, namely that we continue the debate on the measure which was under consideration, Bill C-196, the fact is that some of my colleagues who left the House a moment ago, just before Private Members' Business, and who wanted to take part in this debate are now on their way to their ridings and would learn on Monday that we continued the debate on this Bill.

It would be unfair, in my opinion, because they did not look at the document before us, and they thought that one hour would be set aside tonight for Private Members' Business. I should imagine they would expect Mr. Speaker to say that, if we cannot proceed with the Bill slated for debate at 4 o'clock today, the House should simply adjourn. Otherwise we would be abusing the goodwill of my colleagues who left a moment ago, because today's Order Paper clearly indicates that we would have one hour for Private Members' Business.

In any event, Mr. Speaker, Standing Order 39(2) clearly states that it can be done only when it is impossible to provide the twenty-four hour notice, and such is not the case since there was a twenty-four hour notice. Therefore, Mr. Speaker, since there is nothing before the House at this time, I would urge you to adjourn the House, quite simply.

• (1610)

[*English*]

Mr. Murphy: Mr. Speaker, the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) was saying that we should revert to Government Orders rather than adjourn. As I listened to some of his colleagues to my left and on his side of the House, I am sure I heard that there was no agreement with his position.

However, there are some serious problems with the rules as they deal with Private Members' Business. There have been occasions in the past when allocated Opposition Days have resulted in a Member losing his or her day to debate his or her Bill. There are times when days originally planned for Budget debate, Throne Speech debate or Opposition Day debate are changed at the last moment and we revert to Government Orders. I believe that Standing Order 39(2) was meant for those occurrences. It was not meant for the Government to have an extra hour on short notice or any notice at all on some occasions, just because a Member could not be here.

The purpose of that Standing Order is that we should not be surprised if, for some reason, we reverted to regular Government Orders on a day when we were not expecting to have a Private Members' Hour, and a Private Members' Bill could sneak in at the last moment.

I suggest that the Government would be speaking against the whole idea of parliamentary reform if it were to suggest that we should revert to Government Orders. We knew that this was a Private Members' Hour. This is Friday and a number of Members, especially those from the East or West Coast, had to go back to their ridings. If they had believed there would be another hour of debate on Government Orders many of them would have changed their travel plans and stayed here.

There is some need, as the Parliamentary Secretary said, to deal with some of the problems concerning Private Members' Business. That does not mean we should automatically revert to Government Orders.

[*Translation*]

Mr. Desrosiers: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) on a point of order.

Mr. Desrosiers: Mr. Speaker, I ask for the adjournment of the House.

[*English*]

Mr. Deputy Speaker: We will now proceed to the consideration of Bill C-208, An Act respecting the International Airport at Ottawa.

Yesterday, the House embarked upon its first hour of Private Members' Business since the new provisional Standing Orders came into effect. At that time, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised a point of order regarding the practice which should be followed in the event of an Hon. Member being unable to be present to move his motion on the day fixed according to the order of precedence.

I have listened with care to the comments of Hon. Members, both yesterday and today, and I am aware that there will be difficulties such as this to be resolved during the experimental period from now until the end of December.

Pursuant to Standing Order 39(1) the Speaker has arranged for notice of the 20 items of Private Members' Business, as established in the order of precedence, to be published in the Notice Paper. It is noted at the time that Private Members' Hour may be suspended by the application of other Standing Orders. Therefore, as the Hon. Member for Papineau (Mr. Ouellet) correctly pointed out, when such debates as that on the Speech from the Throne, an emergency debate, allotted days or Budget debates take place, the schedule for Private Members' Business will be adjusted so that no Member loses his place in the order of precedence.

In the case before us, notice has been given of the motion for second reading and reference to a legislative committee of Bill C-208, An Act respecting the International Airport at Ottawa. The Hon. Member for Hull—Aylmer (Mr. Isabelle), in whose name this motion stands, is unable to be present.

I am grateful for the interventions by Hon. Members and intend to reserve my decision. Meanwhile, since the Table Officers require instructions by which to prepare the *Order Paper and Notices*, I am prepared in the interim to rule as follows without prejudice to any other ruling that might be made later: First, since the Standing Orders are not clear as to the disposition of private Members' items not taken up, I am ordering that this item of business in the name of the Member for Hull-Aylmer drop to the bottom of the order of precedence.

Second, Standing Order 39(2) provides for continuing with or reverting to the business before the House prior to Private Members' Hour: "In the event of it not being possible to provide the 24 hours' notice . . . ". Since notice had been published, it is the view of the Chair that Standing Order 39(2) does not apply in this case.

Third, as there is no business before the House at this moment, it is the view of the Chair that the House should adjourn.

Accordingly, the House stands adjourned until Monday next at 11.00 a.m., pursuant to Standing Order 3(1).

The House adjourned at 4.18 p.m.

HOUSE OF COMMONS

Monday, April 28, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Governement's response to the twelve following petitions: Nos,331-392 to 331-398 inclusive, 331-408, 331-409, 331-417, 331-418 and 331-420.

* * *

[*English*]

BUSINESS OF THE HOUSE

ORDER PAPER AND NOTICES

Mr. Speaker: Before proceeding to Statements, since I gather there is one, I think the House should be advised that there is a glitch. Today the Order Paper and Notices contains two errors. Notices pursuant to Standing Order 39 projecting Private Members' Business were omitted in error, and recorded divisions on Bill C-87, which were disposed of on Thursday, April 24, remain listed on the Notice Paper.

The first error will be corrected in tomorrow's Order Paper. As to the second, since notice was given of the Private Members' Business for today on Thursday and Friday last and the correct motion for today's business is set out in this day's projected Order of Business, the Chair intends to proceed at 5 o'clock p.m. to Private Members' Business and to call the order at the top of the list of the order of precedence standing in the name of the Hon. Member for Cochrane—Superior (Mr. Penner) and properly listed in the body of the Order Paper.

That is a technical way of saying that the projected Order of Business is correct. There is a printing error in the last section of the Order Paper under the notices section, which can be found at pages XXV and XXVI.

OCCUPATIONAL HEALTH AND SAFETY

DECLARATION BY CANADIAN LABOUR CONGRESS OF DAY OF MOURNING

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I rise today to speak of the shocking toll of accidents and illnesses that continue to occur in Canadian work places. In this regard, I would draw Member's attention to the Canadian Labour Congress' decision to observe this day as a day of mourning.

The personal price of workplace injury ranges from the initial pain of injury through the helplessness of disability to the ultimate price of death from physical injury or industrial disease.

Despite the genuine efforts of Governments and industry and the increasing involvement of organized labour, the human and physcal costs of work related injuries and illnesses have continued to remain high. In 1984, one Canadian in nine suffered a work related injury, 730 were killed and 16.6 million work days were lost at an estimated cost of $12 billion.

It was on this day 70 years ago that the Ontario legislature gave third reading to a Bill that introduced the collective liability system of mutual insurance under The Workmens' Compensation Act. Since that time the provinces and the federal Government have become increasingly involved in attempting to regulate a safe work environment and in reducing the financial burden of being injured at work.

Federal initiatives in the field of occupational safety and health include the amendments to Part IV of the Canada Labour Code which were proclaimed on March 31, and the leadership role Labour Canada and Consumer and Corporate Affairs are taking in giving effect to the workplace hazardous materials system, known as WHMIS, across the nation. Although the amendments to Part IV evolved through consultations with labour and employer groups, the WHMIS concept was successfully developed by representatives from labour, industry and the federal and provincial Governments. I believe that it is through the meaningful participation of labour, industry and Government and the acceptance of the responsibility for participation and the results of that participation that the burden of workplace accidents and illnesses will be broken.

I appreciate the opportunity of bringing this to the attention of Members of the House, Mr. Speaker.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to join with the Minister in decrying the terrible and

painful costs that death has, not only in relation to the issue of productivity, which the Minister raises in his statement, but to the issue of its human toll on families, particularly children and spouses.

There is, however, another question for which the Government has to answer. Given the statistics just cited by the Minister, and given the fact that the battle against death in the workplace has not yet been won—it is far from being won—why is it that the Government is reducing the Budget of the Canada centre for occupational health and safety? In the last Budget of the Minister of Finance (Mr. Wilson), we saw a 10 per cent reduction, and there is a further 10 per cent reduction projected. At the same time, as a result of these cutbacks, the Government has abolished the quality of working life program, and it has abolished the collection of data with respect to wages and working conditions in all businesses across the country which do not have the benefit of organized labour.

It is important to note that this measure today was not called by the Government but by the Canadian Labour Congress. I laud the Canadian Labour Congress for doing so.

The Government has a responsibility to the workers organized and unorganized. It is now abolishing the quality of working life centre, and the statistics which gave a chance to every Canadian to understand what was happening with salary and working conditions in every establishment in Canada, along with the cutbacks in the Centre for Occupational Health and Safety, reflect this Government's lack of commitment to the working people. Even the Neilsen Task Force points out that at present the centre has not been in a position to do research but only to provide information. Part of the reason is that of budgetary restraints, and the futher budgetary restraints being imposed by the Government to the tune of a potential 20 per cent cutback will mean further deaths and injury in the workplace.

• (1110)

Mr. Rod Murphy (Churchill): Mr. Speaker, I, too, am pleased to have an opportunity to speak on this matter. I would like to first congratulate the CLC for initiating this day of mourning. I think it is long past the time that Canadians recognize the contributions and sacrifices in life and limb made by workers in helping to develop our country. However, it is not enough to hear words on this matter spoken in the House of Commons. The plight of workers, whether they be in mines, forests, offices or banks, is something about which we should all be concerned. The Government should be concerned, not only through its words but through its actions.

The Hon. Member who just spoke indicated that at a time when we are concerned about chemicals in the workplace, and death and injury to workers, the Government is cutting back funding to the Canadian Centre for Occupational Health and Safety. Last week, in front of the Standing Committee on Labour, Employment and Immigration, officials from that agency indicated that they had more requests for information this year than last year. They could not meet the requests that were made last year, yet their funding is being cut back.

The Minister, in his remarks, mentioned that we passed changes to Part IV of the Canada Labour Code. That was two years ago and the regulations are finally in place. However, the Government has not acted on all the changes we made. One of the very significant omissions was the failure to establish an advisory council on occupational health and safety as required by the legislation. At a time when Canadians are so concerned about health in the workplace, that is one step the Governnment could have taken. It is not a very expensive measure, but it is very important in making sure that management and labour have a chance to give the Government direction towards saving lives.

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PETITIONS

DEINDEXATION OF CANADIAN FORCES SUPERANNUATION BENEFITS—USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a number of petitions, the first of which is from the great Province of Alberta. Whereas any amendment of the Canadian Forces Superannuation Act to remove indexation of annuities will adversely affect former members of Canada's Armed Forces, widows and dependents. Whereas the Government has shown its intention to amend the Canadian Forces Superannuation Act without first consulting with annuity recipients and those—

Mr. Speaker: The Hon. Member has several petitions. I think she knows our practice is to give a summary and just the prayer, not all the preamble. I am perfectly happy to have the Hon. Member present her petitions, of course.

Ms. Copps: Mr. Speaker, these former members of the Armed Forces from the Province of Alberta are angry with the Government because of its decision to move ahead with deindexation of their pensions. The petition of the undersigned residents who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners, ably states their complaints and grievances.

I have another petition from Victoria, British Columbia, signed by several dozen former servicemen who also call upon the Government to refrain from any action with respect to superannuation and unemployment insurance without consulting with those who have paid into the funds.

I have a further petition from Victoria, British Columbia, again from former servicemen and women who ask the Government not to implement changes to the unemployment insurance regulations which pertain to the inclusion of pension income as earnings. There are several hundred signatures on this petition.

I have another petition from Edmonton, Alberta. Again it includes several dozen signatures of former service people and their supporters who call upon the Government to revoke changes to the unemployment insurance regulations and Section 57 and Section 58, which pertain to the inclusion of pension income as earnings. There are several hundred signatores to that petition.

I have several more on that issue, but I will hold them for another day. I do, however, have a series of petitions on another issue which this Government has not dealt with.

REINSTATEMENT OF QUOTAS ON FOOTWEAR IMPORTS

Ms. Sheila Copps (Hamilton East): These petitions, Mr. Speaker, deal with the Canadian footwear industry. Unfortunately not all the petitions have been accepted because the grandfathering clause has not yet been approved. If it has been, I hope I will hear about it because I have several thousand more signatures on petitions which have been ruled out of order. The petitioners humbly declare that the Canadian footwear industry is responsible for 20,000 jobs with an estimated production value of $830 million per year. The industry has made serious efforts to improve its efficiency and productivity. The petitioners humbly pray and call upon the House of Commons to ask the Prime Minister (Mr. Mulroney) and the Minister of International Trade (Mr. Kelleher) to reinstate quotas on all footwear imports for the next five years, thereby protecting existing jobs and allowing for the creation of new jobs in the industry. This particular petition is signed by several hundred employees and their supporters in the Canadian footwear industry.

I will refrain from presenting these other petitions until—

Mr. Speaker: The Hon. Member knows that she simply has to indicate that she has them, and then file them. It has exactly the same effect.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have two petitions dealing with the lack of concern shown for youth across the country. These petitions are signed by high school students from the City of Prince Albert. They wish the Government to reinstate the Katimavik program as quickly as possible.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, in spite of the futility of it, young people all across the country continue to protest the cancellation of Katimavik, which is a symbol of the absence of a suitable policy towards young people. I table the petition with 150 signatures from Windsor and British Columbia.

Mr. Gauthier: Point of order, Mr. Speaker. Perhaps some Members missed it, but I think on April 22 you ruled that certain petitions would be acceptable if the Hon. Member tabled it with the Clerk of the House. I understand that if they refer back to *Hansard* of that day they can find out exactly what the conditions were.

Mr. Speaker: There was a request that the Chair do it by unanimous consent. The Chair was in some difficulty and asked that there be a House Order, which I think we have dealt with. Hon. Members may want to refer to *Hansard* of—

Mr. Gauthier: April 22.

Mr. Speaker: I believe the House Order was last week, though.

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QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Mr. Speaker: I should advise the House that because of the ministerial statement, Government Orders will be extended by six minutes beginning at one o'clock today.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Friday, April 25, consideration of the motion of Mr. Wilson that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, you began the day by correcting some errors. I have to correct a very serious error I made on Friday. It is on page 12669 of *Hansard*. I referred to a table and I was quoting the reductions in EPF funding from what the provinces had anticipated. I quoted from that table and I quoted my own province of Newfoundland when I said that in 1986-87 there would be a net reduction from what they had anticipated in Newfoundland of $7 million. Then I quoted over a five-year period an amount of $48 million. That was grossly underestimated because the total amount that Newfoundland will receive less than they had anticipated in EPF will, in fact, be $132 million. Over a five-year period Newfoundland will not get $132 million from the Government of Canada that it

had anticipated for health and post-secondary education. The mistake allows me to underline what is not only an inequity, but I think more likely a tragedy.

• (1120)

What we are talking about is, first, a primary resource, and that is young people. We are talking about that resource in a province which is struggling economically to find itself. The great hope that we had was Hibernia. With the plummeting price of oil that project is certainly in jeopardy at the moment, unless the Government of Canada is going to announce a regime which will see some sort of financial support, either through tax measures or otherwise, for that particular project.

If I may just stray a moment, two press conferences in Newfoundland last week highlighted that. The oil companies jointly said that they would lose 4,800 jobs in that province unless some action was taken to shore up the weakened state of the oil industry. Mr. Bill Hopper of Petro-Canada in St. John's on Friday said that the ball was now in the court of the Government of Canada. Petro-Canada would do no more drilling in Newfoundland, and unless some sort of regime was put in place the Hibernia project will not be able to go ahead. I make that point because I think it is relevant here.

There is another point. Even if the Government of Canada comes through with a policy now and Hibernia does go ahead, which I hope is the case, the real pay-off to Newfoundland is going to be in jobs for Newfoundlanders. There is no way that our people are going to get those jobs unless they have the training. I make the point because it is relevant here on this particular issue. The key thing that we need in Newfoundland is training for our young people, where there is a 50 per cent unemployment rate at the present time. The Senate committee talked about a national tragedy in this country for young people. In my province now we have a 50 per cent unemployment rate among eligible young people. What they need is some sort of training and education that will enable them to take the jobs we hope are going to be available. How is that going to happen when we see that over a five-year period there will be $132 million less in the field of post-secondary education in my province alone, not counting the other provinces across this country?

What does that mean? It means if we are going to take up the slack and forge ahead somebody has to step into the breach. Who is it going to be? Is it going to be the Province of Newfoundland? We know how financially strapped they are. We have been depending over the years since we joined Confederation on the Government of Canada making up the inequalities that we find. What we are finding here is that there is now a cut-back, an abrogation of that treaty we signed in 1949 when we became Canadians. We had expected that Confederation would bring this kind of benefit and, indeed, it did. What we are seeing now is a slip back into the past whereby we are going to have to depend more and more on our own meagre and inadequate resources. I think that is the real tragedy of the Bill we are discussing here today.

We are discussing a Bill which says to young people, "You are going to get less than you had expected. You have to wait". There is a 50 per cent unemployment rate. There are opportunities ahead, but education is the key issue if we are going to make progress in my province, and this Bill puts that in jeopardy. I think this is one of the most serious actions that has taken place in a long time. I do not know where the money went. I know we can find money to bail out banks in western Canada, so how is it that we cannot find money to help young people get an adequate education? How is it that we can agree to cut back from an 8 per cent increase to a 6 per cent increase in the funding of post-secondary education and health? How can you justify that as the Government? That is the real tragedy of what is going on here today.

What we should be doing, as I tried to point out on Friday, instead of making education second, third and fourth place we should be making it the number one priority. That is what other federal states are doing. We can talk about free trade, industrial strategy and new tax regimes, but unless we give some priority to education we are not going to be able to compete as a country in a smaller and far more integrated and interdependent world.

Every other country that I know of is giving the kind of prominence that we should be giving to education. In Germany and Switzerland, for example, which are both federal states, the federal Government and the provincial Governments work together. In Germany, for example, the two key planning and advisory bodies, the Bund Landers commission for education, planning and research promotion, and the science council both have equal voting representation from the Bund and from the Landers. We have to start doing that too.

There must be a greater co-ordination of education in this country. There must be a greater emphasis on it. We cannot simply say that education is a provincial responsibility and leave it at that. There must be a national will and determination to do something to improve the state of education in this country. There must be that national will, and behind that national will there must be the dollars. There is no point in talking about that if we are not prepared to put the necessary dollars into it. That is the main point that I want to make.

As a matter of fact, the Canadian Teachers' Federation has said the same sort of thing about a national strategy for education. The Canadian Teachers' Federation advocated in a submission to the Macdonald Royal Commission the following:

> The establishment of a Canadian Office of education jointly supported by the Government of Canada and the Governments of the provinces and territories. It would disseminate information nation-wide as well as promote research in education. It would study fiscal problems and recommend how they can be solved. It would co-ordinate federal education activities and promote common policies on education across Canada. The above Office would be supported by a Canadian Council of Education which would draw upon the advisory resources of a broad range of interests in Canadian society.

In other words, they are saying not only must the Governments work together, but we should be drawing on expert people who can make a contribution in the field of education. We should be drawing on those people in devising a national

strategy. The Canadian Teachers' Federation, the Canadian Association of University Teachers, the Association of Universities and Colleges of Canada, all of these organizations, and eminent academics across the country have been saying over the past year in specialized journals, and in the press as well, that this sort of thing must happen if we are going to compete as a country in the world community. That is the point we have to make today.

We are resource rich in Canada, but the greatest resource of all is our young people. Yet the Senate Report on Youth tells us that they are in danger of being a lost generation. Is the 20th century really going to belong to Canada as Sir Wilfrid Laurier said? Are we really one of the top five countries in the world? We are trying to break into that select circle. Can we really become one of the top five countries when we are not giving the same kind of prominence to education as those other countries? Are we coming of age internationally? Are we discovering who we are by throwing off our sense of the past and competing head to head with other countries?

• (1130)

When we compare our education system to that of West Germany, we see that there is a great difference. When we compare our economy to that of Japan and then ask how our education system compares to that of Japan, there is a great difference. Those are the kinds of questions we should be debating rather than talking about cut-backs in post-secondary education and health.

I wanted to use this opportunity to focus on what I think should be a number one priority in this country. We must have a national strategy for education that includes greater co-ordination. The co-ordination of that natiional strategy requires adequate funding. There is no more important area in this country that should receive adequate funding than the field of education. It is the greatest challenge facing us, and if we fail to deal with it we will put the nation at risk.

Mr. Rod Murphy (Churchill): Mr. Speaker, as the spokesperson for the New Democratic Party, I wish to speak against this Bill. In doing so, I want to point out that this Bill is a repeat performance of what was introduced by the Liberals in the 1981-82 period. At that time, the former Government moved to reduce funding to the provinces for medicare and post-secondary education. That Liberal measure was opposed, not only by the New Democratic Party caucus but by the Conservatiave Opposition as well.

Among those Conservative Members who said this move was a betrayal of Confederation and proof that co-operative federalism was dying, and a unilateral action that should not have been taken, were the Minister of Finance (Mr. Wilson), the Minister of National Health and Welfare (Mr. Epp), and the Minister of Employment and Immigration (Miss MacDonald). Those Conservative Members, when in Opposition, attacked the Liberals for doing exactly what the Conservatives are doing today.

I am sure all Members agree that there is nothing more important than ensuring equal access to medical and educational services right across the country. Not only is it a gift to our youth, it is fundamental to our future. We must provide, as much as possible, access to adequate post-secondary educational services so that a person growing up in Halifax or Corner Brook has the same opportunity for a decent education as someone who grows up in Toronto or other affluent parts of this nation. That will not happen with this legislation.

The level of funding for medicare services will be reduced, despite the fact that studies indicate that the cost of medical services will increase by a rate in excess of the growth in Gross National Product. The Government will only increase its contribution to the provinces for medicare and post-secondary education by a rate which is 2 per cent less than the growth of the Gross National Product. Such a built-in failure to our medicare system is a back-door approach to destroying universality in this country.

I have already stated that the actual cost of medicare is increasing at a greater rate than the growth in the Gross National Product. In addition, we know that the age of our population is increasing, which means that the cost of providing medical services in this country will increase. Furthermore, people are healthier and living longer as a result of the development of new technologies. Indeed, this is a further cost.

The Government, which opposed the Liberal move to cut or reduce funding for post-secondary education and medicare, is not only not matching but further reducing the funding from the amount to which it was reduced by the Liberals in 1981-82.

When the Conservatives introduced this legislation late Friday afternoon, the Parliamentary Secretary to the Secretary of State of Canada (Mr. Scott), who introduced the legislation in the absence of the Minister, said, as reported at page 12666 of *Hansard*:

> It follows a long process of consultation with the provinces over the past year or more which has involved both the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney).

Let us consider what type of consultation really took place. In the May 23 Budget, without any forewarning to the provinces, the Minister of Finance rose in the House and indicated that he wanted to reduce the level of funding for post-secondary education and medicare in established programs financing by $2 billion per year by 1990-91. To be fair, the actual amount of money coming from the federal Government to the provinces will increase. According to the present legislation, the provinces would receive $2 billion more per year by 1990-91 for medicare and post-secondary education than they receive under this Bill. This measure was implemented without any consultation. However, four months later, at the end of a meeting with the provincial ministers of finance in Halifax, the Minister of Finance indicated that those cut-backs will not begin in 1987, when the present legislation expires, but on April 1, 1986. There was no consultation, just an announcement by the Minister of Finance at the end of a

meeting between himself and his provincial counterparts. What type of consultation is that? It is not consultation; it is unilateral action which shows that the Government is following in the footsteps of the old Liberal Government. It is not listening to the provinces or those who are concerned about funding for medicare services and post-secondary education in this country.

In addition to not announcing its agenda when it came to power, the Government did not even tell us in its May Budget that it intended to reduce the level of funding for post-secondary education and medicare on April 1, 1986. In the May 23 Budget and in the papers attached thereto it was indicated that there would be no reduced funding for fiscal year 1986-87. In effect, the Minister was telling us at that time through the papers he tabled that he had no intention of cutting the funding on April 1 of this year. Some four months after tabling his Budget he went to Halifax and said: "Oh, by the way, we are going to cut another $400 million which should have been coming to you in a few months' time for post-secondary education and medicare".

• (1140)

There are only two conclusions which can be drawn. The first is that in May of 1985 the Government did not know where it was going. It did not know what its plans were with regard to post-secondary education. The second is that the Government deliberately kept the House and the provincial Governments in ignorance of the plans which it was undertaking. Neither road is a very honourable one to travel.

The first one says that the Government did not know what was going on and all of a sudden in September it decided that it needed more money. Why did it need more money in September? Was it because it bailed out the banks? Was it because it found out that it was giving more money to the oil companies than it had thought it was going to give? Was it because it thought that the group of people who should suffer should be those who need our medical services and those who want to take advantage of our post-secondary education facilities? Is that what happened? If not, then the second alternative is there for us to see. The Government knew in May what it was doing, but it did not want the provinces or the groups concerned with medicare and post-secondary education to have an opportunity to oppose what it was doing.

Following in that vein one would assume that by saying it will be making cuts sometime in the distant future, sometime around 1990-91, people would not be concerned. However, that is not good enough. If the Government knew what it was doing it should have told the people of Canada. It should have consulted with the provinces to ensure that they knew what the Conservative agenda was.

As a result of either course of action the Government stands condemned. First, it stands condemned for not consulting or, alternatively, for not knowing what it was going to do. When it decided it had to save some more money to protect its image of deficit-fighting, it decided to pick on the people who are most in need of our services. Again, it picks on those people who receive medical services and those who need to have a better education system in order to compete in our more complicated society.

In introducing the legislation the Parliamentary Secretary said, as reported at page 12,667 of *Hansard:*

> Let us look at consultation with the provinces to assure the House that the maximum possible consultation has taken place with those who are most directly affected by EPF.

What consultation? Did the Government meet with the provinces? No. Did it listen to the provinces when they finally forced this issue on to the agenda at the First Ministers' Conference in Halifax at the end of November? No. Did the federal Government meet with university professors? Did it meet and discuss this matter with healthcare professionals? Does the Government have the support of any of these groups in our society? No.

What consultation? What is any different in the way the Conservative Government has approached cut-backs in regard to medicare and post-secondary education than the approach taken by the Liberals in 1981-82? The answer, of course, is that there is no difference.

Let us look at some of the words spoken by Conservatives in 1981-82 when they, as members of the Opposition, attacked the Liberals for reducing funding for medicare and post-secondary education. The present Minister of National Health and Welfare, who at that time was opposition health critic, said as reported at page 15,751 of *Hansard*: "Today we have unilateral action." The Hon. Member was condemning the fact that the federal Government was going ahead with these cuts. It was doing so despite the fact that the provinces opposed them and despite the fact that the majority of the provinces at that time, as is the case today, said that they needed more money for medicare and post-secondary education. The provinces were saying that what they should be doing was sitting down with the federal Government to negotiate levels of funding in terms of the types of programs which should be financed. In this way both the provinces and the federal Government would know what would happen over the next five years. They could agree as to what programs should be continued and from where the money would come. So the present Minister of National Health and Welfare condemned the federal Liberal Government for taking unilateral action. As reported at the same page of *Hansard* he went on to say:

> I suggest that equalization, post-secondary funding, medicare and hospitalization are too important to be brought into the arena of confrontation—

In other words, the Hon. Member was saying that these matters should be negotiated. Further on in his speech he went on to talk about the lack of adequate notice which the Liberal Government had given to the provinces at that time. Exactly what did the Hon. Member for Provencher (Mr. Epp) say? He said this:

> People have plans and programs regarding past commitments and they believe there must be some continuity in the programs.

Again, that is exactly the situation we face today. The provinces have made commitments. Not knowing that the federal Government intended to introduce this legislation, the provinces made commitments to their universities, hospitals, doctors, nurses and others involved in the healthcare system. They negotiated contracts and passed their own budgets without knowing what the federal Government was contemplating. This is so because, as I said earlier, this cut-back was not announced in the May 23, 1985 Budget. As I also said earlier the documents the Minister of Finance tabled in the House which, of course, were immediately circulated to the Premiers and the provincial Ministers concenred with these matters, indicated there would not be a cut-back. Since there was no indication that there would be a cut-back, the provincial Governments had every reason to believe that the legislation passed by the House in the spring of 1982 would be honoured. It was thought that it would be honoured because the Conservative Party, while in opposition, had said that the cuts were drastic and should not have taken place. Having said that in opposition how can they now say that the cuts are justified, and make even further cuts now that they are in Government? It is against all reason. Based on the word of Conservatives and on the documents it tabled, the provincial Governments made their promises, plans and commitments because they assumed, with all the justification in the world, that there would be no change until at least April 1, 1987.

In the very words of the present Minister of Health, he is condemned for reliving what the Liberals did in 1981-82. However, he is not alone. There were others on the Conservative benches, some who are now cabinet Ministers, who spoke out against the Liberal cut-backs. The present Minister of Finance, the Hon. Member for Etobicoke Centre, said on March 24, 1982, that this was no time for unilateral action. He supported the suggestion made by the Hon. Member for Kingston and the Islands, the present Minister of Employment and Immigration, who suggested deferring a decision on the established program funding cuts for two years.

• (1150)

Why did the Minister who was then in Opposition say that we should defer a decision for two years? She said it because she felt it was important that the federal Government sit down with the provinces to work out an agreement. After all, as the Minister of Finance has said, that was not a matter for unilateral action but was something important.

The provinces have to pay for post-secondary education. The federal Government has to pay for post-secondary education. Others in society as well have to pay for post-secondary education. We all know it is important for our future to make sure that we have adequate funding for post-secondary education. We want the youth of Canada to have a chance to learn about computers and about humanity and to be able to deal with our ever-changing world.

The same thing can be said about medicare and hospitalization and the different programs we should be developing in this area. Again, it is the federal Government, the provinces and others in society that pay for these services. Yet for some reason the former Liberal Government and now the Conservative Government believe that the federal Government can make a unilateral statement by saying: "We are going to cut back our funding, boys and girls, and we are not going to consult with you. We are going to do it and it is up to you to pick up the pieces". That is so insane. It is politically insensitive. It is reminiscent of an arrogance which many Canadians thought they had gotten rid of on September 4, 1984.

The new Conservative Government is acting arrogantly. It lacks in any concern for the provinces and for adequate funding for medicare and post-secondary education. It is so arrogant that it can turn its back, not only on what Conservative Members said in 1981 and 1982 but on the very election promises they made in the summer of 1984. What is the use of going through the electoral process? What is the use of making promises to certain groups?

Conservative Members made promises to university students and professors indicating that, not only would they not cut back funding to post-secondary education but they would re-establish funding that had been taken away from it by the Liberals. Yet here we are in the House of Commons right now debating a Bill which will take even more funding from post-secondary education and medical services. How can Conservative Members justify that?

Let us see what else the Minister of Finance said when he attacked the Liberals for their unilateral action. Referring to the Liberal Government, he said:

> It now wants to shift the problem over to the provinces, it wants to shift the deficit problem . . . at the federal level down to the provincial level.

He condemned the Liberals then for doing exactly what he is doing today. When he finally told the House of Commons what he was up to, the Minister of Finance said that he was doing this to reduce the deficit. That is the same thing Allan MacEachen said in 1981 and 1982. At that time, the now Minister of Finance denounced that and said that there is absolutely no use in shifting the deficit from the federal Government to the provincial Government; yet he is doing the very thing today through Bill C-96.

Again, as reported in *Hansard* of March 23, 1982, the Minister of Finance, when he was an Hon. Member of the Opposition, said the following:

> The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending.

At that time, the Minister of Finance was accurate. A number of the provinces did not have deficits, including the previous NDP government of Saskatchewan; a number of the provinces had very low deficits. At that time, the Minister of Finance, when he was in Opposition, said that the provinces were starting to build up deficits and if the Liberal federal Government would cut back on funding it would increase the deficits of the provinces. Indeed, that is what happened. He also said that it would be more difficult for the provinces to

provide hospitalization, medicare, and post-secondary education services. Yet here we are, five years later, and provincial deficits have climbed enormously right across the country, regardless of political stripe. Because of the years of recession and high unemployment, because of the fact that money was not coming in from traditional sources and because of the cuts the Liberal Government made in the past, the provinces are now facing very high deficits. What the Minister of Finance said in 1982 while he was a member of the Opposition was true then, but it is even more true now.

Now that the provinces are in a much worse financial situation, with their credit ratings decreasing and interest rates increasing, the federal Government wants to take more money from their pockets. It wants to put a further strain on already strained provincial economies and it wants to make the provinces find the money that is being taken away from post-secondary education and medicare.

I do not want to spend all of my time repeating the words spoken by the Minister of Finance when he was in Opposition. They were fine words and fine sentiments. If he believed them then, he should believe them now. However, there is one other statement that I would like to put before the new Conservative Members who were elected in the 1984 election and do not know what Conservative Members used to say when they were in Opposition. Again, as reported in *Hansard* of March 23, 1982, the now Minister of Finance said:

> This is no time for confrontation and it is no time for unilateral action. This is a time when we need co-operation to nurse the tender relationship which exists between the two levels of Government.

Those were fine sentiments. It is necessary that the Conservative Government believe in those words now.

Some Government Members would say that it is only the New Democrats and Liberals, now in Opposition, who are opposed to this legislation. Some editorial writers are indicating that the federal Government is only doing what is necessary, and that because it is going to increase the number of dollars that go to the provinces each year it is looking after the needs of those who are involved in post-secondary education and those who are in need of medical services.

I have already dealt with the fact that we know that costs are increasing by more than the amount of money the federal Government will be providing. However, it is not only New Democrats and Liberals who at this particular time have decided that they do not want to see any further cutting of funding to medical services. Provincial Governments right across this country have decided that as have university professors, nurses, and doctors who recognize that Bill C-96 is wrong-headed legislation.

• (1200)

I should like to refer to a Green Paper on health care system expenditures and funding which was released by the Government of Newfoundland in January, 1986. It indicates the problems which that province, as a "have-not" province, will be facing as a result of federal cut-backs. It was made very clear in that Green Paper that the Province of Newfoundland faces difficult decisions as a result of the actions of the federal Conservative Government. As a matter of fact, they were the same actions as those of the previous Liberal Government; they are just further down the road decreasing support for medicare and post-secondary education. As a result, Newfoundland has some very horrific issues, some very unfortunate questions, and some difficult problems with which to deal.

I should like to refer to the choices as the Government of Newfoundland sees them. On page 13 of the Green Paper the following is asked:

> Is Newfoundland and Labrador the only area of the country grappling with health care financial issues?

As one would expect, the Government of Newfoundland answered that question in its own way. It indicated:

> Definitely not. All provinces in the country are experiencing significant difficulties with the financing of their health care programs, especially as they face the reduction in the rate of growth in EPF transfers by the federal Government.

EPF is another way of saying money for medical services and money for post-secondary education. As I said earlier, the blame is laid on the previous Liberal Government and, even more so, on the present Conservative Government.

What choices does that Government have in terms of dealing with the problems? According to the Green Paper, its first option would be:

> Privatization, in whole or in part, of the health care system through either private ownership, management or funding.

In other words, one way out would be to privatize medicine. Over 20 years ago the country decided that it did not want to lose that battle, that it wanted a publicly administered and publicly financed medical health system. It was decided back in the sixties, and there has been no indication that the people of Canada feel any differently now.

The second option it considered would be:

> Changes in health care expenditures beyond those recommended in the Royal Commission on Hospital and Nursing Home Costs.

In other words, another reduction in services. Its third and fourth options were deficit financing and the tax system.

When one delves into the paper, one clearly understands that the people of the Province of Newfoundland are already the highest taxed of any people in the country. Therefore, changes to the tax system to bring in more money to make up for federal cut-backs was not really an option. As far as the deficit financing option was concerned, it was not really an option because the province was already severely in debt and its debt was growing without it making up for the federal shortfall. Newfoundland saw, as its way out of a dilemma, privatization or a reduction in the level of services, the very things against which the Minister of Finance, the Minister of National Health and Welfare, and the Minister of Employment and Immigration fought five years ago.

Earlier this month in a rally in Winnipeg Justice Emmett Hall indicated that if we passed Bill C-96 we would ensure

that the "have-not" provinces or the less developed provinces of Canada could not provide the services their people need, and that we would have a two-tier educational system and two-tier medical services across the land. That is what has been said by Justice Emmett Hall, the Conservative Government of Newfoundland, and others across the country.

Moving to another province, the Minister of Human Resources for Nova Scotia said that it would simply emasculate the post-secondary educational system, that it would be chaotic, and that regardless of whose numbers were used, the system would simply fall apart. He went on to say that they should keep their "dang hands" off the post-secondary system over which they have no jurisdiction whatsoever. Those were the comments of another Conservative provincial cabinet Minister. He added his support to the Green Paper from his neighbouring province and to the comments we have heard from the Province of Manitoba.

It is not only politicians of one political stripe, or politicians from one province, but politicians at the provincial level who recognize that we face a very serious threat or back-door challenge to universality in our medical system and a challenge to our ability to face the future with regard to the post-secondary educational system.

I see Mr. Speaker signalling that I have only a few minutes remaining. Others have spoken out against this piece of legislation. The Canadian Hospital Association indicated that the cut-backs, compounded over five years, would result in 10.4 per cent less than is expected for hospitalization services.

The Western Regional Conference Faculties Association also urged the federal Government to honour its commitment to full funding of the Established Programs Financing Act, including its annual accelerator, and requested that it propose to the provinces alterations in the structure of the transfers so that the provinces were encouraged to increase their funding as well. This is something the federal Government is unwilling to do.

Also The Canadian Medical Association fought against this piece of legislation. It urged the Government of Canada to reconsider its proposed policy and to consider a federal-provincial cost sharing policy for health care, providing reasonable and comparative services in all parts of Canada based upon the fiscal capacity of the provinces to finance those services. In a letter dated December 10, 1985, the association also warned, as has Justice Emmett Hall, that this would create a two-tier health care system, one for those living in rich provinces and another for those living in provinces with lower fiscal capacity.

If I had the time, I would refer to quotes from the Canadian Association of University Teachers, the Canadian Nurses' Association, and other groups. However, in the time remaining, I should like to give the Conservatives a chance to do what they said the Liberals should have done in 1981-82. I will give them a chance to actually negotiate the matter with the provinces. In that vein, I move:

That Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be not now read a second time but be read a second time this day six months hence.

In conclusion, when the Conservatives were in Opposition, they condemned the fact that it was unilateral action and that there had not been discussions with the provinces. Now that they are in Government, it is their chance to live up to the words which they spoke so eloquently in 1981-82.

• (1210)

The Acting Speaker (Mr. Charest): I find the amendment of the Hon. Member for Churchill (Mr. Murphy) to be in order. Resuming debate on the amendment.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think it would be useful to give a short overview of Bill C-96 that differs from what we heard Friday and this morning. Bill C-96, which amends Part VI of the Federal-Provincial Fiscal Arrangements Act, 1977, is actually a vital part of the economic strategy set forth by the Government in November 1984, and explained by the Minister of Finance (Mr. Wilson) in his economic message in 1984, as well as in the May Budget in 1985 and in the Budget brought down in February 1986.

Mr. Speaker, we have heard Members of the Liberal Opposition and Members of the New Democratic Party who of course criticized the Bill, as they criticize everything that is tabled in the House. I think it is wrong to look at Bill C-96 from that particular point of view alone and state that these are cutbacks. In this Bill we are not making cutbacks in transfers to the provinces. We are only slowing the growth of transfers made by the federal Government to the provinces. And we are doing so for a very good reason. When the previous Government was still in power, all it did was spend, spend and spend again. Now we have a national debt of over $200 billion. Quite frankly, if the Opposition were the least bit realistic, I think it would agree we cannot go on living on credit and borrowing to pay the interest. I am not talking about transfers to the provinces but strictly about paying the interest on what was spent, and let's not say how it was spent, by the previous Government.

Mr. Speaker, our strategy for economic renewal is working very well, at all levels, and Bill C-96 is part of this strategy. We said: All Canadians will have to shoulder their share of cutbacks and reductions. We have no choice. And as far as transfers to the provinces are concerned, we have planned for an increase of $1 billion per year over the next five years. At the end of those five years, we will have provided $90 billion, compared with $65 billion for transfers to the provinces during the five previous years. I think this shows there is a sensible and reasonable increase. It will be about 5 per cent per year. This increase is meant to cover inflation and also considers two vital aspects: the priority we have set on economic renewal and our formal commitment to post-secondary education and health services. I don't think anyone can deny that. What we

are doing is moderating the growth of transfers to the provinces in a normal way, as good administrators. We are not just saying: We are cutting this and that, we are stopping everything. There has been a lot of careful planning.

Earlier, I heard the Opposition Member say there had been no consultation. There has been more consultation between the Prime Minister of Canada and the provincial Premiers, and between the Minister of Finance and the provincial Ministers of Finance on this subject, and on matters generally, in the last eighteen months than there was during the last five years.

Mr. Speaker, how can anyone say there was no consultation and there has been only confrontation during the last eighteen months? That is just not true!

My New Democratic Party colleague who spoke earlier quoted what was said by the Liberals and the Conservatives, and so forth. In 1980, if the NDP had supported the Conservative Party's policy instead of supporting the Liberals, maybe we would not be in the fix we are now. We would have had at least four years with less spending and the sound administration which was lacking. Mr. Speaker, I think we should refresh their memory a bit.

Now when we look at all this, and people start accusing us of cutting . . . Mr. Speaker, a cut-back means that of the so many billions of dollars which are given each year, there will be less money to go around next year. In the case under consideration there is no transfer payment cut-back in health and post-secondary education, but the rate of increase will decline.

So what did the provinces tell us? This was announced in November 1984. Since the provinces had planned ahead for 1985, they asked that it be deferred until 1986. Can you work it out so that we will not be affected by the November 1984 economic statement during our fiscal year 1984-85 and early 1986? We said yes, so this measure can be applied as of April 1, 1986.

Mr. Speaker, one has to know how the system works. The federal Government's projected expenditure increase was set at about 3 or 4 per cent. We do not intend to exceed 4 per cent. With respect to transfers payments to the provinces, our ceiling is 5 per cent, and that I would suggest attests to the effort we are making in that field to ensure a brighter future.

• (1220)

Post-secondary education is the current topic, Mr. Speaker, and that spells future. The Conservative Government, the Minister of Finance (Mr. Wilson) and the Secretary of State (Mr. Bouchard) have all agreed that it is an important and necessary requirement, and that is what we are working on. But we must also administer the country in a businesslike manner because it was on the verge of bankruptcy when we took office.

We have now reached the point where 25 per cent of public revenues are earmaked for interest payments alone. In my opinion, Mr. Speaker, ours is a serious problem. We did not have anything at all to do with it, it was created by Members opposite who are now urging us to spend, and spend yet more!

The minute we talk about amendments to slow the rate of increase, we are told: Don't do that. When we table a Budget, we are told: You are not cutting enough. I wish the Liberal Party or the New Democratic Party would tell us, for once in two years, and perhaps this morning: You should reduce such or such expenditures. We are waiting for constructive suggestions. All we got from them in two years was criticism, we never heard one single positive proposition.

In my opinion, Mr. Speaker, the role of the Opposition does not end with filibusters on any and all Government measures designed to improve the future, the kind of long-term Government policy for all Canadians in the health and educational fields. We know the health sector is experiencing hard times. Referring only to Quebec and my own riding of Trois-Rivières, problems we do have. True enough, the Government of Quebec may not be able to cope with the strong demand, but the funds are available, there has been no cut-back, and it will continue to receive ever higher payments over the coming years. Mr. speaker, here are some figures which will give you a better picture. Quebec got $3.5 billion in 1983-84, $3.8 billion in 1984-85, and $4 billion in 1985-86. This is certainly not a decrease, Mr. Speaker, and if someone claims that it is, we certainly did not go to the same accounting school.

As for our national expenditures, Mr. Speaker, we have said that they must be reduced. The Minister of Finance (Mr. Wilson) has done a great job. We have had many Ministers of Finance in the last twenty years. Almost as many as twenty. In twenty years, not a single Liberal Minister of Finance said in a given year: We are going to spend so much and have a deficit of so much. This did not happen once. However, this year, the Minister of Finance has said: We are going to spend $105 billion for the year 1985-86. Unfortunately, Mr. Speaker, he was wrong and we spent only $104 billion. Mr. Speaker, I think that this shows that the Prime Minister (Mr. Mulroney) and the Minister of Finance know what is going on, where they are going and how to govern the country effectively and profitably in the interests of all Canadians.

This might not please the Opposition, but in addition to knowing how to govern, the Prime Minister and the Minister of Finance are keeping their election promises as regards job creation and agreements with the provinces. Mr. Speaker, I have made a small list of the consultations between the Minister of Finance and his provincial counterparts. There was one in May 1985, another in late September 1985, one in November 1985, and another in December 1985. Let no one say that there were no consultations. Let no one say that we have resumed a confrontation policy. Mr. Speaker, within about eight months, the Minister of Finance of Canada sat down four times to discuss the problems of Canada with his provincial counterparts. The former federal Ministers of Finance would find it difficult to match this record.

Generally speaking, Mr. Speaker, the Federal Government is allocating more money to provincial health care and post-

secondary education programs than to nearly all its other budgetary items. This clearly shows the involvement and understanding of the Federal Government and the priority it gives to health care and post-secondary education programs.

Moreover, Mr. Speaker, in addition to the amounts being discussed this morning, the Federal Government contributes $1.5 billion for health services administered by the Department of National Health and Welfare. There was no mention of this fact this morning. There are also expenditures made by other departments, such as the Department of Labour, the Department of Indian Affairs and Northern Development, and I am convinced that this has the support of my colleague, the Hon. Member for Abitibi (Mr. St-Julien), the Department of National Defence, and the Department of Veterans' Affairs.

In relation with post-secondary education, the Federal Government allocates $1.1 billion to provincial bilingualism programs. This was not mentioned either, Mr. Speaker. This is for bilingualism in education, university research support, counselling and granting of subsidies under the Canadian student loans program and various other programs. Mr. Speaker, this represents another $2.6 billion allocated to health care of post-secondary education. This is certainly good news, however it must not be mentioned.

I do not want to get into the complexities of the tax system, but as you know, Mr. Speaker, our taxation system also provides assistance in various forms, such as deductions, tax exemptions for medical and educational costs and exemptions for various products used in medecine.

In addition to all this, I have not yet spoken about the equalization system under which six provinces receive $5 billion more a year.

If you look at this from an economic viewpoint or in the context of the direction taken by the Conservative Government since September 4, 1984 and the economic statement of November 1984, which indicated what the Government wanted to achieve and how it would have to work to do so, it becomes obvious that we have a monstrous problem in our annual deficit and national debt.

When I look at the Hon. Member for Laval-des-Rapides (Mr. Garneau) I can see that he is not happy to hear me talk about this problem, but it was caused by his Government.

An Hon. Member: His friends!

Mr. Vincent: We now have to live with it and solve this problem, Mr. Speaker. And to solve it, we must see to it that the programs we have, the monies we spend as the national Government are spent as economically and as profitably as they can. What we have done so far was to spend less money on better programs, and that will remain our course of action. And certainly the Provinces, as all other Canadian men and women, as all programs, are experiencing not cuts but a reduction in the expected increase. And again the reduction is not a huge one. The increase which the Provinces will get over the years will be greater than the one we will have as a Federal Government for our various programs.

So the Federal Government has taken into account the priorities of the Provinces. As I said, Mr. Speaker, the Minister of Finance met earlier with provincial representatives. He identified and backed up their priorities. Of course, Mr. Speaker, when you are in Opposition your strategy is to look at the bad side of the coin rather than at the good one. But the good side of the coin is that, so far, things are going well. And so far we have struck a balance in our budget forecast and that is something new. That is the good side of the coin. Everybody—and I think Canadians are willing to accept that, including people in the constituency of Trois-Rivières—is aware that cuts are being made everywhere. They agree because they gave us a clear mandate for sound management of public monies and for reducing our national debt to a decent size, a size we can live with and which we will solve one day, rather than spending left and right as it used to be the rule.

Mr. Speaker, the contributions to be made under Bill C-96 are just and fair. The federal contribution is in line with economic and population growth. In other words, the contribution is based on the population in each Province and our economic growth—in each Province as well.

This is fair, and the Provinces are in agreement with that. The Provinces are conscious of that fact, and as far as Quebec is concerned, I think the budget that will be tabled very shortly in that Province will not be without cuts. In all the Province cuts also have to be made. It is my view that we all must live in step with the conditions that are prevailing in 1986.

This is the great change with Bill C-96, Mr. Speaker. The great change is that starting in 1986-87, growth will be reduced by 2 percentage points to make sure that things go better, that economic conditions improve across Canada. I do not think, Mr. Speaker, that it is asking too much. I feel this must definitely be looked at within the context of the economic renewal that was launched in November 1984 by the minister of Finance and which has been working so well ever since, that Opposition Members flare up whenever we mention it to them.

I see your signal that my time is almost up. I would like perhaps to point out, in respect of federal-provincial relations, that there have been more agreements signed, whether it be on regional development, tourism, transportation, or communications, than there have ever been in any 18-month period before. And they say things are turning sour between the Federal Government and the Provinces. No, everything is going well. The Provinces are getting more money than they used to, and, in a sensible, profitable way.

Mr. Speaker, we are conscious of the situation. We are not reducing. We are making sure that all Canadians get a fair share of what they are entitled to under transfer payments to

the Provinces, and it is my view that it is essential that the Bill should go through within the best possible time frame.

The Acting Speaker (Mr. Charest): Questions, comments. The Hon. Member for Sudbury (Mr. Frith).

Mr. Frith: I have a question, Mr. Speaker. At a meeting of the Quebec Conservative caucus held in Sherbrooke on June 26, 1984, the Progressive Conservative Party promised to assume the federal obligation to finance provincial health care under the established program financing scheme and to provide additional funds to the provinces on a cost sharing basis.

• (1230)

[*English*]

Why did the Conservatives break that election promise made in summer of 1984?

[*Translation*]

Mr. Vincent: First of all, Mr. Speaker, the Government has not broken that promise. I am entitled to 20 minutes, Mr. Speaker. For the past 20 minutes, I have been trying to tell them that the Government has increased . . . There will be an increase of one billion dollar per year over the next five years. This is certainly not a reduction. It's one billion dollar more per year.

Over the past five years, Mr. Speaker, $65 billion have been paid to the provinces. Over the next five years, $90 billion will be paid to them; 90 minus 65 is 25. Therefore, there will be an increase of $25 billion. We have not broken any promise there. In addition to keeping and fulfilling our promises, we have done more over the past 18 months regarding our election promises than the former Government did in four years with the promises it made in 1980. In 1980, they had promised not to increase the price of oil, hardly two months elapsed when the price of oil skyrocketted. When we make promises, Mr. Speaker, we keep them. We could not keep all our promises the very same day for a very valid reason. When we took over power on September 4, we found a mess. It was—I will not say the word because it may not be considered parliamentary—nevertheless, I will say that we had a big clean up to do, even bigger than we had expected. And that, Mr. Speaker, is something even the Liberal Premier of Ontario had to acknowledge.

So, Mr. Speaker, we are going to keep our other promises as well, but we had to do a lot of cleaning and there is more to be done.

[*English*]

Mr. Murphy: Mr. Speaker, the Hon. Member who just spoke indicated he found that Members of the Opposition always look on the black side of things and their comments are either negative or not quite correct. I found that quite interesting. In my own speech, which preceded the Hon. Member's remarks, I quoted from three Members of the Conservative Party when in opposition, the Minister of Finance, the Minister of National Health and Welfare and the Minister of Employment and Immigration. I hope the Hon. Member will apologize to his Cabinet colleagues for the insult he has reflected upon them.

I am certainly willing to defend the words of the Minister of Finance when he was being honest with the people of Canada in 1981-82. He said there should not be unilateral action or cut-backs at that time. I wonder if the Hon. Member would explain how the Conservatives in 1981-82 could speak against unilateral action, could say that the cut-backs would be hard on the provinces and that it would transfer the deficit from the federal Government to the provinces—the Hon. Member is being informed of what the answer should be—and then the Hon. Member say what he did?

Mr. Frith: Because they are hypocrites.

Mr. Murphy: I will continue to speak for a few moments, Mr. Speaker, to give the Hon. Member a chance to be briefed on his answer.

I wonder why the present Minister of Finance said in 1982 that there should not be unilateral action and that the deficit would be transferred from the federal Government to the provinces? Further to that, does the Hon. Member believe the Conservative campaign promise on page 98 of the PC campaign handbook which states with regard to established program financing for post-secondary education: "We would return to the 1977 funding formula"? That is from the Conservative handbook.

Mr. Blackburn (Brant): The handbook is now in the Smithsonian Institute.

Mr. Murphy: Why did Conservative Members of the Opposition make that promise when this legislation is going in exactly the opposite direction? Why did the Minister of Finance in 1982 say that we should not transfer the deficit to the provinces when now, even worse than the Liberals, he is transferring more of the deficit to the provinces?

[*Translation*]

Mr. Vincent: I thank the Hon. Member for his question, Mr. Speaker, for it will give me the opportunity to repeat for the fourth time what I said this morning.

First of all, Mr. Speaker, to those who have said that there were no consultations and that the Minister of Finance (Mr. Wilson) has acted unilaterally, let me say that I indicated a while ago the dates on which the federal Minister of Finance and his provincial counterparts met and came to an understanding.

It is a fact that provincial Ministers of Finance want as much as they can get. That is quite normal. However, the provinces are aware of the mess we have inherited from the former Government and they realize that they must work together with us to build a better country, a better Canada.

A province or the federal Government alone cannot by itself improve the situation in our country. Everybody must work together. That is exactly what we have been trying to do since September 4 with a good measure of success. Unfortunately for the Opposition, it is working.

Mr. Speaker, the other question of my hon. colleague concerned a reduction in transfer payments. Again, Mr. Speaker, the transfer payments to the provinces are not decreasing but increasing by as much as 5 per cent, while our own expenses are increasing by as much as 3.5 or 4 per cent.

Mr. Speaker, I suggest that we are proving once again that harmony works and that the economy is working.

• (1240)

[*English*]

Mr. McCurdy: Thank you, Mr. Speaker. I have two questions. The Minister is prepared to cut spending in two very important areas. He is prepared to risk major cut-backs in medicare and post-secondary education. Rather than rush into this on a unilateral basis and force spending cuts and service cuts on the province, would the Minister or the Government consider entering into two or three national conferences on health and post-secondary education so they can set out the objectives at the various levels of government in these two important areas before he cuts spending, and before he causes closures of hospitals and post-secondary education? That is the first question. As my second, to see if we cannot put into perspective what the Hon. Member has said, I would simply ask him this. Supposing he had a contract for a 10 per cent salary increase for the next five years each year and the boss turned around and said you are only going to get 5 per cent, would you not regard that as a cut?

[*Translation*]

Mr. Vincent: First of all, Mr. Speaker, as far as a national conference is concerned, I suggest that would be the responsability of the Minister of National Health and Welfare (Mr. Epp) and the Secretary of State (Mr. Bouchard). One only has to watch them operate to realize that these two Ministers are doing a great job.

I will convey to them this suggestion and they will do what they have to do at that level.

Mr. Speaker—

[*English*]

Mr. McCurdy: Actually it was the Minister of Finance's (Mr. Wilson) suggestion.

Mr. Vincent: It was not the Finance Minister, it was those two Ministers.

[*Translation*]

Mr. Speaker, if I get a salary with an expected increase of 10 per cent per year over the next five years and if I am advised two years before the end of the five-year period that the increase will be 5 per cent, that's not a cut, that's a reduction in my rate of increase. That's quite different.

Mr. Speaker, we may have a little difficulty understanding . . .

[*English*]

Mr. McCurdy: It is not a cut; it is a decrease?

[*Translation*]

The Acting Speaker (Mr. Charest): Order! Order, please. I must regretfully advise the House that the time allocated for questions and comments is over. Debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, first of all, I want to say that I intend to support my hon. colleague's motion to postpone consideration of the Bill for six months, because I agree this legislation requires further analysis before letting it come to a vote in the House of Commons.

Mr. Speaker, the main reason is, unlike what was said by the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) in his speech and what was said by the Parliamentary Secretary to the Secretary of State of Canada (Mr. Scott) in his speech on April 25, the main reason is that there has not been what I would call consultation. And I would refer Hon. Members to what was said by most participants at recent federal-provincial conferences. If having consultations means being informed and being told: take it or leave it, Mr. Speaker, I don't think I would call that consultation. However, if I may refer to what was said by most provincial representatives from provinces of every political stripe, whether they were Liberal, Conservative or New Democrats, it is easy to conclude that the statements made by the Parliamentary Secretary to the Minister of Finance and by the Parliamentary Secretary to the Secretary of State do not stand up.

[*English*]

The Premier of Ontario, after Bill C-96 had been tabled, and also in the context of the federal and provincial conference, David Peterson, said the following:

> This reduction in the funds provided the province will translate into a reduction in services. "There will be fewer hospital beds", warned the Ontario Premier, David Peterson—

Mr. Robert Nixon, the Ontario Treasurer said the following:

> There was uniform opposition to Ottawa's plan.

Mr. Gérard D Lévesque, the Minister of Finance in Quebec said the following:

> It is unfair to the provinces, because they have been counting on the amounts agreed to in the accords.

Mr. Richard Hatfield, Premier of New Brunswick said the following:

> I will have no choice but to increase user fees for health services.

The Minister of Finance for New Brunswick said the following:

It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level.

This was a Conservative Member in the Legislative Assembly in New Brunswick. The Minister of Finance of Nova Scotia said the same thing:

Every province in there made it clear that there's probably nothing more important to deliver to Canadians than health and education.

[*Translation*]

And I could quote some people from Manitoba.

Mr. Speaker, all this is a clear indication that the problem today is not just the deficit, as the Minister of Finance (Mr. Wilson) would have us believe and as the Hon. Member for Trois-Rivières (Mr. Vincent) tried to explain. The crux of the probem is the financing of these services. And that is why the motion presented by the Member for the New Democratic Party, a motion I would have presented myself if he had not already done so, this motion would give the federal Government a chance to conduct genuine discussions. These discussions must not be uniltateral and must deal with the issues.

The question we must ask ourselves is: Are Canada's post-secondary education services too big? Are we offering Canadian youth too many opportunities for getting a higher education?

Another question we should ask is: Are our hospitals and health services too big for this country? Do we have too many hospital beds? Do we have too many medical services? Are we, in point of fact, offering Canadians too many services? Should we cut back? That is what we should be talking about. And if the answer to these questions is no, as I believe it is, if we listen to the First Ministers, the Ministers of Finance and the Health Ministers of the various provinces, and even the Minister of National Health and Welfare of Canada (Mr. Epp), we realize that these services are not exaggerated and that on the contrary, most of the provinces, in the difficult economic situation this country has known since 1982 and 1983, and especially in those years, made substantial efforts to try and cut costs.

Even the Quebec Government had special legislation passed to lower salaries paid to hospital and education personnel. Is that not a tremendous effort that is done to cope with certain financial difficulties? And on top of all that, the Federal Government is having part of the deficit transferred to the Provinces. But this is not the angle from which this should be considered in my view. Rather, we must ask whether or not our post-secondary services, university research, hospital care, medical care have grown beyond reason. And if the answer is no in those areas, the problem at hand is how to finance such services. It is not to be done as the Minister of Finance is proposing, by cutting off at his own discretion and without consultation, $2 billion in 1990-91. Much more than that is involved.

If we add up what Bill C-96 will represent at the end of year 1992, that is from the day it applies until the end, an $8 billion cut will be made from provincial budgets for post-secondary education and health care. Yes, $8 billion. What does that mean? For Ontario, $3 billion. For Quebec, $2 billion. For British Columbia, $930 million. For a Province like Newfoundland, $187 million.

Mr. Speaker, is it possible to think that those Provinces will be in a position to provide those services with that kind of cuts? I suggest to the Minister of Finance he should use . . . The Hon. Member says we never make suggestions. I think the Minister of Finance should use the 6-month period that is proposed in the motion to resume those discussions. All the more so since he himself promised in his economic statement of November 1984 not to tamper with the transfer payments to Provinces in the 1986-87 budget. One more broken promise by this Tory Government. That was a commitment. And when we look at his own published figures for transfer payment cuts in 1986-87, the figure reads zero. And now, instead of that zero, the figure that would be shown for cuts would be above $300 million. I suggest to the Minister of Finance that he try during that period to come to an agreement with the Provinces on financing established programs. However, the Minister of Finance will tell the Provinces whether the post-secondary educational services are too extensive. He will explain it to the Provinces and to Canadians. He will explain to the people in the waiting rooms of our emergency wards that our hospital services are extravagant. He will explain to the citizens of Ontario that extra-billing for health care should be avoided because that Government has already made that commitment. He will explain that and state at the same time that he is cutting off $2 billion a year when in fact, for the arrangements under consideration, it is $8 billion.

Mr. Speaker, I think that there lies the fundamental problem. I will say to the Minister of Finance that in the education and health areas, there are some basic requirements. And when one compares health costs on the basis of our Gross National Product with those in the United States where health services are not nationalized, our percentage of costs on the basis of the Gross National Product is lower than theirs. This would mean that our system is comparatively efficient. Hospitalization as well as health care and post-secondary education are available to the rich and to the poor. If it is true, as evidenced by figures, that our health costs on the basis of our Gross National Product are lower in Canada than in the United States, our problem now is to know how those essential services are to be financed.

If the Minister of Finance has something to suggest, if he now agrees with user fees, even though he and his Party objected to them previously, if he is now against the act of Parliament which prevents the provinces from imposing user fees to their residents on penalty of having their transfer payments reduced, if he is against this law, let him rise and say so and explain his position at a federal-provincial conference. Let him say to the provincial Ministers: You want too much, and, from now on, you will have to ask university students to pay at least one-third or two-thirds of their tuition fees. Let him explain that to the Canadian people. Let him say exactly what he wants, but for the moment, all he is doing is taking away $8 billion and letting the provinces make up the difference.

When he sat in Opposition, what did the Minister have to say about the fiscal arrangements, and especially about the aboliton of the complex fiscal guarantee formula developed at the time of the tax reform by a Goverment which he was criticizing? This is what he said, and I am quoting from page 15758 of *Hansard* for March 23, 1982. I shall read the English version.

• (1250)

[*English*]

The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. This is true particularly in Ontario and the eastern provinces which do not have the substantial energy revenues of most of the western provinces. That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

I agree with that completely. However, one cannot build a country or build a dream for this country with a pair of scissors in one's hand. Is that the type of country the Minister wants to build? Is that the type of services he wants to give to the country?

Mr. Wilson (Etobicoke Centre): You will never understand, Raymond.

Mr. Garneau: I will never understand. I understand what they are getting at very well. You want to shift the burden of your deficit on to the provincial government.

Some Hon. Members: Your deficit.

Mr. Garneau: I fought against that when I was Minister of Finance in the Province of Quebec and I will continue to fight against that.

Mr. Wilson (Etobicoke Centre): Why not speak to the people in your Party?

[*Translation*]

Mr. Garneau: Mr. Speaker, I hope that the Minister of Finance will take the opportunity to speak later on. The programs being discussed now were established in the late sixties and, especially as concerns post-secondary education, they were brought in gradually. Since these programs come under provincial jurisdiction, after a trial period and after the system was running properly, in 1977, after lengthy consultations between the federal and provincial Governments, we developed a financing formula which effectively confirmed provincial jurisdiction in these areas.

This is why, in addition to fiscal transfers, there was what was called block funding, or unconditional transfers, and the best way that we found to determine the rate of growth of these transfers was to use the growth rate of the Gross National Product. This is what we did in 1977 and the system has worked well. I am not saying that every action taken by the Liberal Government should be defended at all costs, but this system has worked well. Now, it is being put aside by people who are saying: "From now on, the standard will no longer be the Gross National Product, it will be the GNP minus 2 per cent". Big deal!

What is the basis for a formula where transfers to such important sectors as post-secondary education and health care have to be restricted to a rate of growth lower than the Gross National Product? What evidence was there to decide that the growth rate would be the GNP minus 2 per cent?

Quite simply the federal Government has decided to wash its hands off the whole thing, pass its deficit along to the Finance Ministers and they in turn will have to tell their colleagues responsible for health and education: Well, you will have to come up with a sizeable increase in university fees, perhaps impose some in junior colleges, including CEGEPs in Quebec. In the health sector, will they now collect user fees from patients in hospital rooms? Are they going to slash hospital emergency services which are already overburdened? Will the fiat of the Minister of Finance (Mr. Wilson) mean that the people will have to get ready for mandatory user fees in legislation?

Mr. Speaker, the way the federal Government is acting—the Minister of Finance was right and again I quote him: This is no longer co-operative federalism, but predatory federalism under which the central Government robs the provinces of their full jurisdiction in such sectors as health and post-secondary education.

Can you imagine, Mr. Speaker, a province like Prince Edward Island which cannot afford to lose those millions and yet will have to finance health and post-secondary education services with $40 million less between now and 1991-92? And what about a province like New Brunswick which stands to lose $228 million?

Mr. Speaker, the provinces cannot reasonably be told: We are taking those funds from you, but continue to provide the same quality of service.

That is why I urge the House to adopt this motion so that we may honour the commitments contained in the documents published by the Minister of Finance in November 1984 to the effect that there would be no reduction in transfer payments for 1986-87. Thus we will have at least a year, but if that is too much the motion provides for six months and that time will be available to the Minister of Finance to sit down with his provincial counterparts and decide how they will go about reducing health and post-secondary education services to comply with Bill C-96.

If I may, Mr. Speaker, I should like to say a few words about other issues related to this Bill.

We should obviously limit our comments to the motion calling for the review of this Bill six months hence, but when

we consider the needs which exist now among Canadians for health care and post-secondary education, when we realize just how necessary research is today, how important university teaching and research are, I just cannot see how the Government can foresee any long term growth for Canada if it does not provide young Canadians with the funding that is required to offer them this kind of education services.

Mr. Speaker, as far as health services are concerned, it's a fact that in all provinces—it's true for Quebec, Ontario and all the other provinces—there is not an excess but rather a shortage of hospital beds. The Ontario Premier has even informed the people in his province that because of the federal Government's decision, they will have to cut 75,000 beds. Mr. Speaker, I say that there is more involved here than the need to reduce the deficit. That is an in-depth analysis of the services which I deem essential, the financing of which we should review at this time on a more permanent basis, together with a more constant federal commitment. Because, when the provinces accepted the change from the previous system to the new one that was incorporated in the 1977 legislation, they had taken for granted that the federal Government would assume its responsibility for a long enough period of time to allow them to plan accordingly. This Bill, like a bull in a china shop, completely disrupts the planning of the provinces and forces them to assume the costs all by themselves or else to reduce in an injustified fashion the quality of the service they are offering to the Canadian people.

The Acting Speaker (Mr. Charest): Questions and comments until 1.06 p.m. The Hon. Member for Lac-Saint-Jean (Mr. Côté) has the floor.

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, I would like to ask the Hon. Member for Laval-des-Rapides whether the arithmetic he used when he was the president of a bank was the same as the arithmetic he is using here. In the House, the Hon. Member showed that he juggles his figures the same way he did in the Quebec National Assembly when he was Minister of Finance. Of course that is because of the deficits he piled up in Quebec, and now he would like to continue along those lines and follow the example of his predecessors.

I would like to ask the Hon. Member for Laval-des-Rapides whether he remembers learning addition and subtraction in the second and third grade. Mr. Speaker, when we are talking about an increase of $25 billion between 1986-86 and 1990-91—maybe he doesn't know what a billion is but $25 billion is 2,500 million—is that more or is that less? Is the Canadian Government going to give more or is it going to give less to the provinces? What the Minister of Finance has suggested is a moderated increase. Between 1985 and 1990, is that more or is that less, Mr. Speaker? Thank goodness the Hon. Member is not a member of Cabinet, because we would never get around to reducing the deficit and this country's debt. Things would go on exactly the same way they did under the Hon. Member's predecessors and when he was in Quebec.

Mr. Garneau: Mr. Speaker, I could get into a discussion with the Hon. Member for Lac-Saint-Jean, but it is obvious that he wears blinders and can only see the deficit. What I can tell him is that the formula prescribed in the 1977 Act and amended by Bill C-96 provided that provincial transfers for post-secondary education and health care programs would increase at the same rate as the Gross National Product. This is what the provincial governments used to plan ahead and develop their five-year plans. There is one thing that we must not forget, and that is that, as far as health care is concerned, and I imagine that it is still the case, when I was at the Quebec Provincial Assembly which I left a number of years ago, there were five-year plans for the development of hospital care, of senior citizens' homes, and everything else in the social field. Today, after certain decisions have been made . . . Let us take for instance, the most recent decisions of the provincial government as concerns emergency services, which are overcrowded in most Quebec hospitals, and it is probably the case elsewhere. The provincial government made its decision in the belief that the Fiscal Arrangements Act would remain unchanged, and at the time, the Act provided for transfers based on the rate of growth of the Gross National Product. Now, the provinces have been told that it will be based on the GNP minus two. If that is not a cutback, Mr. Speaker, I do not know what is.

The Acting Speaker (Mr. Charest): Order, please. It being 1:06 p.m., I do now leave the Chair until 2 o'clock this day.

At 1:06 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—NEWSPAPER REPORT

Mr. Sergio Marchi (York West): Mr. Speaker, a report in *The Toronto Star* on Friday suggests that Cabinet may soon be announcing a government response to the issue of Japanese-Canadian redress. I have had an opportunity of discussing this proposal with the President of the National Association of Japanese Canadians. It is absurd and surprising to find that the association has no idea of this imminent proposal. Again it is on the outside looking in.

I find it simply absurd, because here is a Government which said it would actually consult and negotiate with this particular association in order to formalize an agreement. To a certain degree, but on a different level, history is again repeating itself in that we have a Government which is

basically saying to this community: "Don't worry. We know what is good for you". The Government has to understand that process is almost as important as substance. This community needs to be consulted. It needs to be negotiated with—

Mr. Speaker: Order, please. Sixty seconds.

* * *

OCCUPATIONAL HEALTH AND SAFETY

DAY OF MOURNING FOR WORKERS KILLED AND INJURED IN WORKPLACE

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, today, April 28, is observed by the union movement as a day of mourning in remembrance of the thousands of workers killed and the millions of workers injured on the job. Today marks the seventy-second anniversary of the passage of the first workers' compensation legislation in Canada. This day is being observed as the national convention of the Canadian Labour Congress opens in Toronto. However, the Government has not seen fit to designate it as a national day of mourning.

Progress has been made in the field of health and safety in past years. However, we cannot become complacent—there is still a long way to go to provide protection for Canadian workers. Deaths from industrial injuries are still running around 1,000 a year, and every year there are approximately one million workers injured. This represents an injury every six seconds, and a death every two hours of the working day.

Injuries in the Canadian forestry industry have been extremely high this year. Industrial accidents and mining accidents are occurring too frequently. In British Columbia fishermen are seeking the right to receive compensation from the Workers' Compensation Board.

Injury is not confined to those in the industrial sector. Contrary to popular belief—

Mr. Speaker: Order, please. Sixty seconds.

* * *

AGRICULTURE

UNITED STATES SALES OF SURPLUS WHEAT—EFFECT ON CANADIAN FARMERS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I have just returned from a fact-finding trip to Washington where the U.S. Farm Bill, freer trade, et cetera, were discussed. All the people we talked to, who included the U.S. Secretary of Agriculture, the Hon. Richard E. Lyng, politicians, farm groups, bankers, and others agreed on two points. The first is that there is a surplus of agricultural products in the world and the United States is going to get rid of its surplus by selling cheap and by taking land out of production. The second point is that this move will affect Canadian agriculture from coast to coast.

Our Government must meet this challenge to our very important agriculture economy. I ask that an agriculture emergency committee be formed by knowledgeable individuals, including MPs, to deal with interest rates, fuel costs, fertilizer costs, and all input costs as a result of Government policies, as well as land use.

We cannot have freer trade if our farmers cannot—

Mr. Speaker: Order, please. Sixty seconds.

* * *

PORNOGRAPHY

BATTLE AGAINST PORNOGRAPHY—WORK OF PROJECT "P" GROUP

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise to advise all Canadians about the vital battle against pornography which is being fought by members of Project "P". Project "P" is a small, four-person joint forces project staffed by Sergeant Wendy Leaver and Constable John Matthews of the Metropolitan Toronto Police Force, and Detective Sergeant Ted Bean and Constable Cy Wood of the Ontario Provincial Police. Project "P" was started in 1975 and is the only unit of its kind in Canada to combat violent hard-core pornography.

• (1405)

I held a policy forum in my riding of Don Valley East just last Saturday. Sergeant Wendy Leaver was present to show examples of the shocking hard-core violent pornography which is all too readily available in Canada in the form of magazines and video tapes. We urge the Minister of Justice (Mr. Crosbie) to bring in tough legislation to deal effectively with this problem which is eroding the quality of life here in this great country of Canada.

* * *

CANADIAN COAST GUARD

ANNOUNCED CLOSURE OF STATION IN CARTWRIGHT, LABRADOR

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the promise the Prime Minister (Mr. Mulroney) made during the last election was jobs, jobs, jobs. Yet all across the country the Government has cut back on government services, thereby eliminating jobs. This has been particularly disastrous in remote communities.

In the community of Cartwright on the coast of Labrador the Government is closing the Coast Guard station, and this means that eight families will have to move out of that community. Eight are only a few but represent one-eighth of

the employment in that particular community where, during the winter, the unemployment rate can be as high as 80 per cent.

The Government cannot have it both ways. It cannot be for jobs and then cut back on government services, particularly in remote areas. I call on the Minister of Transport (Mr. Mazankowski) to delay any move of the Coast Guard out of Cartwright until he can assure the people of that community that there will be no negative impact on the community.

* * *

[*Translation*]

VOLUNTEERS' WEEK

TRIBUTE TO VOLONTARY WORKERS

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, last week was "Volunteers Week".

I should like to pay tribute to all those men and women who give their time for the welfare of the community. In a world which is much too often egotistic, where too many people are thinking of only themselves, this "Volunteers' Week" serves to remind us that there is more on earth than the "self" of each and everyone of us.

We are lucky to live in Canada, for Canadian men and women rank among the greatest voluntary workers in the world.

Let's have a look around us, Mr. Speaker. Volunteers are everywhere involved in medical and humanitarian services, arts and culture, sports, leisure, and many other areas of activities.

Tens of thousands of our fellow Canadians are contributing to the progress and welfare of our society through their volunteer action.

To all these people, we say thank you.

* * *

[*English*]

MULTICULTURALISM

GOVERNMENT INITIATIVE—ADVICE FOR MINISTER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister of State for Multiculturalism (Mr. Jelinek) has launched a new initiative entitled "Multiculturalism Means Business". He is hopeful that drawing on Canada's ethnocultural diversity will enhance Canada's trade efforts.

The Minister clearly does not appreciate the existing importance of ethnocultural business activity. He thinks that the ethnic minorities need to be brought out of their isolation if they are to enrich Canada. These attitudes reflect the Minister's own distance from Canada's ethnocultural diversity. They reflect his failure to appreciate how this diversity is already expressed in businesses of many sorts.

These businesses, most of them small, can certainly use more capital. The Minister should join with his colleague in finding ways to provide the resources they need. The Government could do much more for them other than emphasizing how the talents of our cultural and racial groups can serve big business. The ethnocultural businesses also need strong markets, and the Minister can assist in the growth of their communities. Employment equity, which would increase incomes in these communities, is only one of the areas in which the Government makes a good pitch but fails to deliver the goods.

* * *

COMMUNICATIONS

CANCELLATION OF PORNOGRAPHIC MESSAGE SERVICE BY BELL CANADA

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I rise today to offer appreciation as well as to express a serious concern. Bell Canada showed responsibility as a good corporate citizen when it blocked access to five 900 numbers which offered taped messages of graphic descriptions of sexual fantasies.

Presently the CRTC is considering whether or not it will permit 900 service on a permanent basis. Although most 900 services are legitimate, the CRTC must block the reintroduction of these sex lines.

I am concerned with the increase in offensive advertising for escort services in the *Yellow Pages*, particularly in the Toronto area. According to a recent report, the Metro Toronto Police estimate that 98 per cent of the escort services are a front for prostitution. Under the guise of legitimate businesses they even accept major credit cards.

I call upon the Minister of Justice (Mr. Crosbie) to tighten the Criminal Code, thus preventing such offensive advertising in the *Yellow Pages*.

• (1410)

Tele-Direct, the company which produces the Toronto directory *Yellow Pages*, should take a lesson from Bell Canada. Let us not let prostitutes go walking through the *Yellow Pages*.

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S OBJECTIVES

Mr. Guy Ricard (Laval): If I may, Mr. Speaker, I should like to refer the House to the remarks made by the Right Hon. Prime Minister (Mr. Mulroney) at the Canadian Press annual dinner in Toronto, and I quote:

> Our goals are not limited to the Canadian economy. We wish to cure the ills and ease the pains and sufferings which affect so many people in our own country and abroad.
>
> We want to feed a world that is starving and undertake to eliminate poverty, oppression and racism everywhere on this planet.
>
> We want to see a united world to start exploring and developing space. We want the arms race to end and a lasting peace to begin.
>
> We are launching a national offensive to help prepare our country to enter the new world of the 21st century. We are going to take up this challenge, because our children and our country deserve nothing less.

Those are words which deserve to be broadcasted everywhere throughout Canada.

* * *

[*English*]

CANADIAN ARMED FORCES

TREATMENT OF SIKH RECRUITS

Miss Aideen Nicholson (Trinity): Mr. Speaker, Canadians of the Sikh religion are concerned about reports that the Armed Forces have not observed the terms of the 1979 agreement with the Canadian Human Rights Commission, according to which Sikhs who join the forces will be allowed to maintain their religious practices.

According to our policy of multiculturalism, all Canadians have a right to participate fully in the life of our country, and this includes the right to defend our country as a member of the Armed Forces. We have a charter which prohibits discrimination on the basis of religion. As a society, we are committed to equality of opportunity for all.

In the interests of upholding existing policy and sending a positive signal to ethnocultural communities in Canada, I hope officials of the Department of National Defence will indicate clearly by word and deed their intention to abide by the terms of the 1979 agreement, and make it possible for Sikh recruits to maintain their religious practices in all aspects of military life.

S.O. 21

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. TARIFF THREAT TO LUMBER EXPORTS

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, Canada—U.S. trade means jobs. An enhanced trade agreement with our largest trading partner will mean security for Canadian jobs. The decision of the U.S. Senate Finance Committee to pursue fast track negotiations with Canada is a giant leap toward enhanced trade.

The recommendation of the U.S. International Trade Commission for a 35 per cent tariff on Canadian red cedar shakes and shingles is a threat to jobs in British Columbia, in particular to Mission—Port Moody, the heart of Canada's shake and single industry. While trade negotiations will not in the meantime preclude traditional action against Canadian exports, they will lessen the threat. We are speaking of the lifeblood of the British Columbia economy.

* * *

POLITICAL PARTIES

CRITICISM OF LIBERAL PARTY POLICIES

Mr. Rod Murphy (Churchill): Mr. Speaker, the Hon. Member for Cochrane—Superior (Mr. Penner) has been quoted as saying that he challenges the whole idea of universal programs. This is not the first time we have seen a flip-flop among Liberal Members. We do not know where the Liberal caucus stands on Cruise testing in Canada. We do not know where the Liberal caucus stands on free trade.

There are many areas in which the question is not where the Liberals are going; it is which way are they turning. The Liberals must answer that question.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—HISTORIC OPPORTUNITY

Mr. William G. Lesick (Edmonton East): Mr. Speaker, congratulations to the Prime Minister (Mr. Mulroney) are in order. Freer trade with our neighbours south of the border will be of great benefit to all Canadians, especially those in my home Province of Alberta. Last year alone a full 85 per cent of Alberta's exports went to the United States. In Alberta, as in the rest of Canada, the establishment of freer trade will enhance economic growth, increase employment, make our industries more competitive on the world market, and help secure access to U.S. markets.

Indeed this is an historic opportunity. Future generations of Canadians may look upon our actions today as the point at

which the Government took hold of our national destiny. Canada will not accept a deal which is not good for all Canadians.

I applaud the successful efforts of the Prime Minister and his cabinet colleagues to secure ongoing negotiations between Canada and the United States without having to concede demands for preconditions.

* * *

NUCLEAR ARMAMENTS

WORLD-WIDE TESTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the latest count on nuclear tests held so far shows that India has held one; China, 29; the U.K., 38; France, 129; the Soviet Union, 556; and the United States, 759, for a total of 1,512.

The silence of Canada's Secretary of State for External Affairs (Mr. Clark) on the most recent French and American nuclear tests is deafening. Have we lost interest in banning nuclear tests? If not, why are we silent? Is it because of the trade negotiations with the U.S., or would it be that since the 1984 election policy on nuclear testing is no longer made in Ottawa? How can Canada's Secretary of State for External Affairs remain silent in view of the last three underground nuclear tests?

We pride ourselves on being an active member of the global community. Therefore the Government of Canada must speak up on nuclear testing and reflect the sentiments of concerned Canadians.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. PRESIDENT'S LETTER TO U.S. SENATOR

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Deputy Prime Minister. There has just been released in Washington a letter from Ronald Reagan to Senator Packwood dated April 24 which reads, in part:

> During Prime Minister Mulroney's recent visit to this country, he and I agreed that we would attempt to initiate comprehensive bilateral trade negotiations between our two nations on a "clean launch" basis. We believe it is in the best interest of all of us to have everything on the table when the negotiations begin, and to start without preconditions on either side.

Is that the Government's position? Does the Deputy Prime Minister agree with President Reagan on this? Is Reagan speaking for both himself and the Prime Minister? I would like the Deputy Prime Minister to come clean with Canadians because, if that is the case, and President Reagan said it is, it is quite a change from what they have been saying on some areas like the Auto Pact, agricultural marketing, and a whole number of other areas.?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the views of the Government and its position have been made known repeatedly week after week after week on this matter, by the Prime Minister, the Secretary of State for External Affairs, and the Minister for International Trade. I do not know where the Hon. Member is having his problem, but that question, Sir, has been answered repeatedly.

CANADIAN NEGOTIATOR'S STATEMENT

Hon. Herb Gray (Windsor West): I take it, Mr. Speaker, that it is correct, that Ambassador Reisman was speaking for the Government when, on Thursday, April 23, he told CTV *News*:

> Both sides would be willing to talk about all those things that the other side wished to talk about. In other words, everything on the table.

It is now a fact that everything is on the table. That must be the case from what the Deputy Prime Minister said and from what Ambassador Reisman said last week.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the House Leader of the Opposition would like to put a question, I would be very pleased to try to deal with it.

REASONS FOR NEGOTIATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, President Reagan in his letter to Senator Packwood said:

> We continue to retain full access to multilaterally sanctioned United States trade remedies.

My question is for the Secretary of State for External Affairs. What is the point of having a general trade agreement with the United States if the result of it will be that the United States will still be able to impose countervailing duties on our exports in areas such as lumber, and fish, and even specialty steel? The United States says no preconditions for us, but the Americans have preconditions. How is this equal for Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not for the first time the Liberal Party is misinterpreting the letter of the President. That letter stands on its own. It is understandable by any intelligent Canadian. The Hon. Member is raising a set of fears that are groundless.

COUNTERVAIL DUTIES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Secretary of State for External Affairs. One of the strongest weapons the U. S. has been using to restrict entry of foreign goods onto its market has been countervail duties. The Americans have been using them on Israel, a country that has a free trade agreement with the United

States. Will the Government assure us that any free trade agreement entered into with the U. S. will contain clauses explicitly banning the use of countervail duties against Canadian goods?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, countervail is very much at the heart of these negotiations. That is one of the reasons why we are seeking to enter into negotiations with the United States. I thought that was well understood.

[*Translation*]

FREE TRADE NEGOTIATIONS WITH UNITED STATES—CONTERVAILING DUTIES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Government cannot refuse to shed light on its position on the use of countervailing duties by the United States.

Again I want to ask the Secretary of State for External Affairs: Is the position of the Canadian Government such as to let the United states levy countervailing duties in retaliation under a free trade agreement with our country? It is a basic question to which we must have an answer.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, questions related to countervailing action are an essential aspect of the negotiations. It is a negotiable question. It was made clear from the outset and the situation has not changed.

• (1420)

[*English*]

UNITED STATES PRESIDENT'S LETTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, that is the basic point. To let the U.S. continue threats of countervailing duties while the talks are going on is like permitting war to continue while you are discussing a cease-fire.

Some Hon. Members: Oh, oh!

Mr. Langdon: Let me put the question.

Mr. Speaker: Order, please. Question, please.

Mr. Langdon: They may not like the fact but it is real. Is the Minister aware of the letter President Reagan sent to the Senators whose support he got last week in which he made a commitment to countervailing action? Is the Minister prepared to say to the President what he has just said to the House, that countervailing action is at the heart of negotiations and should not be used while the talks are taking place?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am aware of the letter. From what the Hon. Member has said I do not think he could have read it. Regarding the other part of his question, let me paraphrase that well-known American philosopher and tell the Hon. Member that a negotiation "ain't over 'til it's over".

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, a war is not over until it's over either.

Some Hon. Members: Hear, hear!

Mr. Langdon: That is what you are not discussing. This is not a clean launch; it is a scorched-earth launch the Government has taken us into.

REQUEST THAT GOVERNMENT LODGE PROTEST

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, given that these threats will continue, will the Government protest to President Reagan and attempt to get a clear commitment from him that threats of countervailing action will not be made against our producers during the long period of negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if we could stop the threat of countervailing action before the negotiations, there would be no need for negotiations.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I do not know what kind of dream world the Hon. Member and the NDP inhabit. In the real world we are faced with some very serious threats, including countervailing action, from the U.S. We intend to seek trade arrangements which will provide Canadians guarantees against some of those threats. That is what a negotiation is about.

The NDP, for ideological reasons, have been against progress to secure Canadian jobs from the outset. If they want to take that position, that is fine. However, they should not dwell in this cloud-cuckoo-land which has characterized their thinking.

Mr. Langdon: What has happened is that the Government has attempted to obscure this whole question throughout.

[*Translation*]

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is as follows: Will the Government now admit that it is not a flawless beginning, but a beginning fraught with mistakes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are—and I apologize for the quality of my French from High River—but we are engaged in negotiations without preconditions so as to achieve concrete benefits for Canadians.

[*English*]

UNITED STATES-ISRAEL AGREEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. Is it not true that the only free trade agreement ever entered into between the U.S. and another sovereign country is the one with the State of Israel? In that agreement the United States refused to give up the right to impose countervail. Why should Canadians expect the U.S. Government to treat Canada any differently?

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there has been an agreement established between the United States and Israel. We are seeking the conclusion of a different kind of agreement between Canada and the United States. If what is brought forward at the end of the negotiations is not in the best interests of Canada then, of course, this Government will not accept it. We believe we have a duty, given the threat to Canadian jobs, and Canadian security, to enter into negotiations that can provide a more secure future for Canadians, and that is what we are doing.

COUNTERVAIL DUTIES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister not agree that any trading agreement reached between Canada and the United States that does not exclude countervail will be unacceptable to the Canadian Parliament and to the Canadian people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have said on several occasions that the question of countervail is at the heart of the negotiations. It is one of the reasons we are interested in dealing with the United States. That has been clear from the beginning of these discussions.

CANADIAN LUMBER EXPORTS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Tens of thousands of jobs are at stake in British Columbia if the lumber industry is not allowed to continue at its present level, and yet in the U.S. its trade representative said that this matter will be solved within weeks. Could the Minister give this House his assurance that there will be no lumber talks in advance of the free trade negotiations and Canada will not, in fact, sell out British Columbia and the lumber industry in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not very long ago in this House we were being asked for assurances that the discussions about lumber would not be part of the negotiations with the United States. Now we are being asked that discussions about lumber not be part of anything at all. The NDP has got to come out of cloud-cuckoo-land and deal with the reality of the modern world.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the same Minister. With tens of thousands of jobs at stake, this is no laughing matter. I wish the Minister would get to the point and give this House the assurance that these free trade negotiations with the United States will not be separate from the discussion on the lumber issue? Will he give this House the assurance that the Government does not intend to sell out Canadian lumber in advance of the free trade talks in order to facilitate them?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Government does not intend to sell out Canadian lumber at any time.

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TERRORISM

SPEAKERS AT CONFERENCE—RCMP INVESTIGATIONS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. Over the weekend I participated in a conference on terrorism at the military college. That is not the source of this bandage.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order. Perhaps the House could show some sympathy to the Member and let him put his question.

Mr. Kaplan: Mr. Speaker, some statements were made by speakers at that conference with which the Solicitor General has publicly disagreed, about the level of threat in Canada. This morning the Solicitor General announced publicly that he is sending in the Mounties or CSIS to interrogate the speakers with whom he disagrees. I want to ask him if he does not recognize this as a form of intimidation that can discourage free discussion of security matters.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, first of all I want to welcome the hon. gentleman back safely. As the Hon. Member indicated with his preliminary remarks when he said he spoke at the conference, the quality of participation varied over the course of the weekend. Unfortunately, over the course of that time there were comments made which received a good deal of attention. I think the hon. gentleman would feel that I was negligent if I did not pursue such claims as Expo 86 being targeted by terrorists, large numbers of the Baader Meinhof gang being in Canada, or there being massive amounts of direct action in Canada. Obviously, if the Government did not attempt to confirm or deny such claims to ensure that the sources from

which they were made were valid, the hon. gentleman would accuse me of being negligent in discharging my responsibilities.

• (1430)

MINISTER'S ANNOUNCEMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is one thing to check statements that are made at conferences but to announce publicly, as the Minister did, that the Mounties and the security service are going to interrogate the speakers with whom he disagreed, is quite another. Will the Minister agree that that is a wrong approach and that it does not serve public debate in Canada to announce that people will be interrogated for expressing views?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I wish I could say that I expected better of the hon. gentleman with regard to the sort of question he just put. Unfortunately, I cannot do so on the basis of experience.

The hon. gentleman should know that I did not say to the press that I would be sending in the police to interrogate people with whom I disagreed. Otherwise, they would have been around to see him by now.

Mr. Speaker: Order.

Mr. Tobin: Pompous toddler of the Cabinet.

Mr. Gauthier: Throw the bum out for this nonsense.

Mr. Speaker: Order.

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AGRICULTURE

CANADA-UNITED STATES TRADE NEGOTIATIONS—ATTITUDE OF UNITED STATES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In last week's meetings with the United States Department of Agriculture officials to discuss the effects of the Farm Bill, 12 Members of Parliament from Ottawa were present to hear what would be the United States' approach to bilateral trade talks. In view of the fact that senior American agriculture officials told us that Canada is going to get the message "just like we sent the Libyans a message", what is Canada's response to this scorched earth attitude on the part of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is referring to a conversation which he alleges took place with American officials when I was not present. If he is asking about the position of the Government on the U.S. Farm Bill, we have made it clear frequently and intend to continue to make it clear frequently, that we believe that the United States Farm Bill, coupled with the trade war in agriculture developing between the European Community and the United States, poses very grave threats to the interests of Canadian agriculture. We intend to make that case generally and we intend to make that case specifically, particularly in defence of traditional Canadian grain markets.

CANADIAN POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Americans went on to spell out four specific irritants that they called "logs, hogs, spuds, and suds" which must be dealt with to the satisfaction of the United States before any serious negotiations—

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question?

Mr. Althouse: What position is our Government taking, given this apparently new attitude by the Government of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take it that the persons to whom the Hon. Member was speaking were involved in a conversation that took place before the U.S. Senate had its vote last week. The Hon. Member was talking about conditions before negotiations would begin. He will know that negotiations have begun, and he will know that those negotiations have begun absolutely without preconditions.

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ENVIRONMENTAL AFFAIRS

TOXIC RAIN—BAN ON DISTRIBUTION OF *STORM WARNING* PAMPHLET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to his Parliamentary Secretary. A report was published today saying that a new form of rain called toxic rain is affecting our health by way of contamination of the food chain. This report confirms the finding in an Environment Canada pamphlet called *Storm Warning* which the Minister banned last December as non-factual. Will the Minister face the facts and lift the ban on the distribution of *Storm Warning*?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the publication *Storm Warning* contained a good deal of information, much of which has been understood and dealt with by Environment Canada over a long period of time. The removal of that particular publication was as a result of the Minister of the Environment and the Department of the Environment wanting to ensure that the public information that was brought forward was

based on the best and most factual information possible. We will continue to maintain that position.

PUBLICATIONS POLICY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Parliamentary Secretary make representations to his Minister to convince him to lift this policy of muzzling Environment Canada scientists, and allow the Department to publish and distribute its own publications?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, if the Member for Davenport, who is the Liberal critic, will look at his guidelines governing the activities of civil servants under his jurisdiction when he was Minister of the Environment, he will understand that this Government and this Minister are acting in precisely the same way and that we are ensuring that public information is made available through our bureaucracy in the most factual and responsible way possible.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

POSSIBILITY OF PERMANENT LAY-OFFS FOR 167 EMPLOYEES OF NORTHERN TELECOM AT AYLMER, P.Q.—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion concerning the permanent lay-off this coming Saturday of 167 employees at the Northern Telecom plant in Aylmer. Is the Government pleased to accept that a large Canadian corporation should lay off people right here in Aylmer while at the same time transferring their jobs to the twin plant in Georgia, U.S.A.? Or is the Government ready to step in to ensure that Canadian workers can continue to manufacture in Canada products that were developed in Canada?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I can only assure the Hon. Member that I will take his question as notice and this afternoon I will check into the circumstances to which he has referred.

REQUEST THAT MINISTER MEET UNION REPRESENTATIVES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the union representing the workers has tried without success to arrange a meeting with the Minister through the Member for Gatineau and the Minister's office. Will he agree to meet with the representatives of these workers before the lay-offs take place on May 3, particularly when 450 jobs have been lost in the Aylmer plant in the course of the last year—more than the Gulf refinery?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I said in response to the Hon. Member's first question, I will look into this matter this afternoon.

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AGRICULTURE

UNITED STATES FARM BILL—CANADIAN REPRESENTATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board. The Export Enhancement Program under the U.S. Farm Bill has been used to take away sales of Canadian wheat and other products to Syria, Algeria, and potentially other places very soon. The U.S. Farm Bill could be described as a very well orchestrated attempt at intimidating us before the free trade negotiations commence. What representations, if any, has the Minister made to the United States Government in the last week or two to ensure that these kinds of predatory practices are never repeated for the duration of this unfortunate U.S. Farm Bill?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a serious matter. He should know that we have raised this question with the Americans not only in the last couple of weeks but as long ago as last June when the BICEP program was first announced. We sought and received assurances from the Americans at that time that they would not target the BICEP program at Canadian markets.

The Hon. Member talks about Algeria. He should know that over the past 10 years we have sold varying amounts of grain to Algeria; from 335 million tonnes in 1978-79 to as much as 813 million tonnes in 1983-84. The amount we have sold to Algeria has fluctuated, depending on the year and how they were buying, without the BICEP program being in effect.

EFFECT ON CANADA

Mr. Don Boudria (Glengarry—Prescott—Russell): If Canada was not targeted as one of the so-called offenders against which the U.S. Farm Bill would retaliate, will the Minister indicate what caused the Americans to change their minds and retaliate by using these predatory practices against Canada? What is it that changed the minds of the Americans?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am not so sure that the Americans have changed their minds. The Hon. Member should know that last year the Canadian Wheat Board sold grain to over 60 countries. This year, for the first time, we are selling some feed wheat to South Korea which has traditionally been an American market.

If the Hon. Member were to balance his concern about our markets, in my opinion the European Community is the main

offender. We used to sell almost 3 million tonnes to them. In the last year we sold them a little over one million tonnes. Our main concern is what is going on between the European Community and the Americans, not solely with how the Americans are behaving.

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• (1440)

LABOUR RELATIONS

REFUELING CONTRACT FOR AIR CANADA—REDUCTION IN COMPANY'S WAGE BENEFIT PACKAGE

Mr. Guy Ricard (Laval): Mr. Speaker, my question is directed to the Minister of Labour. Recently in Montreal, Consolidated Aviation Fueling and Services had to reduce by 67 per cent its wage benefit package to be able to submit a competitive bid to Air Canada for refueling at Dorval and Mirabel Airports. Is the Minister aware of that and, if so, is he intending to find a solution to that important problem?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I recognize the Hon. Member's concern. The practice to which he refers is the practice of tendering carried on by all Departments of Government in order to secure the best cost effective package they can. In some cases retendering of existing contracts have caused those companies to have to bring in a lower bid. It is open to all. There is nothing which is not ongoing about the tendering process. I am aware of it. It is a practice to provide the Canadian taxpayers with a good and economic use of their dollars.

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TRADE

SUBSIDIZED UNITED STATES FLOUR SALE TO YEMEN

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. Last Friday I told the House about the Americans selling wheat to Algeria with a massive subsidy. I now have a list of several more countries which are taking advantage of these American subsidies. Is the Minister aware that in January or February, just a few months ago, the Americans sold flour to Yemen for $168 per ton, with a subsidy of $123 per ton? If he is aware of that, can he tell us how our farmers can possibly compete? Is the Government now ready to come forth with a deficiency payment so farmers in western Canada can stay on the land?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are aware of those kinds of subsidies. The Hon. Member should also know that, because of the kind of reputation Canada has and the good standing of the Canadian Wheat Board, we were able to sign last year the first long-term agreement ever with Egypt. The Hon. Member should also know that as of the middle of last month, mid-March, the European Community was subsidizing barley to the tune of $151 Canadian per ton and subsidizing wheat to the tune of $131 Canadian per ton. So there are massive subsidies as far as the Europeans are concerned.

If the Hon. Member wants to know who is subsidizing the most, to my mind, again it is the Europeans who are the main culprits.

Mr. Nystrom: Well, we have our two bad boys then.

REQUEST THAT MINISTER ANNOUNCE DEFICIENCY PAYMENT FOR WESTERN FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): Is the Minister aware that the list I have contains subsidies to countries like Egypt, Turkey, the Philippines, Zaire, Iraq and Morocco, in addition to Algeria and Yemen? If the Minister is aware of that will he now agree that the time has come to provide the farmers of western Canada with a deficiency payment? Will the Minister answer that specific question?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we have the same list. I keep up to date on a daily basis with what is going on. We also keep up to date in terms of letting the Americans know our concerns. The Secretary of State for External Affairs and the Prime Minister are also raising those issues. We are doing what we think is appropriate in the circumstances but doing it in such a way that we can continue to have discussions not only with the Americans but with the Europeans. With regard to a deficiency payment, I have said before that we think our record in terms of addressing agricultural concerns is substantial, and within the limits of the fiscal situation, as the Prime Minister said, we would like to do more.

THREAT POSED BY UNITED STATES ACTIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will recall that a year and a half ago the Prime Minister said to Canadians that: "You can bet your bottom dollar that when American protectionist pressures are brought to bear on the world, Canada will not be targeted". Given the Minister's statement a few moments ago that Canada is facing a very serious threat from the United States, would the Minister tell us if the Prime Minister was living in cuckoo land last year when he made that statement? Or has the Minister bungled the negotiations so badly that we have gone from no threat to a very serious threat in the course of 12 months?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is quoting the Prime Minister out of context and he knows it.

Mr. Tobin: Mr. Speaker, the Minister's fatuous and flippant manner of dealing with a serious question is—

Some Hon. Members: Oh, oh!

Mr. Speaker: Just a question.

CONTENT OF NEGOTIATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the President of the United States has said that everything is on the table in these negotiations in his letter to Senator Packwood. Does that mean that Canadian culture and Canadian regional development programs are on the table in these negotations? You cannot have it both ways. Give us a straight answer.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first, the Hon. Member owes it to this House, if he expects to begin to be taken seriously, that when he quotes Ministers or anyone else, to give full quotations. Second, the Government of Canada has made it very clear that matters which are not trade matters, the nature of our culture, our Industrial Development Programs and our Unemployment Insurance Programs, are naturally not at issue in a trade negotiation. Trade matters are.

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EXTERNAL AFFAIRS

EL SALVADOR—STATUS OF CANADIAN JOURNALISTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Would the Minister report to the House on the present status of the two Canadians who were detained by the Salvadorian Army?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, given just a moment I will do exactly that. It is a serious question and I appreciate it. Two Canadians who were arrested Monday, April 24, when they went into Lempa in the Province of Chalatenango, a zone declared a war zone, without either special permits or prior authorization to enter. Since then the two Canadians were released, on April 24, and they are believed to be continuing their journalism project on war refugees.

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ENVIRONMENTAL AFFAIRS

TOXIC RAIN—PROVISIONS OF FORTHCOMING LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Parliamentary Secretary. It relates again to the study released today by the Canadian Environmental Law Research Foundation with regard to the whole question of toxic rain. Would the Parliamentary Secretary advise the House whether the new proposed Environmental Contaminants Act will deal with this problem and effectively eliminate the health threat posed to Canadians by this toxic rain?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the report which was released today has not yet been fully assessed by our Department nor by the Minister. However, it includes those things which we in fact have been addressing over a period of a year and a half or more in the Department of the Environment in coming up with solutions. The basic point in question is the coverage or management of our toxic chemicals from the very inception, or "cradle", if you like, to their final destruction, or to the grave. This will very much be a part of the new Environmental Contaminants Act and Environmental Protection Act which we are now considering.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. PRESIDENT'S LETTER—COST OF PRESCRIPTION DRUGS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. In his letter to Senator Packwood, President Reagan said: "We will want to make sure the outcome provides for comparable treatment for American and Canadian investment and intellectual property rights in both countries". Does the President mean by this that he expects the Government of Canada will cave into the heavy lobby from American pharmaceuticals? And does that mean that the policy under which Canadians now save $200 million a year on prescription drugs will change and that Canadians will have to pay higher prices after these talks are over?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I interpret that portion of the President's letter to Senator Packwood, as I think most fair-minded people do, as being the setting out of American objectives. Canadian objectives on some of these questions, including investment questions, are different. Naturally the President of the United States has the right to speak for his objectives, as we do for ours.

REQUEST FOR INTRODUCTION OF LEGISLATION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. If this means that Canadians will continue to enjoy the same low prices for presciption drugs, and if the talks are now going ahead, will the Minister bring forward a Bill so we can see what is there and assure Canadians that, indeed, their low prices for prescription drugs will be protected?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think that when the Government arrives at a decision, we will be pleased to come to this House and make a public announcement.

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[*English*]

OCCUPATIONAL HEALTH AND SAFETY

PROPOSED ADVISORY COUNCIL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Labour. As the Minister is aware, in 1984, the last year for which we have figures, one out of nine Canadian workers suffered a very serious injury at work. In June of that year we passed legislation which said that there will be an advisory council on occupational health and safety. Why has the Government not set up that commission?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, in proclaiming the changes to Part IV of the Canadian Labour Code impacting upon occupational health and safety, the decision to establish an advisory council was delayed. I have informed the Canadian Labour Congress and the Canadian Federation of Labour that the first priority is to have the committees established, implement the new code, have it understood and get it into the workplace. In this way it can do the job which the regulations and the legislation want it to do, that is, save lost time and the lives of individual Canadians who are in the workplace.

• (1450)

To have the code implemented is the first priority of the Government. The advisory council will be established at a later date.

REQUEST THAT COUNCIL BE ESTABLISHED IMMEDIATELY

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the same Minister. Is the Minister aware that when his own officials appeared before committee last week they indicated that the reason the Minister had not gone forward with this matter was because the Government wanted to save money? It was not because of priorities in terms of what has to be done first, but because the Government wants to save money. What about the lives of Canadian workers? Why not set up the advisory council now? The legislation was passed two years ago.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, obviously, the Hon. Member had a supplementary question to ask before he heard the answer to his first question.

It is our priority to establish the new code in the workplace so that working men and women can understand and benefit from the changes to it. The second priority is to establish an advisory council. The Hon. Member does not understand that an advisory council advises. The committees which will be established in the workplace will be on-site committees, taking practical steps to save men and women from harm in the workplace. The Hon. Member should understand that. Most people who work in Canada do.

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GOVERNMENT EXPENDITURES

MONITORING OF EXAMINATION OF TASK FORCE OPTIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Finance. The work of the Nielsen task force in reviewing almost 1,000 projects and programs to identify waste and inefficiencies was certainly welcomed by all Canadians. Since all the options and recommendations have been referred to the various appropriate standing committees, how will the process be monitored? Is there an over-all deadline in regard to responding to the findings of the task force?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member has said, the various reports have been referred to the appropriate committees. They progress through the committees will be monitored by the Ministers themselves.

In addition, the President of the Treasury Board, as well as the chairman of the task force, and myself, will also be monitoring the process to ensure that we obtain the maximum effect out of these excellent reports.

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ENERGY

NEWFOUNDLAND OFFSHORE DEVELOPMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. Last week businessmen in Newfoundland held a news conference to talk about the loss of jobs, investments being destroyed, and companies in default, all relating to the offshore industry. They asked the Government to step in to work with the industry in order to find immediately what they say are absolutely necessary solutions. Is the Government prepared to step in to find these solutions? If so, when?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, absolutely. I would have thought that the hon. gentleman would have known that the Minister of Fisheries and Oceans is in Atlantic Canada today meeting with his provincial counterparts in Saint John precisely for the purpose of identifying all these problems so that they can be addressed.

Oral Questions

SECURITY OF SUPPLY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this matter does not relate to fisheries; it relates to offshore oil and Hibernia. The Deputy Prime Minister knows that the offshore development will die unless the Government provides incentives to keep it alive. Is the Government prepared to provide incentives to protect the security of supply for Canada and jobs for Newfoundlanders?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government is constantly addressing itself to these regional difficulties throughout the country. Even the Hon. Member must admit that in the short space of one year and a half that this Government has been in office it has made tremendous strides and progress toward achieving more regional balance.

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MINES AND MINING

GRIFFITH MINE CLOSURE—INVITATION TO MINISTER TO VISIT EAR FALLS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Finance. Has the Minister accepted the invitation issued by the Ear Falls Action Committee and delivered by me to him two weeks ago in the House to visit the Ear Falls and Red Lake area to assess firsthand the employment prospects in that area, now that the Griffith Mine is permanently closed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, I have addressed this particular problem. I have commented on the matter on a number of occasions in the House. If there is any further information which he wishes to bring to my attention, then I would be pleased to hear from him.

EMPLOYMENT PROSPECTS IN AREA

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, by having ignored the invitation is the Minister communicating to the House and to the people of Ear Falls that he stands by the inaccurate and misleading information that he gave the House concerning employment prospects in that area?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not agree at all with the premise of the question presented by the Hon. Member. As I said, if he has any difficulties or any differences with the material I have presented to the House, then I would be happy to hear from him.

CHALLENGE '86

SUMMER JOBS FOR STUDENTS—COMMUNITY PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Acting Minister of Employment and Immigration, whoever that might be. In a few weeks, students from all over the country will be finishing their exams and will be looking for work. With respect to the Challenge '86 program, the summer program for students, why is the Government imposing a low inflexible quota on community projects, projects to help the aged, the handicapped, and poor children when, in many communities, these are the principal and best projects? Why are these quotas in place?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I will take notice of the Hon. Member's question and bring it to the attention of the responsible Minister.

The Hon. Member knows, as do other Members of the House, that the integrity of the Minister of Employment and Immigration, and her ability to direct programs to those who can best use the dollars she puts forward so that they can find meaningful employment over the summer, are well recognized. I am sure the Hon. Member will not be disappointed with Challenge '86.

STUDENTS' RESPONSE TO NON-PROFIT PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, a great many people are already disappointed because good projects have been rejected. Can the Minister of Labour pass this question on to the Minister as well? Why is the Government ignoring the evaluation which the Department of Employment and Immigration made with respect to Challenge '85 which showed that there was a better response among students to non-profit projects than to profit projects? Why does the Government not accept the recommendations of the evaluation report and put in place a more flexible quota for community projects?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to inform the Hon. Member that under the summer employment program for Challenge '86 some 1,413 students have been hired. With respect to the summer employment program, 9,471 students have been hired. With respect to the youth employment programs for the 1985-86 summer employment program, some 4,000 students have been hired for temporary employment. Some 3,400 have been hired for youth training.

The Hon. Member must recognize that these statistics are impressive. The Minister is not satisfied, but will do more—I can guarantee that—in this upcoming year than the previous administration did in its last four years.

ENVIRONMENTAL AFFAIRS

RIDEAU LAKES—HOUSEBOATS' LICENSING APPLICATION

Mr. David Daubney (Ottawa West): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Parliamentary Secretary to the Minister. The Parliamentary Secretary is aware of the widespread opposition of cottagers, boaters, and farmers on the Rideau Lakes system to the issuance of water lot permits to the Three Buoys houseboats venture. On Saturday, in Perth, over 500 people signed a petition in opposition to the scheme. Can the Parliamentary Secretary assure the House that no such licences will be granted until a full and complete analysis has been made of the serious environmental and navigational issues raised?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, we thank the Hon. Member for his ongoing concern about this issue which has created a good deal of interest among local cottagers and the local communities. The Township of North Burgess has been considering this proposal for some time. It has made recommendations to the Department of the Environment which the Minister is now considering.

I can assure the Hon. Member that if there is to be any development, or any water lot permits issued, it will done under the most stringent of guidelines and conditions. Any activity will be assessed in light of a proposition which the Minister now has before him that will go out into the community to ensure that there is a full understanding of all points of view with respect to this particular subject.

* * *

POINT OF ORDER

CHALLENGE '86—STUDENT EMPLOYMENT FIGURES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I rise on a point of order. During Question Period the Minister of Labour (Mr. McKnight) quoted from a document. The information seemed very interesting. I wonder if he will table that document. I believe there is a rule that if a Minister quotes from a document in the House of Commons then he should table it.

• (1500)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to assure the Hon. Member that the data contained in this document is so tremendous in that it shows what a great job the Minister of Employment and Immigration (Miss MacDonald) is doing, I would be only too pleased to make as many copies as he would like available to him.

Mr. Speaker: Order.

Mr. Ouellet: He said yes. Table it. Come on.

Mr. Speaker: Order.

Mr. McKnight: I will make it available to the Hon. Member any time.

Mr. Ouellet: Give it to us. Table it.

Mr. Speaker: Order, please. May I ask the Minister whether he was using an official Government document or notes?

Mr. McKnight: Mr. Speaker, I was using notes passed to me by the Deputy Prime Minister (Mr. Nielsen) and I am assured that they are probably unofficial.

Mr. Speaker: That practice has not changed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke—Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Murphy (p. 12683).

Mr. Speaker: Order, please. When the House adjourned, there were six minutes remaining in the question and answer period.

Mr. Murphy: Mr. Speaker, I have a question for the Hon. Member who spoke on behalf of the Liberal Party. In this and other speeches, he has shown a great deal of concern for the fact that the Province of Quebec is not getting the 95 per cent level of funding it believes it was promised by the Prime Minister (Mr. Mulroney) during the last election campaign. Would the Hon. Member not also agree that the reason the Province of Quebec is having these problems is that the previous Liberal Government changed the whole EPF structure in 1981 and 1982 and therefore reduced the amount of money that was going to Quebec as well as other provinces?

If I can summarize the question again for the Hon. Member who is now aware that I am asking him—

Mr. Gauthier: He's being distracted by the noise. Order.

Mr. Murphy: Would the Hon. Member not agree that the reason the cut-back is affecting Quebec and other provinces is that the previous Liberal Government cut funding for post-secondary education, medicare and equalization?

[*Translation*]

Mr. Garneau: Mr. Speaker, Bill C-96 does not affect the equalization formula as such, but if the Hon. Member wants to discuss that, I have no objection whatsoever.

You see, elections were held on September 4, 1984, and if the party that previously was in power has made errors, I suppose the people passed judgment and there is the reason why in my view the actions of those in Government should be scrutinized.

When Bill C-39 concerning equalization payments was enacted last year, the Government had refused to extend the guarantee formula for interim payments provided for in the 1977 fiscal arrangements, as agreed upon in 1981-82.

Raising that issue of equalization payments and the injustice which we thought would result for Quebec, we questioned the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and, in answers that are to be found in the *House of Commons Debates* for April, 1985, both of them made the commitment that in no case would any Province receive payments that would be lower than 95 per cent of those received for the previous year.

We are asking, and I had asked the Minister of Finance and the Minister of State for Finance, to honour their commitment and pay out to Quebec the monies it has lost because of that.

Of course, if we go back to the beginning of the fiscal arrangements between Canada and the Provinces, there have been a number of changes. But the one that was brought about in 1977 and that was based on the growth rate of the Gross National Product seemed to me as it seemed to the Provinces—because there was near-unanimity between the Provinces when that was done—to be the best way to solve a most complex problem of provincial jurisdiction, especially the issues of post-secondary education and, for once, we had a formula that respected that jurisdiction.

This is why I am most surprised to find in Bill C-96, after that formula being used for some time, that it is being changed unilaterally.

Mr. Ricard: Mr. Speaker, I should like to address a question to my colleague from Laval-des-Rapides (Mr. Garneau). He says, and I think that we all agree with him, that the problem is not asking whether there are enough educational or hospital programs but how they will be financed. Now, he also says that he will support the motion giving the Bill a six-month hoist. Since we know that the problem is finding financing, is it really necessary to wait six months and have further consultations if such is really the problem or would it not be more advisable to consider how those programs should be financed?

Mr. Garneau: Mr. Speaker, the Hon. Member for Laval (Mr. Ricard) has grasped the problem quite well.The financing of those programs is at issue and since Bill C-96 will cut off over $8 billion from 1986-87 to 1992, I think that before setting out to study the matter, the situation at least as it now stands should be controlled. All the more so that it was suggested by the Minister of Finance in his financial statement of November, 1984, since the figures that he provided clearly indicated that there would be no cut in 1986-87. Now if the Minister of Finance honoured his undertaking of November, 1984, we would have all the time we need to consider the matter and see if special taxes should be levied or if programs should be cut. I should like this to be done in an enlightened way so that the quality of services will be about the same throughout Canada.

At present, with Bill C-96, what will happen is that the provinces which have a larger tax base will maintain the quality of their health care and their postsecondary education programs while the poorer provinces will have to reduce their services. Besides, several of them have indicated that they will have to do so.

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is certainly not with pleasure that I rise to participate in the debate on Bill C-96, a Bill which proposes to change the present federal EPF arrangements in such a fashion as to change the formula from an increase commensurate with the GNP to one which would allow increases which are 2 per cent less than the GNP on a per capita basis, except in those circumstances where inflation exceeds that amount on a percentage basis. In those circumstances, the amount of funds to be provided would be provided according to the old formula up to a maximum of the GNP change. This means, of course that in the event of significant inflation, the universities, colleges and health-care system would be placed in an even more difficult situation.

In response to complaints from this side of the House, we keep hearing that this Bill does not constitute a cut in the federal contributions to health care and universities. It is interesting to note that when I attempted to use an analogy this morning to put what is happening in a proper context, I received a peculiar answer from one of the Government Members. I asked the Hon. Member to suppose that he had been promised by his employer a 10 per cent increase in salary each year for the next five years but that in the middle of those five years the boss changed his mind and told him he would only receive 5 per cent. I asked him if he did not think that that was a cut and he said that that was not a cut, but a decrease. There is this peculiar differentiation between these two kinds of actions, a cut versus a decrease.

• (1510)

In my view a cut is a cut whether it is called a decrease or whatever. This is substantiated by the attitude which Hon. Members opposite adopted during the course of the debates on Bill C-97 and Bill C-12. I am sure those Bills were introduced by the then Government on the basis that they were not really cuts but decreases in the increase, which is jargon intended to obscure the realities. Of course members of the Tory Party at that time saw through it all. If one reads excerpts from their

speeches at the time, one finds phraseology which is as applicable and as appropriate now as it was then.

For example, we have one Member saying that at least one thing was clear with the new formula, that the federal Government would be getting a better deal than it was getting before, and that it would be paying out $5 billion less over the next five years than it would be paying under the old formula. In respect of Bill C-97, another Tory Member said that it was essential to underline and clarify the effect of the $5.7 billion cut-back in transfer payments to the provinces. It is notable in those two statements that the amounts are quite comparable to what will happen in terms of cuts over the next five years as a result of this piece of legislation.

Also the Hon. Member for Calgary West (Mr. Hawkes) indicated that we could often escape facts and play games with the truth, but that there was a bottom line, and the bottom line was that once the Bill was passed the Governments charged with the responsibility of providing medical services and post-secondary education would have less money and very little capacity to tax their citizens and more ways to raise more revenue.

As well, the Hon. Member for St. John's West (Mr. Crosbie), with typical eloquence, said at that time that it was a deplorable piece of legislation because the principle of it was one of betrayal. He indicated that the Bill betrayed the provinces of Canada, the provincial Governments of Canada, universities and post-secondary institutions, and young people. He also indicated that it illustrated rank hypocrisy in the actions of the Government. Of course the eloquence of those statements, as indicated by the Hon. Member for St. John's West, was exceeded only by their hypocrisy.

During the 1984 election campaign, the Progressive Conservative Party indicated in respect of transfer payments that it was committed to maintaining the current federal financial commitment according to the formula set out in the 1977 agreement. That Party also indicated that it believed that financing of post-secondary education was an important priority for both levels of Government. There is no obscuring the fact that what we have here, no matter what kind of phraseology is used or what are the attempts at obfuscation, is a Bill which proposes to cut in an essentially unilateral fashion the level of transfer payments to the provinces for health and post-secondary education.

We have heard repeatedly that there has been a great deal of consultation. Most provincial Premiers would consider that the consultation was remarkably unilateral. The Government said that it had an offer they could not refuse. Of course they could not. Therefore, we have a charade of consultation which involved no consultation at all. In all the discussion about the extent of consultation, it should be noted that some of the key players in respect of post-secondary education—student organizations, organizations representing the professoriate and university presidents, and scientific societies—were not consulted, as far as we are aware, on the impact of these changes in the transfer payments, just as they were not consulted in respect of such things as the funds allocated to granting agencies. The Government has tried to claim that they were increased when in fact between now and 1990 the granting councils will have a level of funding which is not very different from what they receive at present, when one takes into account the rate of inflation. There was little consultation.

What is really disturbing is that the Government, in presenting the Bill, emphasized that it was part of the program of fiscal restraint which was somehow in support of a strategy for economic renewal. Of course the approach of the Government to economic renewal has consistently been one of cutting the deficit no matter what the cost. The description of the strategy for economic renewal at least drew attention to the tremendous importance of technology and of research and development to the future growth of the country. However, after reading over the strategy for economic renewal several times, it is curious to note that although the Government talked much about training, very little was said about the need for an enhanced university and college community. Very little was said about the necessity of having a highly educated as opposed to highly trained workforce if this strategy for economic renewal was to work.

The fact is that the unversity and college community can best be described as being in dire straits. This is not new. Although the Government has not deliberately engaged in the process of consultation, most Canadians who read newspapers are at least aware that there has been considerable focus, especially in the last three years or four years, on the plight of universities. I would just say parenthetically, as it occurs to me, that one of the Ministers who was poorly consulted on the changes which the Bill will enact in the level of funding for universities was the Secretary of State (Mr. Bouchard). He was certainly passed over in considering what proper steps should be taken to find ways to improve the financial situation of universities.

We have had the Wright report, the Al Johnson report, and the Bovey report in Ontario. We have also had the Nova Scotia Commission on post-secondary education and the Breau report. Even the Macdonald report addressed the concerns of those of us who are conscious about the importance of post-secondary education. All those reports brought the problems to our attention, and the problems are serious ones.

The university system is in a state of terrible deterioration. The New Democratic Party sponsored a youth task force which travelled across the country. During the course of its hearings we found that quite awful conditions existed in our universities and colleges. Previously I cited the fact that in Simon Fraser University, for example, bulbs were being removed from reading areas. We talked about books which were being burned because there was inadequate space in the libraries. We talked about how one science department at the same university had been in temporary quarters, literally shacks, for more than 15 years. At the University of Toronto we were told that some 120 buildings had been declared fire-traps. At Dalhousie University we were told that assignments

were not given in some courses because it was too expensive to provide the necessary printed material. On and on it goes. We heard stories about how the physical plants at universities were deteriorating. There are myriad stories about archaic laboratory equipment, microscopes without lenses, and chemicals which were not available for conducting laboratory experiments and exercises.

• (1520)

Apart from the issue of the deteriorating state of the physical plant and equipment in the universities, in these many reports published recently we have recommendations to meet the financial exigencies of the universities that all too often lead to recommendations that would restrict further accessibility to universities. Several universities, for example, the University of Toronto and the University of Waterloo, have increased the requirements for entry. I am sure I do not have to indicate to you, Sir, that as soon as these kinds of restrictions are imposed on admissibility to universities, both in standards for admission and in increased tuition cost, as has so often been recommended, we will be moving back to an era in which accessibility is limited to the sons and daughters of the wealthy who can afford it.

In the absence of adequate means by which we can support students in their studies, in the absence of adequate grant programs in the face of increased costs for tuition, fees, books and so on, we have a situation where it is not going to be unusual, indeed at present it is not unusual, to find students who at the end of their university or college careers are ending up having to repay a debt that may amount to almost $40,000. That is a serious matter, Mr. Speaker.

There is not only the issue of the social justice of accessibility to ensure that all young people will have adequate opportunity, there is also the issue that the Government should understand, namely, if it intends to pursue the kind of future economic development its economic strategy contemplates then it should be conscious of the need not to cut transfer payments to the provinces. The Government should be doing what should have been done a long time ago. It should be working on an arrangement with the provinces by which colleges and universities would be ensured of adequate levels of funding, making it possible for young people to attend colleges and universities even if their parents are not endowed with particular wealth.

I said earlier that the Government persists in stating that this Bill does not represent a cut over the next five years in financing post-secondary education. I said also that Members opposite were engaged in debate when the previous Government introduced Bill C-97 and Bill C-12 which had similar effects. I cite that to emphasize that it is not just this Government that has failed to meet its responsibilities to meet the needs of post-secondary education, but that there has been a general pattern at the federal level of diminishing levels of financing for post-secondary education.

You will recall, Mr. Speaker, that up until 1977 the cost of post-secondary education and health was cost shared with the provinces on a 50-50 basis. Since that time, the federal share has dropped from 48 per cent to 41 per cent. With the enactment of this legislation, the level of the federal share on a percentage basis will decrease further so that it is only 36 per cent.

Let me point out that if we look at the annual increases in over-all provincial post-secondary education spending from 1977-78 to 1984-85, we will find that the rate of increase has just barely kept pace with the inflation rate. That at first appearances would seem to suggest that post-secondary education funding has not done too badly, but the costs for post-secondary education have increased at a rate far in excess of the Consumer Price Index, which is the basis for comparison that I cited. That the universities and colleges of this land are in horrible shape is easily explainable on the basis of decreased levels of funding and a lack of commitment on the part of the federal Government, and of the provinces, I must say in some measure, to begin to address the problem in a fashion that would lead to the kind of solution we must have.

We need to produce a strong university system, and not one, as has in recent weeks been so often described, that is becoming third rate. When the very best university in our country is measured, not against all of the universities in the world but only those universities outside of the United States, and it rates seventeenth, then surely we have a serious problem. When the very best university has to close its architectural school, that further dramatizes the horrible state in which we are and the much worse state we will be in if we do not begin to address the problem.

We cannot have a technological future, a future based on manufacturing, something that goes beyond our natural resources as a means for economic growth, if we do not declare some kind of commitment to ensure that universities are enhanced rather than weakened, not only as educational institutions but as research institutions.

In closing, I can do no better than to read the following question: The Minister is prepared to cut spending in two very important areas. He is prepared to risk major cutbacks in medical care and post-secondary education. Rather than rush into this on a unilateral basis, force spending cuts and service cuts on the provinces, would the Minister consider entering into two or three national conferences on health and post-secondary education? We can then set out the national objectives of the various levels of Government in these two important areas before we cut spending, before we cause hospital closures and cutbacks in postsecondary education. That question was posed by the present Minister of Finance (Mr. Wilson). It was a reasonable question. His premise was excellent and it is a premise that I recommend to him.

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Hon. Member for Sudbury.

Mr. Hovdebo: Mr. Speaker, I wanted to ask a question.

The Acting Speaker (Mr. Charest): If there is unanimous consent, the Hon. Member may ask a question. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Hovdebo: Mr. Speaker, what is the real impact on the universities? What will they be forced to do by this reduction in the amount of money coming in during the next five years?

Mr. McCurdy: Mr. Speaker, the solutions have been many, as I indicated during the course of my speech. In some instances the cost of tuition is being generally raised at the provincial level. There have been numerous recommendations that tuition costs be further raised so that students pay a larger share. At every university equipment purchases are being forgone. At the University of Windsor, for example, the budgetary requirement for new equipment for 1986-87 is around $1 million. Under present circumstances, the University can allot only $50,000. We are talking about serious deficiencies, as I mentioned earlier, such as the inability to purchase such equipment as microscopes. While microscopes are lacking lenses, spectrophotometers are being used which are upwards of 20 years old. These are hands on, manual, pieces of equipment at a time when devices are highly computerized. Repairs are not being done. For example, at the University of Toronto it was discovered that some buildings were condemnable as fire hazards. Professorial salaries are not increasing commensurate with increases in other provinces. As a consequence, many university teachers, particularly in the sciences, are now going south of the border to find more adequate salaries and well-funded research. In one university, the University of British Columbia, services to handicapped students were cut. Student assistants are now finding themselves with increasing workloads at very low salaries. Many professors and instructors in the colleges have greatly increased workloads imposed upon them to the detriment of the quality of teaching. In research institutions, of course, professors are burdened with increased teaching duties and, as a result, research suffers.

• (1530)

There are any number of responses which the post-secondary educational community has employed to meet financial exigencies. All of them are bad and all of them constitute a threat to the quality of education and, I say, a serious threat to Canada's economic future. One of the important facts to take note of is that whereas in the U.S. and Japan the participation rate in post-secondary education is around 40 per cent, in Canada it is about 30 per cent. When you add that to the fact that our research effort is less than half of what it is in those two countries against which we must compete, that dramatizes the need, indeed the urgency, for the Government to ensure adequate financing. There has to be consultation with the provinces to ensure that they allocate funds on an assured basis to ensure that universities do not retrench and are capable of providing the kind of education needed and an adequate level of research funding. Those are the things which the Government is quite specifically not doing.

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

Mr. Hawkes: Mr. Speaker, in the early part of the Hon. Member's speech he talked about hypocrisy. He quoted various people, including me. As a new Member of Parliament, he should be a little careful in talking about hypocrisy. There is rhetorical hypocrisy and active hypocrisy. I suggest to him that when members of his Party threw a Government out of office because of a Budget which was described as the fairest to poor people in this country in the 1970s, they moved from rhetorical hypocrisy to active hypocrisy. They went against everything they supposedly stood for.

I would also remind him that when speeches are made, they are made at a particular period in history. This Party, myself included, consistently talked to members of the previous Government as well as members of his Party about the difficulty this country would be in if we continued to borrow money that way. At the time that speech was made the then Minister of Finance had brought down Budgets where parliamentarians were misinformed about the reality of that spending. It turned out to be a great deal worse. More money, billions of dollars more, had to be borrowed than Members were aware of. I was elected to this place almost seven years ago. At that time 17 cents out of the tax dollar went to pay interest on our debt. Today it is 36 cents. At one point we had 83 cents to spend on programs and today we have 64 cents.

If the Hon. Member wants to avoid hypocrisy, I would like him to stand in his place and tell us whether he is one of those in his Party who believes you can just go on borrowing for ever and ever and never have to pay the piper. Or would he agree that this Government is taking sound, fundamental steps when it attempts to reduce our borrowing requirements, while at the same time recognizing the importance of health care and education by increasing the amounts allocated for those areas at the rate of inflation less 2 per cent? Have we not signalled our priorities very, very clearly by doing this at a time when most other programs are being cut? Does he not think the Government is on the right tack by showing fiscal responsibility while at the same time identifying this kind of priority, or is he like other members of his Party who are irresponsible and who would just borrow forever until we get to the day where we have less than 50 cents of a tax dollar to spend on programs? Which is it?

Mr. McCurdy: Mr. Speaker, the context in which I quoted the Hon. Member was that he and other members of his Party say they are not making any cuts. I will read it again:

> We can often escape facts, we can play games with the truth, but there is a bottom line and that bottom line is that once this bill is passed, the governments which are charged with the responsibility of providing medical services and post-secondary education will have less money and will have very little capacity to tax their citizens in more ways to raise more revenue.

It is as applicable now as it was then. The EPF payments are being cut, no matter how you describe it.

As to the deficit, there is one sensible way to cut it in the long term, that is, to foster economic growth. That is something the Government said in its description of its economic strategy. What it has failed to recognize is that that strategy will fail if our universities and colleges fail and our people are not educated enough to pursue that strategy. That is a simple premise, one that even the Hon. Member can understand even if his memory is faulty.

The Acting Speaker (Mr. Charest): Debate.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise to make some remarks on Bill C-96. I would like to address an issue which has recently begun to receive a great deal of public attention. Much has been said about federal transfer payments to provinces. Unfortunately, a great deal of misinformation has been spread. I hope to explain to you a little bit about the history of these transfers, where we are today, and the action we as a Government have taken.

The federal Government, through a variety of means, makes significant cash and tax transfers to provincial and territorial Governments. The two most significant are equalization payments and the established programs financing or EPF transfers. The fundamental goal of the equalization program is to ensure that all provinces have the financial capacity to provide their residents with reasonably comparable levels of public services at reasonably comparable levels of taxation. The principle that all citizens in every province are entitled to an adequate level of services is enshrined in the Constitution. These payments raise to a prescribed level the per capita revenue raising capacity of the lower-income provinces.

• (1540)

Six provincial Governments, Newfoundland, P.E.I., New Brunswick, Nova Scotia, Quebec and Manitoba, received these payments on an unconditional basis. They may use the funds either to raise their level of public services or to lower the level of taxation, or some combination of the two. The level of equalization transfers are calculated according to a predetermined formula that was reviewed most recently in 1982. The federal Government has been contributing to the financing of provincial hospital insurance programs since 1958. Federal transfers to provincial Governments in respect of post-secondary education were introduced in 1967. The jointly financed medicare insurance program was established in 1968, and until 1977 federal transfer payments for these programs were made under cost sharing arrangements.

Federal transfers were based on the provincial government expenditures on a medical care and hospital care insurance, and on the operating costs of post-secondary education institutions. The federal share was roughly 50 per cent over-all, although the precise share varied from province to province. In 1977 the arrangements were changed so that the federal contribution was no longer determined by provincial programmed expenditures. Rather, it was determined by federal per capita transfers in a base year, 1975-76, escalated by the rate of growth of per capita Gross National Product and each province's population.

Thus the current arrangements involved a block fund which provinces allocate to their health and post-secondary education programs. In this fiscal year the federal Government transfers $508 per capita, plus a further $43 per capita to help finance extended health care services. In the May, 1985 Budget, the Minister of Finance (Mr. Wilson), indicated that under these two programs the federal Governement will be transferring $14.2 billion in cash, and an additional $6.3 billion in tax transfers. These will be transferred, of course, to the provincial and territorial Governments. That amounts to $20.5 billion in transfers through these two programs alone. Mr. Speaker, I know I do not have to remind you of the significance of that level of over $20 billion. It is approximately 18 to 19 per cent of the total expenditures of this Government. So we are dealing with a very significant portion of our expenditures.

The Minister proposed in his Budget to limit the rate of growth of these transfers to provincial Governments as part of the over-all restraint package of the Government. The intention of this limit on the rate of growth is to effect savings amounting to about $2 billion in 1990-91.

Let me make it clear, Mr. Speaker, this is not a cut-back on federal transfers to the provinces. Even when this limited growth rate has been put in place on April 1, federal transfers will, over the next five years, increase by some $25 billion. In other words, they will grow from the current level of $65 billion to $90 billion.

It should also be noted that these increases are occurring at a time of severe fiscal restraint on the part of the federal Government. This Government has undertaken a vigorous and at times painful deficit reduction program, and has asked all Canadians to participate in this national effort to restore financial sanity to our nation's finances. Our spending program, that is excluding the debt and transfers, has been limited to a 2.9 per cent growth rate this year. These transfers to provinces, however, will continue to increase at a faster rate than the rate of growth of federal program expenditures, the projected rate of inflation, or the growth rate of the economy. In other words, Mr. Speaker, that 2.9 or roughly 3 per cent over-all growth compares to 5 per cent, roughly, for these transfer payments. That level of 5 per cent is some two-thirds or 66 per cent higher than it is in the other areas of Government. I think that gives us some idea of the sincerity and seriousness with which we treat those two major programs.

I do not believe that the restrained rate of interest increase that we are proposing is inappropriate given the fiscal situation we face. There has been no questioning of the value of health care or post-secondary education. The importance of these goes without saying. I believe the continued high rate of growth of federal transfers reflects that importance.

Let me sum up with some remarks today by saying that the fundamental principle of these transfers it is the importance of established programs financing, which lies in the provision of a firm and stable financial foundation on which we have built a system of health care and post-secondary education that is second to none in the world. This is true of its quality and its accessibility to all Canadians in every province. Truly the most important issue to all Canadians is that this firm and stable financial foundation be maintained in order to ensure the high quality of our health care and post-secondary education. The changes that are being made to federal transfers to provinces, and the innumerable measures encompassed in the May Budget, clearly indicate that this Government is strongly committed to maintaining such a stable financial foundation.

If we as a Government do not deal seriously and effectively with our current fiscal problems, if we do not begin to bring government expenditures into line with government revenues, if we do not begin to control the rate of growth of the federal deficit and debt in the near future, we may be faced with even more difficult and more extreme restraint measures.

In my own riding of Don Valley East most often I hear positive comments relating to our most recent Budget brought down by the Finance Minister (Mr. Wilson) in which the cuts were very substantial. However, many people, knowing the gravity of the situation in this country, wanted more cuts to be made, wanted us to get on a more stable financial track more quickly. I was very pleased when, right on the heels of the Budget, the Nielsen task force results were announced. Some 900 to 1,000 major programs and projects within Government had received a very thorough scrutiny over the period of a year. Now there are literally hundreds of options and recommendations that must be dealt with by the respective committees, and I am confident that the fresh look given by a number of men and women from the private sector is going to give the various committees and ministries a great amount of ammunition to work with in terms of streamlining operations and effecting savings. All that will work towards a more frugal use of the taxpayers' dollars.

When we as a Party were elected to government in September, 1984, time and time again what I certainly heard on the streets of my own riding was that people wanted change, they wanted that irresponsible spending to stop. They realized what level it was reaching. I can highlight a few figures here in a moment. It had just been totally out of control for a ten-year period.

In 1970-71, the first year of a significant deficit, it was $500 million. That sounds like peanuts today. It took the former Government only three years to go over the billion-dollar mark in 1972-73. It took it three more years to go over the $5 billion annual deficit in 1975-76. In two short years it zoomed through the $10 billion level in 1977-78. Six years later, in 1982-83, it broke the ceiling and went through the $20 billion level. In 1982-83, it was at $23 billion. One year later, it roared through the $30 billion level. Notwithstanding the fact that we were going through some rough economic times, clearly spending was absolutely and totally out of the control of that previous Government which now sits as the Official Opposition. Who is left to deal in a frugal way with taxpayers' dollars? Who is left to get things under control gradually so that we do not pass that albatross of increasing debt down to future generations? We are in the situation now where a tremendous amount of our tax revenues goes just to service the cost of that debt. In terms of expenditures, a large chunk of our current tax revenues go just to service the debt. Our expenditures are a little over $100 billion, and 23.5 per cent goes toward that interest payment. Statutory programs account for 44 per cent of our total expenditures and non-statutory expenses account for some 32.5 per cent. Those statutory programs, which account for 44 per cent of our expenditures, will increase by 5 per cent in 1986-87 and drop down to 2 per cent in 1987-88. Non-statutory spending, which accounts for 32.5 per cent, will increase by 0.7 per cent in 1986-87 and will drop to 0.5 per cent the following year.

• (1550)

Since the November 1984 Economic Statement, the Minister of Finance has had ample consultation with the respective provincial Ministers about transfer payments. There have been four meetings since the May 1985 Budget. As a result of those meetings, the Government decided to increase the payment by approximately 5 per cent. When one takes into account the inflation rate of approximately 4 per cent, the increase in this category is 25 per cent more than inflation. The Opposition would have us increase this payment by 7 per cent, which would be 75 per cent over the inflation rate.

The fact is that we must establish financial control in Canada. I took the opportunity to record the track record of the previous Government, beginning in the early 1970s. At that time, our dollar was worth $1.05 compared to the U.S. dollar. I do not think it is any coincidence that there is a definite correlation between the financial instability that set into this country and our falling dollar which has dropped to approximately 72 cents American. It is largely due to the irresponsibility of the Official Opposition when it was in government.

The Opposition continues to carp and criticize. I do not know where it thinks money comes from, but someone must be accountable for the restoration of financial stability in this country. That responsibility has fallen on our Government, and I want to commend the Minister of Finance, the Minister of State for Finance (Mrs. McDougall) and the Prime Minister (Mr. Mulroney) for having the intestinal fortitude to deal with very difficult problems.

No constituency is left unaffected when there are cut-backs in spending. It is no pleasure to take these steps, but we were left with the financial mess which I have described. We intend to take control of that financial situation in a meaningful and sensitive way.

For example, our spending on statutory programs will be 25 per cent more than the rate of inflation, which is almost double

that which is being spent in other areas of government expenditures.

The federal Government is not in any way trying to undermine the federal-provincial transfer system. Rather, we are making what amounts to minor changes in order to ensure the fiscal integrity of the entire Canadian economy. Our health and post-secondary education systems have served Canadians well in the past and will continue to serve them well over the next five years and beyond, if we get our total financial house in order and work toward balancing the Budget. That may take some time because the Budget has been so poorly managed in the past decade.

I have a private Members' motion which is similar to the Gramm-Rudman-Hollings Bill in the United States which proposes a balanced Budget for the United States by 1990-91. Frankly, I do not believe it speaks well for politicians or the political process that legislation is required to compel a Government to have a balanced Budget, but that is what is taking place. The United States began its deficit some 30 years ago, while ours began some 12 years ago.

Americans are much more aware of their serious deficit situation. According to a poll, which I have not seen, Canadians rank the problem of the deficit as thirty-sixth on their list of major concerns. Their first concern is unemployment. That is quite natural, although our Government has done much to correct that problem. Their second concern is feeding the hungry of the world, and the third is seeking peace. These are laudable and commendable objectives for us all.

Although I believe the awareness of the fiscal situation in this country is increasing, we must increase that awareness even further. We are spending the taxpayers' money and they expect us to use it in a more frugal way so that we can eventually see a surplus in this country. For those who have forgotten, a surplus exists when revenue exceeds expenditures. We have not experienced a surplus in this country for some time, but with the approach that the Government is taking, I think we will have that surplus in the not too distant future. We will achieve that goal with the co-operation of the Canadian people, despite the wall that has been put in place.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I have a few comments and also a question for the Hon. Member for Don Valley East (Mr. Attewell).

First of all, I would like to point out to the Hon. Member that he can't eat his cake and have it. In the first part of his speech, he criticized the Liberals for their poor financial management and their completely irresponsible spending habits. I think it is strange he should be saying this at a time we are considering Bill C-96.

I may remind him that in 1982, when the fiscal arrangements legislation was adopted for five years, 1982-87, the Progressive Conservatives objected to any change in the formula that would result in a reduction in transfer payments. The Hon. Member for Don Valley East cannot turn around and blame everything on poor financial management, when his own party took the opposite stand during the debate on the 1982-87 fiscal arrangements. Even the present Minister of Finance (Mr. Wilson), in speaking to the legislation at the time, said that this was not co-operative federalism, and I would like to quote him directly:—

[*English*]

"That is not co-operative federalism. That is predatory federalism and will not and cannot work in this country."

[*Translation*]

Mr. Speaker, I would say that the legislation being considered in that particular debate had far less impact financially on the provinces than the legislation before the House today. I also fail to understand why the Hon. Member wants to have it both ways.

My question concerns the quality of health services. How can the Hon. Member, whose party voted with the Liberal Government at the time against the introduction of user fees, whose party objected to this and even voted in favour of the Government, irrespective of its political stripe, cutting transfer payments to the provinces that allowed extra billing, as the phrase goes, how can he make the kind of speech he just made today? And I would like to ask him this: Can his province, the Province of Ontario, afford to lose $3 billion without this having an effect on its deficit? Because that is what Bill C-96 means. The Province of Ontario stands to lose $3 billion between now and the end of this decade.

Furthermore, since the Premier of Ontario has indicated that this kind of legislation would make Ontario cut 75,000 hospital beds, does the Hon. Member believe that the Province of Ontario can afford to do so, and if not, who is going to pay the bill for those hospital beds? Ontario taxpayers, because the federal Government has transferred its deficit to Ontario?

• (1600)

[*English*]

Mr. Attewell: Mr. Speaker, I would like to respond to some of the remarks of the Hon. Member for Laval-des-Rapides (Mr. Garneau). I honestly think he knows better.

Mr. Guilbault (Saint-Jacques): Nothing personal. Answer the question.

Mr. Attewell: He has had a very successful term in a position with the Quebec Government. He was a CEO of a large financial institution in Quebec. He more than all people is aware of what has to happen whether one is with an organization or in government, one has to work toward eventually balancing the Budget. This country cannot go on for another ten-year period as we have for the last decade.

We keep hearing the criticism that we argue that it is not a cut-back. The federal Government will be transferring some $90 billion over the next five years to the provinces. That is a $25 billion gain from the present $65 billion level. I call that a magnificent gain. That is an average of some 5 per cent throughout the period.

I will come back to the points I was making a few moments ago in case they were not observed. Canadians expect that in all of our programs we should get our house in order collectively. For instance, I am not aware of the exact way that many universities are run, but the Hon. Member will know that from time to time corporations have to stop and examine their internal efficiency, how the money is spent, whether in travelling expenses, entertainment, or perhaps in too many departments or chief executive officers. Perhaps the pay scales are too high. There are 101 areas one can look at. I would hope the Hon. Member would agree that some universities and post-secondary institutions might be able to find some savings and some inefficiencies might be identified. However, tough decisions are being made day in and day out. None of us were pleased to hear recently that the School of Architecture at the University of Toronto may not have sufficient funding to continue. That school has existed for something like 100 years. But what has brought these tough decisions to the fore is the track record of the Official Opposition for a ten-year period.

Mr. Allmand: Baloney. Nobody believes that.

Mr. Attewell: Had we taken over government with a surplus, we would not even think about the measures we are now discussing in Bill C-96. It is that simple.

Mr. Allmand: Who would believe that.

Mr. Frith: They wouldn't believe you for two minutes.

Mr. Attewell: The Hon. Member asks who would believe it. Thousands of Canadians believe it. The Liberal Government has led us down the garden path. So we have had to make tough decisions. But Canadians expect us to face these problems in a sensitive way, whether it be hospital care or post-secondary education, and not to turn our back on them. We intend to face these problems to the best of our ability.

[*Translation*]

Mr. Garneau: Mr. Speaker, I should have liked the Hon. Member for Don Valley East (Mr. Attewell) to answer my question which was quite clear. Would the Hon. Member try again and tell me how it was that in 1981-82, his party which at that time was aware of the financial situation, objected so strongly to changes in the formula, especially the guarantee of tax revenues which was a very complicated formula based on a flow of statistics that was practically beyond any control? Why did his party object at that time? Payments should have been extended and, today, they have changed their attitude. Has it seen the light on the road to Damascus but I would rather like to know whether Ontario can be deprived of 75 hospital beds and lose $3 billion while making such services available to its citizens? Does he believe it is possible?

[*English*]

Mr. Attewell: Mr. Speaker, with all due respect to the Hon. Member, what we had during the term of the former Government was a moving target. We were not able to get accurate financial estimates from that Government.

Mr. Gauthier: Oh, oh!

Mr. Attewell: Budgets were being changed hours before they were presented in the House. Estimates were continually rising. All Hon. Members will remember the period when the Budget started with a low $20 billion and after the fourth estimate we were zeroing in on something like $30 billion. How can we do intelligent financial planning with that sort of moving target?

I must say it is a pleasant change to move into a record we can point to with pride. Our Minister of Finance pointed to a deficit months and months ago and said that he would be targetting at the $34.8 billion level, and we are going to come in at exactly that level. The Minister of Finance has forecast a deficit of under $30 billion next year, and we hope to hit that level as well. That is a far different record from the record of the previous Government, now the Official Opposition. The Hon. Member knows from working in business that one's decisions are only as good as the financial base and data one has. We now, I believe, have sound data and that is why we can make some reasonably sound predictions.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, before commencing my remarks this afternoon, I would like to say that it seems to me, after having sat through three interventions by Conservative back-bench Members of Parliament—and I qualify "back-bench"—that we are in danger of having this debate deteriorate rapidly into a variation of the Marie Antoinette theme of "let them eat cake". Clearly the Conservative Party has a totally different concept of the cornerstone of Confederation.

Before getting into the specifics of the debate, I would like perhaps, for the benefit of us all in the Chamber, to speak about the definition by a former Prime Minister of Great Britain. A century or so ago Prime Minister Disraeli defined Conservatism as "organized hypocrisy".

Mr. Gauthier: Hear, hear! It is still true today.

Mr. Frith: Clearly not much has changed in the intervening years. Perhaps I might add to that comment made a century and a half ago by indicating that Conservatives today represent disorganized hypocrisy. I say that in all sincerity. The Canadian public has come to the conclusion that politicians cannot be trusted in what they say. There now exists in Canada, I believe, unheard of heights of cynicism with respect to politics. Why is it that the level of cynicism toward the political process and politicians has reached such new heights? I put forward for your consideration, Mr. Speaker, that

Canadians can no longer depend upon the Government they elect to follow through on the promises made during the election campaign. I point out that the Conservative Party has been guilty time and time again since September, 1984 of taking the position that it really does not matter what the election campaign was fought on or what promises were made. Once having been elected they say: "Damn the consequences. We will do whatever we feel needs to be done. The legislative program does not have to reflect the promises made during the election campaign of 1984".

There is one other reason for this level of cynicism. I voice this on behalf of all of my colleagues on this side of the House. I cannot recall in the years I have been in this House of Commons a major debate on a law that is going to have major implications on the ability of provincial Governments to deliver post-secondary education and a level of health care which we have come to expect, being led off by a Parliamentary Secretary. We have the largest majority Government in the history of Canada. There are some 211 Members of Parliament representing the Conservative Government. We have the largest Cabinet since Confederation with 39 members. Not one cabinet Minister took the time to lead off this debate on behalf of the Government. It is no wonder that the Canadian public feels such a high level of cynicism about the political process.

• (1610)

I would like to remind Members opposite of some of the promises made in the 1984 election campaign.

[*Translation*]

Remember the promises made in Sherbrooke on June 26, 1984. Listen carefully Mr. Speaker, the following commitment: To honour the federal obligation to finance provincial health care within the financial structure of the established programs and provide supplementary funds to the Provinces on an equal basis.

[*English*]

That was one of the major promises made by the Conservative Party in the election campaign of 1984. I will repeat it in English for the benefit of the listening audience. On July 26 it was promised that the Conservatives would respect the federal obligation to finance health care in the provinces through EPF and to provide additional funds to the provinces on a parity basis. They also promised to create or enhance those programs which could be identified as a national need.

I would now like to take Conservative Members of Parliament on a bit of a trip down memory lane. I think it is worthwhile to go over some of the comments made by Conservative Members when they sat on this side of the House prior to 1984 and when we introduced the legislation known as six and five. Several of my colleagues have already quoted the words of those Members delivered at that time. They are worth repeating. The Hon. Member for Mississauga South (Mr. Blenkarn), who is now in the House and who is Chairman of the Finance Committee, said the following:

> These particular programs, health care and education, are within the provincial sphere. To wind up saying somehow, somewhere along the line, in order to solve an inflation problem you can go ahead and rip apart an agreement without any justification whatsoever, and then rip apart that agreement a year and a half after you start your alleged six and five program to solve an inflation problem you already declare has been solved, is such balderdash to come from a Minister that the Minister himself should resign for even saying it—
>
> This is a breach of contract, a breach of agreement. It is even more than that: it is a breach of an understanding of where we are going in the country.

I must admit that that is a true statement even today. It is fundamental to what the established programs financing arrangements are all about. The provinces of the country determine five-year plans based on their faith that the federal Government will not break its end of the contract. Provincial Ministers of Finance must have this agreement to forecast properly fund allocation for post-secondary education and the health care system. They must have the fundamental understanding, in agreement with the federal Government, that nothing will change within the timeframe of the contract upon which they have entered into.

How can we square that need by the provincial Governments with the law which is being proposed here today? Much has been made by Conservative back-benchers about the fact that the Government forecast that there would be changes made to the established programs financing arrangements. That is simply not true. The Minister of Finance (Mr. Wilson) indicated in his Economic Statement in November of 1984 that there would be a review of the arrangements made under EPF. That came as no surprise since it is understood by everyone in the House that this agreement has to be renegotiated every five years. It came as a surprise to me, and to many of my colleagues in opposition, that the Government accelerated the review of EPF. In its May 1985 Budget, under projected savings in terms of EPF, there was nothing mentioned about fiscal year 1986-87. Thus every provincial Treasurer must have assumed, as my colleagues and I assumed, that there were no planned changes to that federal-provincial agreement for 1986-87. However, we were all deceived.

I would now like to review some of the comments made by members of the Government who sit on the front benches with respect to the six and five program which was introduced by the Liberal Government. The present Minister of Employment and Immigration (Miss MacDonald), the Hon. Member for Kingston and the Islands, said:

> I would say that the consequences may not readily be discernible to the federal Government, but to the thousands of young Canadians in post-secondary institutions of this country and to the hundreds of people who staff our community colleges and universities, the consequences are very clear. In fact, they are frightening.

This illustrates the type of cynicism about which I spoke at the beginning of my remarks. It is the type of commentary which fuels the level of cynicism held by the Canadian public toward politicians and the political process.

It has been reported that the Minister of Finance has justified the cuts by saying that the impact of a runaway federal deficit was far greater than the problem of shifting the

deficit to the provincial level. Thus he admits that he is proceeding with a shell game. The Government is simply transferring the burden of deficit reduction from the backs of federal taxpayers on to the backs of provincial taxpayers who, in turn, will probably attempt to pass the burden on to the backs of taxpayers at the municipal level. Have Hon. Members given any thought to the consequences of reducing the level of transfer payments to the provinces? Others of my caucus colleagues will speak about the cuts and the effects they will have on post-secondary education. I will focus on a matter with which I have more familiarity, that is, the delivery of health care.

I wish to remind Members opposite that in the years 1977 to 1984—at least until we introduced the six and five program—the federal Government increased transfer payments for health care and education beyond the level of inflation. This was done despite the fact that in those years in which the economy was growing there was still a detrimental effect being felt by persons who delivered health care at the local level. I say that because what happens, even under an ideal situation in which transfer payments are increasing at a greater rate than inflation, is that the provinces choose not to pass those increases on to those who deliver post-secondary education and health care. I remind Hon. Members that the provinces at that time were ruled by Conservative Governments—perhaps that is why the situation was so widely abused. However, I will leave that for others to question me on. It seems to me that all that occurred then was that the consolidated revenues of the provincial Treasuries swelled. The increases in transfers were not pased on to the persons who delivered medicare and to the people who delivered post-secondary education in the provinces.

As a result, one does not have to go any further than to discuss with hospital administrators what the impact of the cut-backs in transfers was on the delivery of health care. I have to admit that the administrators have done a very reasonable job in the last five to six years, given the propensity of the provinces to decrease transfers for the delivery of those programs at the local level. I would venture to say that the difficulty which hospital administrators are faced with today is the following. After six years of cut-backs, almost all of the fat which was in the system in the latter part of the seventies has been removed. I know that many Members of Parliament sitting around me sat on hospital boards before their entrance into federal politics at a time in which these cut-backs were occurring. I think we all recognize the cut-backs that had to occur when administrators and hospital boards were faced with cut-backs in provincial transfers to the local level. Having now reached the stage in 1985-86 at which there is no longer any fat to be removed from the system, what do Conservative Members think will happen to the level of health care services when transfer payments will be cut back over the next five to six years to the tune of $6 billion?

• (1620)

Let me give the House a specific example of what will happen as a result of today's legislation in the Province of Ontario. This is where the hypocrisy and cynicism begins. Under this legislation, the Government has now proposed that in fiscal year 1986-87, there will be a decrease in the transfers to the Province of Ontario of some $114 million in this year alone. Yet in May of 1985 when the Minister of Finance tabled a Budget, he showed clearly that for the year 1986-87, the Government planned to save no money. However, the Government broke its word.

Do you know why the Government broke its word, Mr. Speaker? I submit it broke its word because something happened between the time the Minister gave the Economic Statement of November 1984 and the time he tabled the February 1986 Budget. The major occurrence that made the Government require new sources of revenue was the bail-out of the two western banks. I submit that this was the major reason the Government decided to accelerate the decrease in transfers to the provinces.

Simply put, if Conservative Members were going to live up to their word about how they were going to be such great masters of deficit control, they would have to find new sources of revenue. They simply said: "It does not really matter what we promised in the November Economic Statement or the election campaign of the summer of 1984. It does not matter because the Canadian public will forget about that by the time the 1988 election rolls around". That is why they introduced an accelerated reduction in the federal transfers for post-secondary education and medicare.

I would like to have asked Hon. Members opposite where they think the provinces are going to find the money required to make up for the decrease in transfers to their Treasuries. It does not take a genius to come to the conclusion that a provincial Treasurer will have three options. First, he could increase provincial taxes to cover the shortfall. Second, he could reduce the level of services available under established programs financing. Probably the more realistic choice, the third choice, is a hybrid one. He could increase taxes somewhat and decrease services at the same time. Let us make sure that the Canadian people understand why there will be a decrease in services. Let us not enter this debate blindly. Any Government at a provincial level will have to make one of those three choices.

I would like to read into the public record the words spoken by the Premier of Ontario when he learned of the treacherous manner in which the Government plans to reduce the size of the federal deficit. Mr. David Peterson had this to say, as reported by *Le Devoir* of November 29, 1985:

"This reduction in the funds provided the provinces will translate into a reduction in services. There will be fewer hospital beds—

The Gazette of November 29, 1985, quoted him as saying the following:

"You don't call it a cut. You could call it a breach of faith. You could call it breaking a promise"... Mulroney shot back: 'It's not a broken promise. It's a responsible attempt to deal with a major Canadian problem' (the deficit)—

Mr. Turner (Ottawa—Carleton): That's right. Your deficit.

Mr. Frith: Where were the Conservatives during the election campaign of the summer of 1984? Do not tell me that they said that the secretive practices of the Liberal Government prevented them from having full knowledge of the full extent of the federal deficit. They could not campaign on that. During the election campaign of the summer of 1984, we campaigned on the idea that the deficit should never be reduced on the backs of the poor, the oppressed, the sick, or the unemployed. That is exactly what this Government has decided to do. Conservative Members at least ought to admit—

Mr. Stewart: Do you want a larger deficit?

Mr. Gauthier: There's one guy talking about larger deficits.

Mr. Frith: They should admit that the deficit reduction program proposed by the federal Government will be riding on the backs of those people to whom I referred. That is why people treat them with such cynicism. They cannot stand it.

I welcome any interventions made by Hon. Members opposite. It is an incredible performance when the Minister of Finance along with his Parliamentary Secretary (Mr. Vincent) tables legislation that we all know will break every one of the fundamental promises that were made during the election campaign, and then suddenly washes his hands of it by saying that it is not his fault, the devil made him do it, along with the former Liberal Government's hiding of the actual size of the deficit. Government Members may not realize it now, but that is not cutting well with the Canadian public. Once we see the impact of these cuts, I am going to see my constituents and I am sure every one of them will be asking why Conservative back-benchers sat quietly while the Government was tearing at the fabric of post-secondary education and medicare.

Mr. Blenkarn: Mr. Speaker, I have a comment to make and then a question to ask. The Hon. Member spoke about statements that I made during the debate on the six and five issue. That debate dealt with inflation and protection against the costs that were rising at that time very much faster than 6 per cent and 5 per cent. The former Government cut back on payments and transfers to an artificial level of six and five knowing that the recipient provinces would not have sufficient money to cover the inflation in the cost of these very programs. However, that is not the case with this Bill.

This Bill deals with a dramatically different economic situation than that which existed during the six and five debate. We now have a Government that is prepared to, and capable of, creating real growth in the economy. We are saying that instead of allowing education and health care transfers to grow with the growth in the economy, the growth should be restrained to some extent in view of the enormous deficit position.

The Bill allows for complete inflation protection. The restraint in the Bill is only directed at increases in real GNP. If there were no increase in GNP, then there would be no restraint. There is a very dramatic difference, as the Hon. Member should know, between this Bill and the six and five Bill.

Does the Hon. Member believe that we should continue to allow transfers to grow based on the growth of the economy, or does he think, in view of the serious fiscal situation of the federal Government, that we ought to allow the transfers to grow but only on the basis of inflation plus some of the growth in the economy but not all?

Mr. Frith: Mr. Speaker, the Hon. Member opposite is an expert at manipulating figures. That is very clear. He was able to manipulate the numbers in the six and five program to come up with one policy position when in opposition, and he now wants to use a different set of numbers to justify a complete reversal of that position taken by the Conservatives during the election campaign of the summer of 1984.

Conservative Members did not promise to limit the growth in transfers to provinces required to maintain the delivery of medicare and post-secondary education services. What the Hon. Member is suggesting is a complete untruth. He has to realize that Conservative Members have broken a promise and that in fact transfer payments will only grow at the level of CPI minus 2 per cent. It will not even keep up with the level of economic growth. For example, the provincial Government of Ontario in 1986-87 will have to find an additional $114 million. Why did the Hon. Member opposite not campaign on that in the summer of 1984 and advocate those kinds of cuts?

• (1630)

This is why I say that people no longer trust politicians. They find too often that they break their word. Before the Hon. Member takes another shot at me, I should like to indicate that, to some extent, we have been guilty of practice along the same vein. However, we paid the price in 1984, and I remind Hon. Members opposite that they will pay the price in 1988.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that this is not 2 per cent less inflation. It is a reduction in the growth in GNP. Inflation is completely covered in the Bill. It is only if the GNP does not grow in excess of 2 per cent. It is the growth in the GNP which is the restraint, not the cover for inflation. The Bill particularly covers the transfers for inflation. The provinces are protected for inflation. Indeed, the provinces get more than inflation.

As the Hon. Member knows, last year our GNP grew by 4.5 per cent or 4.9 per cent. Right now we are doing well; if there were to be no further growth for the balance of the year, the GNP would grow by over 2 per cent. The provinces will get real growth this year in the transfer, plus all the inflation growth.

The Bill specifically protects against the damages and ravages of inflation. That is not what the six and five Bill did, and the Hon. Member ought to know it. We perform on our promises. We have performed on every promise we made—

Mr. Frith: Oh, oh!

Mr. Blenkarn: —and we have more promises to fulfil, but we have our term of office and we will be here for a long time. The Hon. Member ought to understand that.

Mr. Frith: Mr. Speaker, let me correct the record. In the heat of the exchange I made a mistake when I talked about the CPI. In effect it relates to the GNP. However, the Hon. Member opposite must surely agree that the net result of the proposed legislation on the floor of the House today is a situation whereby the provinces by 1991-92 will have to come up with the difference.

Mr. Blenkarn: Oh, no, they will not.

Mr. Frith: The Hon. Member can say what he wants, but the Bill will transfer the burden of deficit reduction off the backs of federal taxpayers and on to the backs of provincial taxpayers. That is all it will accomplish. That is the premise at the heart of the Bill, and Hon. Members do not want to discuss it.

Mr. Hawkes: Mr. Speaker, the Hon. Member raised the topic of cynicism. Canadians would be less cynical if he rose in the Chamber and really talked about the difference between the two Bills. When the Liberals brought in their six and five program, they were deliberately cutting transfers below the rate of inflation, which indeed would mean a loss to the provinces. Just to maintain services, they would have to pick up the differences. This Bill limits increases to inflation plus approximately 2 per cent. It goes beyond inflation, and educational institutions and hospitals can grow on federal dollars alone. If they are matched by the provinces, they can grow even faster. That is the big difference.

I have in my possession an Auditor General's Report. For the last year of the Hon. Member's Government, going into an election, the debt of the country was increased by 17 per cent to try to bribe voters. That is the root cause of cynicism.

Earlier we had an argument about the difference between Finance Ministers. During the last three years of the term of office of their Minister of Finance, they overestimated revenue and underestimated expenditures for every year, and the deficits were 25 per cent higher than they told us in the Chamber. That is also the root of the cynicism.

When they rise to try to tell Canadians that this Bill is worse than their Bill and the opposite is true, when they rise and support Finance Ministers who do not tell any of us the truth about any kind of fiscal planning, then they are responsible as a political Party and as individual Members for the cynicism out there. During the 1984 election campaign we told people that budgets had to be cut and that we could no longer continue to borrow money. That is why we can stand in the Chamber with pride every time we support a budgetary cut. That is the position in which Conservatives find themselves—no cynicism, but reality.

Mr. Frith: Mr. Speaker, does the Hon. Member opposite truly have such a short memory? During the summer election campaign of 1984, did we ever hear budget reduction mentioned once by the Conservative Party?

Some Hon. Members: Yes.

Mr. Frith: Did we ever hear those words used by them? No, we did not. They said that universality was a sacred trust not to be tampered with. They never once mentioned to the Canadian public that they had a hidden agenda. They never once mentioned that during the summer campaign. In the Economic Statement of November 1984, did they mention to the provincial Premiers and Treasurers that the payments in 1986-87 would be cut? No, they did not. In the documents tabled with the May 1985 Budget, they showed no savings in transfers between the provinces, yet they double-crossed everybody by introducing legislation in 1986 which will cut to the total tune of $317 million the transfer of savings to the provinces. It does not take a genius to figure out that the provinces will have to make up the difference.

[*Translation*]

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I am very pleased to have an opportunity to speak to this Bill and, if I may, I will try to set the record straight after listening to the misleading statements just made by the Hon. Member for Sudbury (Mr. Frith).

Mr. Speaker, the proposed changes to the EPF legislation call for amendments to the 1977 statute on fiscal arrangements between the provinces and the federal Government. Pursuant to this statute, the federal Government is empowered to contribute to provincial post-secondary education and health programs, commonly referred to as EPF or Established Programs Financing.

The main amendment is a simple change to a provision of the existing legislation which sets the rate of increase of EPF transfer payments.

Contrary to what the Hon. Member for Sudbury has just said, this amendment is part and parcel of our strategy aimed at reducing the deficit, as advocated in the May 1985 Budget.

As of April 1, 1986 EPF transfers will continue to increase as is the case now, that is geared to GNP and population figures, the difference being that they will be set at growth less 2 per cent. Therefore it is totally false to pretend that they will be reduced.

In spite of this change, the average rate of growth of cash and tax point federal contributions will be 5 per cent annually during the next five years. A total of over $90 billion will have been allocated to provincial health care and post-secondary

education provincial programs by 1990-91, which is some $25 billion more than during the last five years.

The changes made by the Government to the percentage of increase for EPF transfers were announced in the May 1985 budget. That budget forecast a substantial increase in these transfer payments. However, they were to increase more slowly in accordance with our strategy to reduce the federal deficit. The changes come into effect on April 1, 1986, and will have the following results: an average annual rate of growth forecast at 5 per cent, as I said earlier, Mr. Speaker, and cash and tax transfers of over $90 billion for provincial health care and post-secondary education programs during the next five years, which is about $25 billion more than during the last five years.

• (1640)

As my colleague the Minister of Finance (Mr. Wilson) indicated when the consultations with the provincial Finance Ministers came to an end last December—and some people suggest that there were no consultations—the growth of EPF transfers will continue to be linked with the growth in the economy, the per capita GNP and the population in each province, and the increase of the transfer payments will never be lower than the inflation rate.

The changes brought about by this Government will mean a slight slowdown, not a reduction in the growth of provincial transfers, and this is both fair and reasonable.

Mr. Speaker, at this stage I would like to try and answer some questions that were asked by Hon. Members opposite, for instance: Why do you reduce federal support to health and post-secondary education, Mr. Speaker? There is no reduction. We are paying out huge amounts. They have been increased by not insignificant amounts. Especially when compared to expenditures on other federal programs that on average are increasing much more slowly, this reflects the high priority given by this Government to helping the provinces in the areas of health and post-secondary education.

Why should we not wait another six months, Mr. Speaker, as the suggestion is? No, Mr. Speaker. We must implement this measure immediately. Within our deficit reduction strategy, very many decisions were taken on other federal programs. Those transfers are made under federal legislation that is subject to no time constraints and that can be amended at any time. We must act now to control the deficit. Otherwise, because of the increasing debt charges, the Government will be less and less able to support major social services as health and post-secondary education.

They tell us we acted without consultation. That is not true. There has been no surprise. Discussions with the provinces were opened following the Government's economic statement of November, 1984. We told them that no change would be made in 1985-86, but that future years would be reviewed. This respects the Government's commitment on federal-provincial relations. There have been extensive consultations with the provinces on the manner in which the measures would be implemented. There have been four meetings of Ministers of Finance since the beginning of May and also a conference of First Ministers.

What will happen to the low income provinces, asked the Hon. Member for Laval-des-Rapides (Mr. Garneau) a while ago? The basic principle for the EPF transfers if that they are paid on a *pro rata* basis. Because of this characteristic, the federal Government contributes the same amount for each Canadian. The low income provinces receive additional assistance through equalization payments, more specifically a total amount of $5 billion per year paid to the six provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Manitoba.

Mr. Speaker, what will happen to the provinces which will see a reduction in their transfers? asked the Hon. Member for Sudbury a while ago. Again, this is an outright falsehood, because they will not be reduced. They suggested three reasons, three things, or three options: first of all, increase the taxes; second, reduce the services; or third, a combination of the two.

Mr. Speaker, he has just given us the proof that, for Liberals, the notion of reducing expenditures simply does not exist. That is not part of their vocabulary. For them, there is no way of reducing, say, the Budget by reducing the expenditures. Evidence to that effect was submitted a while ago by the Hon. Member for Calgary West (Mr. Hawkes) who has shown that every year over the last three years, their forecasts had been exceeded in tremendous proportions.

Therefore, Mr. Speaker, if it is impossible to reduce a deficit, what are his colleagues who have just been elected in Ontario, Quebec, and Prince Edward Island going to do who have proposed to reduce their respective deficits by reducing their expenditures without cutting the services? The EPF scheme is by far the main transfer program to the provinces, and it is the one which has increased the most over the past few years. This is a per capita amount, paid to the provinces, which covers approximately 50 per cent of provincial spending on health insurance and hospital insurance as well as 50 per cent of operating costs of institutions for post-secondary education.

In 1985-86, EPF payments are $508 per capita, to which is added an extra $43 per capita to help finance supplementary health services. EPF transfers have increased according to a movable three-year average of GNP growth linked to population growth. According to current projections, EPF payments will increase by more than 70 per cent over the next five years. In order to save $2 billion in 1990-91, their rate of growth only has to be reduced slightly and will still be at a level well above the rate of inflation and the growth rate of the economy. We have decided to make the requisite saving as part of our strategy for reducing the deficit through EPF. The necessary adjustments will be made starting April 1, 1986, to spread the effects of the change over a period of five years.

Mr. Speaker, our commitment to health care and post-secondary education remains as strong as ever. EPF transfers will continue to represent nearly half of provincial spending on health insurance services and on operating costs of institutions for post-secondary education. In the interests of all Canadians, the provinces provide health and educational services, yet must show responsibility in financial matters.

Mr. Speaker, this Government was elected to give Canadians the same kind of or better services for less money. The deficit remains a serious problem which we must resolve with every means at our disposal. This amendment to federal-provincial transfers is part and parcel of our medium-term financial strategy to reduce the deficit by $20 billion in 1990-91, and the projected national debt level by $75 billion between now and the end of the decade. But we must look beyond figures. These amounts represent our mortgaged future, the inheritance of our children and grandchildren. It is up to us to check the growing federal expenditures, otherwise the debt load will considerably reduce our capacity to deliver the same public services in the future. Mr. Speaker, that is exactly why Canadians asked us to take over the administration of this country on September 4, 1984.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I would have been more impressed had the Hon. Member for Lac-Saint-Jean (Mr. Côté) not been so sanctimonious and had he refrained from accusing the provinces of having mismanaged health and post-secondary administration funds. He comes from a province where considerable efforts have been made for about ten years, I would even say 15 years, to get a handle on expenditures.

I should like to ask him how he explains the fact, for example, that according to the measure under consideration there are two kinds of payments in this transfer formula, namely tax transfers and cash transfers. But as concerns cash payments, how does he explain the fact that, according to the formula, Quebec would no longer receive any cash payments within a few years, and that, under the formula suggested by the Conservative Government, these cash payments will increase more slowly, and substantially so, that the Gross National Product? The Hon. Member for Mississauga South (Mr. Blenkarn) could perhaps explain this fact also if he rises to speak. He could perhaps explain why the cash transfer payments will increase at a lower rate than the GNP.

I would like the Hon. Member to explain why it is that, in the provinces whose government has accepted a cost-sharing formula, and this is true for Quebec and other provinces, cash payments will increase more slowly than the GNP, and the rate of increase will even be lower than inflation this year. Could he explain this to me?

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, the Hon. Member for Laval-des-Rapides (Mr. Garneau) has just given us another illustration of his ability to distort truth and to misinterpret the comments of those who speak before him.

Mr. Speaker, I never accused the provinces of bad administration or of mismanagement. I said that, in the provinces where Liberal Governments have been elected recently, these Governments have said that they would reduce expenditures. The Hon. Member for Sudbury (Mr. Frith) said earlier—the Members opposite speak about a reduction in transfer payments or cutbacks, but the fact is that they will simply not increase as quickly—these provinces would have only three options open to them: first, an increase in taxes, second, service cutbacks, and third, a combination of both.

So, I said that it could not come to the minds of Liberal Members, who so shamefully dragged the country into debt, who so shamefully wasted the taxpayers' money, it could not come to their minds that expenditures could be reduced by slashing through expenditures. This is how it is done.

Therefore, to answer the second part of your question, Mr. former Quebec Finance Minister, Mr. former Bank President, Hon. Member for Laval-des-Rapides, you know, Hon. Member for Laval-des-Rapides that expenditures are proportional to revenues. You must know, this is a fact, that when you were Finance minister in Quebec you did not know that. But I hope that, when you were Bank President, your shareholders reminded you of it. And whenever expenditures were higher than revenues, there was a deficit, we could not go on indefinetely along that road, and cuts had to be made.

Therefore the payments that will be made will not be broken down or divided as you state or as you might like to have it, but they will be in overall amounts, and this, Hon. Member for Laval-des-Rapides, is at the request of the provinces themselves.

Mr. Garneau: Mr. Speaker, the Hon. Member for Lac-Saint-Jean has just shown a stark lack of knowledge. Why were those fiscal arrangements accepted in 1977, why did the provinces accept them at that time? Because it was definitely accepted that the transfer of tax points was there to acknowledge provincial responsibility for those education and health care jurisdictions. And because of the effect of that legislation and because the Government cannot change tax points for they are collected by Quebec in the case of that province, and they have agreements. Since they cannot tamper with tax points, and I would like to return to my question, how does he then explain that if, as it is claimed, this legislation is so good, how is it that the increase in cash payments, because this is what the federal Government is doing and it cannot change tax points, how is it that the increase in cash payments will be smaller than that of both the GNP and the inflation rate? How does he explain that?

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, the people in the Lac-Saint-Jean area are not as knowledgeable as the Hon.

Member for Laval-des-Rapides, but in 1976, they sure had enough knowledge to throw them out.

Mr. Speaker, the Hon. Member for Laval-des-Rapides should know in his great wisdom that when one makes forecasts and establishes programs, a great many things can change nine years down the road. When in 1977 the provinces and the federal Government came to an agreement on a formula, on rates and amounts, they knew quite well that some time down the road, the situation could change and when it did, the parties would sit down and negotiate again. That's what has happened, Mr. Speaker.

• (1650)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this Bill is a return of the Liberal attempt to cut the amount of money available for education and health care across the country. It is quite obvious that the tendency towards cutting which appears in the Nielsen Report is going to be in place for quite some time. Federal transfer payments to the provinces are obviously not going to be allowed to increase in line with increases in the Gross National Product or program requirements. This is simply a re-run of the 1981-82 Liberal operation to cut back on the amount of money going to the provinces. While the cost of operation of health care and education increases, the federal government contribution towards those costs decreases. We should recognize that, when we look at the Nielsen Report and other government policies, what is happening is a tendency to keep on—

• (1700)

The Acting Speaker (Mr. Charest): Order. I am very sorry to interrupt the Member for Prince Albert (Mr. Hovdebo).

[*Translation*]

It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

HISTORIC EVENTS

SUGGESTED REAFFIRMATION OF MÉTIS RIGHTS

The House resumed from Monday, February 24, consideration of the motion of Mr. Penner:

That:

Whereas 1985 is the centenary of the Northwest Resistance, the most important event in the history of the Métis Nation and a milestone in the history of Canada; and

Whereas the leader of the Métis people, Louis David Riel, was executed for his role in that resistance; and

Whereas Louis David Riel negotiated Manitoba's entry into Confederation and was thrice elected to the House of Commons; and

Whereas the Métis people have continued to strive, since the death of Louis David Riel, for the recognition of their rights; and

Whereas the *Constitution Act, 1982* recognized and affirmed the rights of the Métis people;

Be it resolved that this House

1. acknowledge the significant contributions of the Métis people to the development of the West and the creation of Canada;

2. recognize Louis David Riel as the founder of Manitoba and a father of Confederation;

3. celebrate with the Métis their unique culture and heritage;

4. support self-government and a land base for the Métis.

The Acting Speaker (Mr. Charest): We are resuming debate today on this motion and I may remind Members that the period allowed for speeches is now ten minutes under the new rules. Resuming debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my home is not many miles from Batoche. I grew up accepting the stature of Louis Riel as a great leader who had attempted democratically to deal with problems of his people. He attempted in the Red River settlement area and later in Batoche to unite the Métis of the area with the other pioneer farmers who felt the same kind of isolation as did the Métis in the area. He tried to unite them into a democratic and political force which would make the Canadian Government deal with the problems of their life and their lifestyle as a developing nation.

Louis Riel's efforts had borne fruit in the Red River settlement. The Government, under the Right Hon. John A. Macdonald, had acquiesced and accepted the basic request of the provisional Government of Manitoba for entrance into Canada as a province. The Government accepted that, but then John A. Macdonald and his Conservative cronies betrayed the people of Manitoba. Instead of acceptance which they had the right to expect, the provisional Government led by Louis Riel was betrayed. Instead of assistance, they got troops. Instead of recognition, Louis Riel was hunted by those troops and several attempts were made to put him under arrest. He was forced to leave the Red River settlement and go into isolation in the States.

Even as Manitoba was recognized as a province and became one because of the Métis action and the leadership of Louis Riel, he found himself exiled. A few years later when he was called back to help the Métis at Batoche and St. Laurent, St. Louis and Duck Lake, he was called back by the same people who had fought alongside of him in the Red River area. The same people who had been betrayed in the Manitoba settlement were the ones who called him back to lead them in the Batoche area. They were people like the Lepine's and the Fiddlers, the McLeans and the McDougalls, the Parenteaus and the Morins, names which are still prominent names in the Batoche, Duck Lake, St. Laurent and St. Louis districts. Those names and those people have survived in that part of Canada around Batoche. They have been the central core of those communities and have contributed a great deal to Canada.

People like the McDougalls, the Fiddlers and the Dumonts have made themselves part of a very vital community. These were the people who settled the area, people who had been betrayed at the Red River, were forced out, trekked across the Prairies to the Saskatchewan River and settled in the communities of Batoche, Duck Lake and St. Laurent.

The Métis had no reason to trust the Government of the day. When the Government showed that it was following the same course as it did at the Red River, even Louis Riel wavered in his determination to strive for peace. For 100 years the Métis have fought to stay culturally and ethnically alive. In 1982 they won a battle that had escaped them at the Red River and at Batoche. They won recognition of their rights as a founding people, a founding people who were of mixed blood of the First Nations and of the so-called founding nations of France and the British Isles.

The names that appear in records of the Red River and the Batoche skirmish appear along with others in records of their fight to make those rights part of the mosaic of Canada. It was with a great deal of pride that two weeks ago I watched Mederic McDougall, accompanied by his wife Maryanne Lepine, receive the Order of Canada for service rendered to his people and to Canada. The winning of the recognition of the Métis rights was a political victory won by people like Mederic and many others.

This resolution, should it receive the support of this House, would help to erase the long and widely established discrimination against the Métis people. I commend the Member for Cochrane—Superior (Mr. Penner) for his persistence in bringing forward the motion on the four points which acknowledged the contribution of the Métis people and their right to defend and develop their culture and heritage as well as to have a basis for self-determination. Those points acknowledge the significant contribution of the Métis people to the development of the West and the creation of Canada. It is a small point, but important for the people who, for 100 years, have fought to have that matter recognized, and to recognize Louis David Riel as the founder of Manitoba and the father of Confederation.

Again, who can deny that his original provisional Government in Manitoba was the original Government that brought Manitoba into Confederation? They have fought for it strongly and well, and have won the first step. This House can do little more than acquiesce in that request. We should support self-government and a land base for the Métis. They have long sought self-determination, and only by such an action can they fulfil that requirement.

Louis Riel was one of the first reformers in western Canada. He was followed by others who formed organizations like the wheat pools, the farmers' union and the CCF. Those movements were allowed to develop and to prosper. After 100 years is it not time to assist the Métis to develop and prosper as well?

• (1710)

Mr. David Kilgour (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure to partake in this debate. I want to congratulate all those Hon. Members who I believe have spoken exceedingly well in this debate.

All of us in the House should applaud and agree with the motion in the name of the Hon. Member for Cochrane—Superior (Mr. Penner). My colleague, the Hon. Member for Mission—Port Moody (Mr. St. Germain), pointed out with pride that he is a Métis descendant himself. I would encourage Hon. Members to read his speech because I believe it is an excellent description of Métis history as given by a Member of Parliament who, like Louis Riel, is a Métis.

The Hon. Member for Churchill (Mr. Murphy), the Parliamentary Secretary to the Secretary of State (Mr. Scott), the Member for Témiscamingue (Mr. Desjardins) and the Hon. Member for Prince Albert (Mr. Hovdebo) gave excellent speeches.

I agree with much of what has been said. In 10 minutes it is difficult to deal with this subject which is of such importance to all of us who were born in Manitoba and brought up in that province—

[*Translation*]

—with the memory of Louis Riel present everywhere. As you know, Mr. Speaker, he was buried near Winnipeg in the city of St. Boniface, and I think most Manitobans admire Louis Riel as the founder of our province and, in fact, of Canada.

[*English*]

It might interest you to know, Mr. Speaker, that I am holding the 1911 edition of the *Encyclopaedia Britannica*, which has about half a page dealing with Louis Riel. The first entry indicates that he is "a Canadian agitator". While the passage contains some good comments about him, it goes on to state: "His own rashness and the ineptitude of Canadian politicians and officials brought on the uprising of 1885".

Let us turn to *The Canadian Encyclopedia* which was published recently. One wonders if one is talking about the same person. George Stanley pays Louis Riel great tribute and calls him a founder of Manitoba. He presents the uprising in 1870 sympathetically and, I suggest, accurately, from an historical point of view.

I believe this passage deals with Louis Riel and his followers in a way that I believe all western Canadians would now find acceptable. I might point out that Thomas Scott who was ultimately killed, attempted to arouse Scottish settlers in Manitoba. As someone of Scottish origin, I am sorry if any of my ancestors were involved in that attempt by Scott.

The final entry on Louis Riel in the *Canadian Encyclopedia* reads:

> In the West, the immediate result was to depress the lot of the Métis.

That was after 1885. It goes on:

In central Canada, FRENCH CANADIAN NATIONALISM was strengthened and Honoré Mercier came to power in Quebec in 1886.

History does seem to belong to those who win the battles. Fortunately, we in the West are becoming more understanding. Let me refer to a book entitled *Strange Empire* written by Joseph Kinsey Howard in 1951. This book treats Riel, the Métis and the Prairies with enormous empathy. The preface of the book states:

This is the first book in English that describes the origin of the Métis, that unique people of mixed white and red blood, and there is only one work in French that describes it. It is the first book that traces in any detail the development of the great annual buffalo hunt which was the centre of Métis life or that deals more than perfunctorily with the fascinating lore of the Red River cart.

By the way, Mr. Speaker, in the days that Red River carts were used on the Prairies, they could be heard from a distance of two miles. The preface continues:

And it is the first book that has ever told for American readers the story of the two Métis rebellions that were so dramatic a menace to Canadian union and lighted such a strange hope of American expansion in Canadian territory.

To my knowledge, this book, written in 1951, is the first book that described Louis Riel fairly. Ironically, it was written by an American from Montana.

I suggest that every Canadian should read *The Opening of the Canadian West* by Douglas Hill. It essentially describes Louis Riel as a hero rather than a criminal. Finally, I would like to refer to a book entitled *Manitoba: A History* written by William Morton. He is one of the best known historians in Canada in the 20th Century, and is certainly the best known and best loved historian in the Province of Manitoba. I want to quote the following passage from page 138 of *Manitoba: A History* on Riel.

—he was destroyed by the very force which had raised him to power, the military organization of the Métis. His frantic, often admirable, efforts amid the menace of the Canadian risings, the intrigues of the Americans, the divisions and instability of his own people, to shift the basis of power from the military organization to the civil authority of a provisional government had ended in unmitigated tragedy.

The shooting of Scott was a blunder, so much a blunder that it is difficult to believe a man of Riel's quality could have committed it except under the compulsion of the guards' exasperation and the threat of an Indian rising fomented by Schultz.

I believe Schultz is one of the scoundrels in this story, although my colleague from Brandon—Souris points out that he later became Lieutenant Governor of Manitoba. Morton continues:

It was, unhappily, worse than a blunder—it was unnecessary. The Provisional Government had been accepted and peace was returning to Red River. Schultz was actually in flight and the Indians were quiet.

He goes on to state:

For Riel thereafter there was to be no peace in the Northwest he loved, no peace anywhere but the forlorn peace of exile and the final peace of the gibbet at Regina.

I believe my colleague, the Hon. Member for Brandon—Souris (Mr. Clark), who is an historian, will agree that all people from Manitoba and the Prairies know that Louis Riel is the first genuine hero of our region.

I want to cite a passage on Louis Riel that appears in *Canadian Quotations* by Robert Hamilton. Edward Blake, the Leader of the Liberal Party of the day, stated it better than anyone, I believe. I agree with him fully. He stated:

Had there been no neglect there would have been no rebellion. If no rebellion, then no arrest. If no arrest, then no trial. If no trial, then no condemnation. If no condemnation, then no execution. They therefore who are responsible for the first are responsible for every link in that fatal chain.

If all of us knew more about Louis Riel, I think all of us would know about a great man who was all too briefly with us.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am glad the Hon. Member for Cochrane—Superior (Mr. Penner) presented his motion, because it gives us an opportunity to recall a particularly important page in the history of Canada. There is no doubt that Louis Riel had an enormous impact on the development of this country, and the motion before the House deals implicitly and explicitly with the role he played in the birth of our Canadian nation.

Mr. Speaker, first of all, I imagine all Canadians will agree that the Métis have made a vital contribution towards opening up the West and the creation of our country. If we go back to the origins of this people in Canada, we have to go back to the first French-Canadian and English-Canadian settlements and the Indians who were living on the same land. In fact, the paternal ancestors of the Métis were French sailors who came to Canada in 1534 with Jacques Cartier and, a century later, with Champlain. We also find the two great trading companies upon their arrival in the North-West of what is now known as Canada, and I am referring to the Hudson's Bay Company for the English and the *Compagnie du Nord-Ouest* for the French. On the maternal side, the Métis trace their ancestry to the Indian women who also lived in these Western territories. I think I should point out that the Métis of French origin and those of English origin soon established a climate of friendship and harmony, perhaps because of the solidarity that is the inevitable result of a hard pioneer life. Interestingly, when Louis Riel became the President of a provisional government that was set up to fill the vacuum left by the withdrawal of the Hudson's Bay Company, until the advent of a Canadian government, he enjoyed the support of Métis of all origins.

The Métis have made a valuable contribution to this country, a contribution that is partly connected with their way of life, in other words, their understanding of the ecology of a vast region, their knowledge of hunting and fishing and their ability to survive and prosper in the most inclement climate.

The Métis settled in carefully selected sites, gradually occupying rich lands along the Red, Assiniboine and Seine Rivers. Given the slowness of communications at the time, it was only natural that the Metis should voice concern about the negative impact which a new political regime and the massive influx of immigrants might have on their way of life and their lands. No wonder a dispute broke out in the North-West and Louis Riel became their leader.

Many things have been said and written about Louis Riel, and I am sure a number of Canadians would get to appreciate the man if only they would go to the trouble of reading a few books on his life, whether authored by sympathizers, foes, or impartial historians.

Here is what a historian said about Louis Riel: As long as Canada exists, Canadians will want to know who Louis Riel was, for the man is the epitome of the particular dynamics of prevailing tensions in Canada—English against French, Indians against white people, east against west, Canadians against Americans.

Hopefully, in contemporary Canada, such tensions have vanished and groups are not pitted one against another. The fact remains that Louis Riel lived and fought at a time when these tensions were strongest, when the Canadian nation was still in its infancy, when the country's frontiers were still unmarked, and when rights and values still had to be established.

Mr. Speaker, this brings me to the second point of the motion: recognize Louis Riel as the founder of Manitoba and a Father of Confederation.

I have no hesitation in acknowledging the key role played by Louis Riel in the entry of Manitoba into Confederation. First, it should be pointed out that the provisional government led by Louis Riel had been democratically elected by the population of the West to fill the gap between the time when the Hudson's Bay Company renounced its responsibility over Rupert's Land and the moment when a new system was implemented by Canada, which then comprised four provinces: Ontario, Quebec, New Brunswick and Nova Scotia.

At that time, there was uncertainty about the future of Rupert's Land: would it become the colony of a colony or part of the new Dominion?

Louis Riel was wholeheartedly in favour of provincial status. He was one of the strongest supporters of this option, and in fact, he and other members of the provisional government executive council printed a list of rights in both French and English which was to be the official document of the delegates sent by the provisional government to the Canadian authorities. This list ultimately became a key instrument in the development of the 1870 Manitoba Act, under which the province joined Confederation.

This list of rights contained in embryo form the rights and freedoms we enjoy today as well as protection of the language and culture of the minority, which have now become a characteristic of our Federation.

Mr. Speaker, I am fully aware of the great role and importance of Louis Riel. However, I have serious reservations as concerns the part of the motion presented by the Hon. Member for Cochrane—Superior (Mr. Penner) which asks that Louis Riel be recognized as the founder of Manitoba and a Father of Confederation.

Mr. Speaker, I have these reservations because, in my opinion, it is up to the Manitoba Government alone and not to the Canadian Parliament to make decisions on issues related to its foundation. As for the Fathers of Confederation, I imagine that all Canadians have seen the portrait reproduced in numerous Canadian history books which shows them sitting or standing around a long table. These people were in attendance at the Quebec conference in 1864, and they were the delegates of what was then called Canada, namely Quebec and Ontario, Nova Scotia, New Brunswick, Prince Edward Island, and even Newfoundland which, as we know, only joined Confederation 85 years later. At that time, what is now Western Canada was not a party to the negotiations, which explains why no Western Canadian is shown in that picture. Of course, this in no way belittles the role played by famous westerners such as Louis Riel and his followers, Father Ritchot, John Black and Alfred Scott who negotiated with Canada with a view to obtaining provincial status for Manitoba.

That picture in no way belittles either the role played in British Columbia by Anthony Musgrave and Dr. J. Helchen, who, after violently opposing Confederation, fought to have British Columbia admitted in 1871. Also deserving was F.W.G. Haultain, first minister for the Territories who worked to make room for Alberta and Saskatchewan in Confederation in 1905. Those people may not be as well known as Louis Riel, but nevertheless they played just as genuine and commendable a role.

I believe, Mr. Speaker, that my distinguished colleagues now know many westerners deserve a special place for their efforts to have their respective areas join Confederation. Although they did not all attend the famous Quebec City Conference, their forefathers contributed to make Canada what it is today.

Mr. Speaker, the House will understand that if I admire Louis Riel for the part he played in the creation of Manitoba, I have qualms about a motion which would recognize him as a Father of Confederation without granting the same honour to all the other deserving figures in the history of our country. We should then have to rewrite our history. However, the place which should be rightfully Louis David Riel's in the history of Canada may have been neglected; I believe therefore that his contribution as well as that of his supporters in the development of Canada should be recognized for what they were.

• (1720)

[*English*]

Mr. Bob Hicks (Scarborough East): Mr. Speaker, it is a pleasure to add my comments as a Canadian and as a former educator to this motion. The Hon. Member who preceded me in this debate referred to the list of rights drawn up by Louis Riel in a document which became key in determining the provisions of the Manitoba Act of 1870.

Clause 1, for instance, provided that:

The Territories, heretofore known as Rupert's Land and the Northwest, shall not enter into the Confederation of the Dominion of Canada, except as a province.

Clause 5 stated that:

All properties, rights and privileges enjoyed by the people of the province, up to the date of entering into Confederation, be respected and that the arrangement and confirmation of all customs, usages, and privileges be left exclusively to the local legislature.

Clause 16 requested that:

The English and French languages be common in the legislature and in the courts and that all public documents as well as acts of the legislature be published in both languages.

A new Clause 7 appeared in the third draft of the list of rights carried to Ottawa by the official delegates.

[*Translation*]

That the schools be separated and that the school funds be divided among the various religious denominations, at the *pro rata* of their respective populations.

• (1730)

[*English*]

So we can see from these clauses just what a strong and enduring influence Riel, as head of the provisional Government, had on the unfolding of Canadian constitutional history. This is a matter which surely cannot be disputed. The proof lies in these documents from over a century ago.

I would now like to turn to the final point raised in the Hon. Member's motion, that is, the matter of self-government and a land base for the Métis people. Historically, Métis communities developed initially along the French fur trade routes to the Great Lakes. With the decline of the fur trade many Métis immigrated to the Red River area in Manitoba. Some went further west to Saskatchewan, Alberta and British Columbia. Of course, others remained in Quebec and the maritime provinces. This early Métis settlement pattern continues today in that the Métis population resides predominantly in our western provinces. It is also primarily in the West that Métis aspirations for self-government and a land base have developed.

The federal Government has a strong and continuing interest in the Métis people. This has been manifested in a number of ways. First, the federal Government has an interest in improving the socio-economic situation of the Métis. In fact, this concern which extends to all aboriginal peoples has been a prime motivating factor for current special initiatives from which Métis benefit. These initiatives include the Rural and Native Housing Program, the Native Economic Development Program, as well as special measures under the agricultural and rural development agreements.

Second, the federal Government has demonstrated its concern and support for the Métis as one of Canada's aboriginal peoples. I note that formal recognition of the Métis as one of Canada's aboriginal peoples came about with passage of the Constitution Act, 1982. Subsequently, representatives of Métis people, together with Indian and Inuit leaders, have been invited to participate in First Ministers' Conferences on aboriginal constitutional matters and associated multilateral discussions with the federal, provincial and territorial Governments. The purpose of these discussions is to identify and define aboriginal rights for possible entrenchment in our Constitution.

Since the initial First Ministers' Conference on aboriginal constitutional matters, which was convened in 1983, a wide range of issues has been addressed, issues which are central to aboriginal peoples' concerns and aspirations about their rightful place in Canadian society now and in the years ahead. As Members of the House will know, the matter of self-government for Canada's aboriginal peoples, including the Métis, has been a major agenda item in the ongoing aboriginal constitutional process.

In this regard, I note that the federal Government has played an important role in addressing the Métis and other aboriginal peoples' aspirations for self-government. At the April 1985 First Ministers' Conference, the Prime Minister (Mr. Mulroney) tabled a proposed political accord which provided for constitutional recognition of a right of aboriginal peoples to self-government, which right would be set out and come into force through agreements between Governments and aboriginal peoples. Furthermore, Governments would be committed to entering into negotiations with aboriginal communities aimed at concluding the appropriate agreements.

Unfortunately, this federal proposal did not achieve a sufficient consensus for the proposed constitutional amendment to proceed. However, self-government will clearly continue to be an important item for discussion during preparations leading up to the next First Ministers' Conference to be held before April, 1987 and the deliberations at the conference. This is why the federal Government agreed to participate in self-government negotiations which are initiated by the provinces and aboriginal associations. In this process the federal Government will continue to work with Métis, other aboriginal leaders and other Governments with a view to developing constitutional provisions for self-government that are acceptable to all Canadians. Similarly, the federal Government will continue to work with the provinces and Métis to improve their socio-economic circumstances and opportunities within Canadian society.

This is the situation in which we find ourselves with regard to the fourth point of the Hon. Member's motion. The Government is very clearly and deeply involved in the constitutional matter.

From what I have said Hon. Members will see that while I am sympathetic to many aspects of the motion, I have some concerns about other aspects, as I indicated earlier.

In concluding my remarks I would like to congratulate the Hon. Member for Cochrane—Superior (Mr. Penner) on his motion which displays a great sensitivity to the history and aspirations of the Métis people.

Mr. John Reimer (Kitchener): Mr. Speaker, I would like to add my views to those already expressed by my colleagues in regard to the motion before us in the name of the Hon.

Member for Cochrane—Superior (Mr. Penner). I think all Canadians can look to the Métis heritage with pride, recognizing in it the strength and vision which characterized the mixture of Indian bloodlines with those of our early European settlers and which has continued right through to this day.

The Métis sense of identity is very strong. It contributes in a major way to the more general Canadian identity. The fact that Louis Riel was a firm believer in the merits of joining Confederation, and that he worked prodigiously to bring what became Manitoba into the union, was a source of pride for the Métis a century ago, as I am sure it continues to be right to this day. I think there can be no question of the importance of his support in giving direction and inspiration to the various documents which the delegates of the provisional Government carried to Ottawa to negotiate with Canada. Among those documents was the list of rights which, in many ways, was a forerunner of the Bill of Rights and the Charter of Rights and Freedoms with which we are so familiar today. Therefore, I sympathize with the Hon. Member for Cochrane—Superior in terms of the resolutions contained in his motion. The first resolution states that the House:

—acknowledge the significant contributions of the Métis people to the development of the West and the creation of Canada;

The third resolution states that the House:

—celebrate with the Métis their unique culture and heritage;

Let us take these two points and recognize the unique role which the Métis played in the history of Canada. In so doing we must also consider the role played by many other people in the history and development of Canada. It is true that prior to Confederation the Métis people around the Red River settlement had a unique colony. However, there were other people with them—French and English people, as well as a group of Scottish people who had come across the north Atlantic, into Hudson Bay, to Churchill and down to the Red River settlement. Thus there were many people who contributed in a very unique way to the building of the West and to the creation of the western provinces.

In that sense we must acknowledge all of these different people. Yes, the Métis had a unique role; but so did the many others who followed them. I am reminded of those who followed once the railway was in place, as well as the many other people from the Ukraine who made a unique contribution to the West. They, too, played a unique role. The riding of Kitchener which I represent has, in fact, an older role in terms of people coming to it. The Métis events about which we are talking were carried on from the 1860s through to 1885. The role about which I speak in my riding goes back to the time of the United Empire Loyalists. Some of the German people of whom I speak worked with the British in the United States. Once the revolutionary war was over, these German people came up into Ontario and into the area known as Kitchener—Waterloo. They were here 100 years prior to the events surrounding Louis Riel. Historically speaking, that is almost 200 years compared with just a little over 100 years for the others.

It is also important to recognize that although the Métis had their unique contribution to make, these German-speaking people brought to Canada many industrious people who built various industries across Canada. They contributed a unique flavour to the Kitchener—Waterloo area. There is no question of their importance to that area. I should also note that they are the third largest cultural or heritage group in Canada following the English and the French. In that sense, we should recognize their unique contribution to Canada. I can sympathize with the Hon. Member who wants us to see the unique contribution these people have made and to celebrate their culture with them. I think we should celebrate the many cultures that make up Canada. They all make up this country and the people of Canada.

• (1740)

I have great difficulty, however, with part two of the resolution which reads as follows:

2. recognize Louis David Riel as the founder of Manitoba and a father of Confederation—

To recognize Louis David Riel as the founder of Manitoba is simply to recognize what happened in history. In fact, he is the founder of Manitoba. He formed a provisional Government with the Métis people in the Red River settlement when there was no official territorial Government from Ottawa. He filled the vacuum with his provisional Government. That provisional Government then instituted order in the territory of Manitoba around the sight of present-day Winnipeg. In that sense, it is correct to recognize the role of Louis David Riel and to say that he was the founder of Manitoba.

In fact, the federal Government recognized in 1869, in the creation of Manitoba itself, the role of Louis Riel. The Province of Manitoba has recognized the unique role played by Louis David Riel with statues of him which are in place on the grounds of the Legislative Assembly. In that sense, there is no question that he was the founder of Manitoba, and that is something for which we must recognize him.

The resolution goes on to say that we should also recognize Louis David Riel as a Father of Confederation. I have some difficulty with that. First we must look at who are the Fathers of Confederation as they appear in our history books. We think of those 34 delegates who met together at three conferences beginning in Charlottetown in 1864, continuing with longer meetings in Quebec City, and finally with meetings in London, England. As a result of those meetings, the BNA Act was brought together and Canada was then formed out of the five colonies that existed prior to that time. Those are the people we traditionally accept as our Fathers of Confederation.

Mr. Hovdebo: What about Smallwood?

Mr. Reimer: An Hon. Member has asked about Smallwood. Some people have said that when Newfoundland was brought into Confederation in 1949, Joey Smallwood became the only living Father of Confederation. In a sense, we can accept him

as the only living Father of Confederation, but with regard to Louis Riel, I have some other difficulties.

I taught Canadian history at Forest Heights Collegiate High School in Kitchener. When teaching what Louis Riel did and what we recognize him for, I tried to let my students know first exactly what happened. Once we knew exactly what the facts were, we could then debate those facts and their significance.

There is no question that Louis Riel formed a provisional Government in 1869 and was responsible for the formation of Manitoba. However, he also did some other things. Louis Riel chose to take the law into his own hands and to execute Thomas Scott. Thomas Scott was not a model citizen. There was nothing to commend him in that way. However, there was nothing he did to deserve death. In fact, one of the representatives of Louis Riel's church begged him not to execute Scott because he did not deserve to die. Louis Riel replied that he had to execute Scott to assert his authority, and so he shot him. I have some difficulty supporting someone like that as a Father of Confederation.

There is no question that Louis Riel assisted the Métis and Indians in the 1885 uprising in the territory of Saskatchewan. He had a very positive role in that, but chose to attack the constituted authority of the day, the Northwest Mounted Police. That led to the deaths of settlers, Indians, Métis, and some soldiers. In that sense, I have great difficulty accepting someone as a Father of Confederation who attacked that very Confederation itself.

When the authorities had to deal with that situation and determine whether he was innocent or guilty of a crime, he was judged to be guilty of treason and was therefore executed. I have great difficulty saying that that is a person who should be accepted as a Father of Confederation.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, we often hear Hon. Members start their remarks in this way: "I had not intended to take part in this debate". In fact, I had not intended to do so. But having heard what several Hon. Members had to say, I thought that we would put the matter to a vote. We have heard one NDP Member and four PC Members. It is clear that once again, we shall not come to a vote.

There is one thing that I have seldom been able to understand, Mr. Speaker, and it is the fact that each time we have had to deal with Riel over the past 23 years, an atmosphere of mystery had suddenly set upon the House. Hon. Members are ill at ease. They do not want to speak against him, but they do not want either to recognize what Riel has really been for Canada.

[*English*]

My hon. colleague from Kitchener, who is a former teacher, said that he has some difficulty recognizing Louis Riel as a Father of Confederation or as a founder of Manitoba. The Hon. Member said that he taught his students to find out exactly what happened and then to debate the significance of it, and that is very fair. The significance is always the same.

If today we were to reject everyone who built a country whose past was not the type my colleague would like to support, many countries would not exist. I will not mention now some countries in the Middle East, but I may at the end of my remarks.

The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) spoke of the great Liberal Leader of the day who asked: "Why was Louis Riel hanged? He was hanged because he was condemned to hang". He was condemned to be hanged because he was found guilty of an action that was against the welfare of the Métis, and some people did take action against the welfare of the Métis.

Louis Riel started out very well. He started out by saying that his people were ready to build a new province. That was legal and he did it properly. However, why did he end up the way he did? Why does my colleague and many others have so much difficulty accepting Louis Riel? It is because at the very end of his life, he was hanged.

We must look at why Louis Riel was hanged. Do we not see many tragedies occuring around the world today? Everybody is talking about terrorism. How many people rise in the House of Commons or the Congress of the United States to try to go to the roots of any of the problems of today? Why would we not do the same today and try to go to the real root of the Riel question? We should not look at the very end of his life but at the beginning.

There were injustices and the Métis yelled to the good conscience of the Canadian people that they were the subject of injustices. Did enough people listen to their concerns? No. Therefore, they went from that step to another. Do we not see the same thing in the world today? People begin by expressing acceptable views, to which no one listens. Then they start throwing rocks, and no one listens. Then they start using violence, and no one listens. Then the killing starts. Perhaps I am taking a lot of time today to reflect upon what we should really do.

[*Translation*]

My colleague the Hon. Member for Jonquière says that there are several others. He is right.

• (1750)

[*English*]

My friend from Jonquière said that there were many others in British Columbia and Saskatchewan. That was also said by Mr. Smallwood. We all agree, but the subject matter we are discussing today is that of Louis Riel.

[*Translation*]

We should not try to draw a red herring. The subject matter of today's debate is Louis Riel. Over the past 20 years, Metis people have been trying to have Louis Riel's contribution recognized. In the House, it has never been possible to come to

a vote on the Louis Riel issue. Hon. Members rise in the House and pay him tribute. There was a time, long ago, when none of them would pay him tribute. But they have gradually come to realize that since it is no longer possible to attack Louis Riel in 1986, they must glorify him. They suggest that he was a great gentleman. Some will say that he was one of the founding fathers of Manitoba. They go as far as saying that he is a Father of Confederation. They will add that we should celebrate with the Metis their unique culture and heritage. They will recognize the important contribution of the Metis people to the development of Western Canada and to the creation of Canada. We all agree on this. But we talk and we talk, and we refuse to let the motion come to a vote.

I think we should ask ourselves—and my comments are directed to the Hon. Member for Jonquière (Mr. Blackburn) and his Quebec colleagues—I think we should ask ourselves the real question: Why do we never get to a vote? Because there is always the same uneasiness. I think it is time we got rid of that feeling. There is no one in this House who is guilty of committing the acts that were committed at the time. Today, we could finally decide to recognize what Riel and what the Métis people mean to Canada.

Last week, a number of Members were on the Hill to commemorate the Armenian hollocaust. Why are the Armenians still coming back 71 years later? What do they want? They want the Turkish Government to recognize that an act was committed and they want this to be historically recognized. They want a remedy.

I could even go so far as to say: What do the Palestinians want today? They want justice for what they and many others consider to be an injustice, since Canada voted in favour of two States in 1947-48. Canada, the Soviet Union, the United States and Czechoslovakia voted in favour of Resolution 181. What do they want? They want the job to be finished properly. What do the Métis want? You can draw so many parallels, and it all boils down to the same thing. Mr. Speaker, we will understand when we realize what makes people act in desperation. We will understand if we go back to the root of the problem.

[*English*]

When we are faced with difficult problems, we should go back to the root of each problem in an attempt to understand. We are not asking for much. My colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), who presented the motion is not asking for much. He is not asking anyone to apologize. He is asking Canadians in 1986 to make a great gesture by recognizing the Métis and Louis Riel.

It seems that this matter will not be brought to a vote today. I see the Hon. Member for Edmonton—Strathona across the way. Perhaps he and I, the Hon. Member for Kitchener (Mr. Reimer), the Hon. Member for Prince Albert (Mr. Hovdebo), and my colleague who introduced the motion could put our heads together and come back some day with something which is acceptable to everyone and upon which we could vote. That may be the solution. It seems that we always come back with a motion or a petition to recognize what Louis Riel did. It will always be divisive. Let us not fool ourselves; let us not lie to each other. We know why. Some people are very uncomfortable with Louis Riel. Hon. Members will notice that I am not referring to Conservatives, Liberals or members of the New Democratic Party. In fact, they were non-existent at that time. However, some people are uncomfortable with Louis Riel, but I like to tackle things head on, publicly. Perhaps such is the case. Maybe this is the beauty of debate and why 5.55 p.m. is more important than people think. I have listened to my colleagues. I see the Government Whip coming into the House. Perhaps he is coming here to ensure that we vote or we do not vote; I do not know.

In conclusion, I should like to indicate that we should try to come to terms with each other. I say openly that I am ready to sit on a smaller committee of interested Members of Parliament. I am sure the Hon. Member for Edmonton—Strathcona would be delighted to do that. I am also sure the historian from Kitchener would like to participate, as would the Hon. Member for Scarborough East (Mr. Hicks). Perhaps that small committee could consider the motion and would come to the conclusion that a debate on supporting self-government and a land base for the Métis would be too long at this time. Maybe it would be okay the next time.

The Métis are what they are today. There are people who believe in what Louis Riel did. Surely Members of Parliament who believe that the time has come to recognize him can come together in a small committee. I see some Hon. Members indicating that they agree with what I have said. I will pursue it, because I am honestly tired of seeing a debate on Louis Riel every year, where people watch each other and other Members rush to the House to participate in the debate in case a vote is taken. I do not think that is fair to Louis Riel. I do not think that is fair to the Métis. If we could have the kind of debate to which I referred, perhaps it would be better than what we are trying to do today.

[*Translation*]

Mr. Blackburn (Jonquière): Mr. Speaker, with all due respect for my colleague from Saint-Denis (Mr. Prud'homme), he says he has been listening to comments on the debate for 20 years. He is still talking about it today. Indeed he was in the House for several of those years.

Mr. Prud'homme: Of course, it is because it has always been proposed by Opposition Members. I did not want to raise a political argument, but if the Hon. Member does, then so will I. There were Bills, but invariably they were all talked out. This is what I was trying to tell you.

The Acting Speaker (Mr. Charest): Order, please. Let us go on with the debate.

[*English*]

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I have only a couple of minutes. First I should like to

address the comments of the Hon. Member for Saint Denis (Mr. Prud'homme). I agree with him that Private Members' Hour has been mysterious. Over the years I have observed various debates on Bills and resolutions when he was in government and now when we are in government. There is a new system for Private Members' Hour whereby twenty Bills are drawn and six have to come to debate. I am sure my friend would acknowledge that that is a major step ahead. It is also a satisfying role for us as private Members because we can spread information among our fellow colleagues as well as people in general.

For me the life of Louis Riel was the life of an individual struggling against power and the abuse of power by Government. Whether or not it is so in Ireland today, it is an argument against extremism. Surely our role is to temper the extremism with which people in the ordinary population become involved because they have not sat down and looked at the facts. That is true whether it is in Ireland or in South Africa or whether it was in the West during metrication.

Louis Riel is the story of the West and its land, the attachment of people to the land. My friend opposite would be the first to acknowledge what happened when the previous Government, his administration, tried to change to the metric system thousands of miles in the West which had been surveyed, every mile going from east to west and every two miles going from north to south. It was as much an attack on the culture of the West as was Sir John A. Macdonald and the surveyors coming to the West to impose that very system. It was the very insensitivity of the Government that was apparent. Surely our role as individuals is to try to ameliorate that.

I would be happy to sit down to work toward a resolution which would give Louis Riel the acknowledgement he deserves. Clearly he is a western hero who stood up to the power of Government and the abuse of power by Governments.

[*Translation*]

The Acting Speaker (Mr. Charest): The Hour allotted for consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1), this item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Friday, April 25, 1986, consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a legislative committee, and the amendment of Ms. Copps (p. 833).

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 13(5), the House will now proceed to the deferred recorded division on the amendment to the motion for second reading of Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons.

Call in the Members.

• (1800)

(Division No. 243)

YEAS

Members

Allmand	de Corneille	Nicholson (Trinity)
Althouse	Finestone	Nystrom
Angus	Frith	Parry
Berger	Garneau	Prud'homme
Blaikie	Gauthier	Riis
Boudria	Hopkins	Rossi
Caccia	Hovdebo	Skelly—25.
Cassidy	Kaplan	
Copps	McCurdy	

NAYS

Members

Andre	Greenaway	Pennock
Attewell	Hamelin	Peterson
Beatty	Hamilton	Porter
Blackburn (Jonquière)	Hawkes	Price
Blenkarn	Hicks	Ravis
Brightwell	Hnatyshyn	Redway
Clark (Yellowhead)	Kilgour	Reimer
Clark (Brandon-Souris)	King	Ricard
Collins	Layton	St. Germain
Cook	Lesick	St-Julien
Côté (Lac-Saint-Jean)	Lewis	Scowen
Crofton	Mailly	Shields
Crouse	Malone	Sparrow
de Cotret	Marin	Stevens
Desjardins	Mayer	Stewart
Dorin	McCrossan	Tardif (Charlesbourg)
Epp (Provencher)	McCuish	Taylor
Fennell	McDougall (St. Paul's)	Thacker
Forrestall	McInnes	Towers
Fraleigh	McKenzie	Tremblay (Québec-Est)
Fretz	McKnight	Tupper
Gottselig	McMillan	Turner (Ottawa-Carleton)
Gray (Bonaventure-Îles-de-la-Madeleine)	Minaker	Valcourt
	Mitges	Vankoughnet
	Moore	Vincent
	Nickerson	Winegard
	Nielsen	Wise—79.
	Oberle	
	O'Neil	

The Acting Speaker (Mr. Charest): I declare the amendment negatived. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

BUSINESS OF THE HOUSE

Mr. Gauthier: Mr. Speaker, I would like to ask the President of the Privy Council (Mr. Hnatyshyn) whether he can tell us what the House will be doing tomorrow.

• (1820)

[*English*]

Mr. Hnatyshyn: Bills C-45, C-96 and C-75.

[*Translation*]

The Acting Speaker (Mr. Charest): It being 6:23 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3 (1).

The House adjourned at 6:23 p.m.

HOUSE OF COMMONS

Tuesday, April 29, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Governement's response to the following six petitions: 331-127, 331-193, 331-194, 331-407, 331-423 and 331-425.

[*English*]

PRICE OF GASOLINE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is my privilege to present three petitions to the House this morning. The first is signed by residents of the Dryden area who call upon the House of Commons to ensure that PetroCan passes on lower oil and gas prices to consumers.

The second petition is signed by residents of the Ignace and Dryden areas, duly certified by the Clerk, and on the same subject of ensuring lower gas prices.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. John Parry (Kenora—Rainy River): The third petition is signed by residents of the Dryden, Red Lake, Ear Falls, Ignace, Balmertown and Cochenour areas. It calls upon Parliament to ensure that all retired employees retain their pension benefits and receive unemployment insurance benefits without deduction of pension income.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 545 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 545 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

TRAVEL EXPENSES FOR MEMBERS OF PARLIAMENT

Question No. 545—**Mr. Frith:**

Since September 17, 1984, to date what are the names and places travelled to by each Member of Parliament who has accepted travelling expenses paid out of public moneys of Canada where the travel was undertaken at the request of the Governor in Council pursuant to section 14 of the Senate and House of Commons Act?

Return tabled

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Friday, April 25, consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a legislative committee.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to speak briefly about this Bill now that it has come back for second reading.

I regret that employees of the House of Commons, far from being treated as a model of what labour relations should be, are being relegated to a kind of back basement and treated with the utmost contempt because of the actions both of the court and of Parliament. According to a judgment of the Federal Court of Appeal last week, which has been appealed, these employees do not have the benefit of certification or of falling under the jurisdiction of the Canada Labour Code. They are being given second class status under Bill C-45, a Bill which purports to give them the same rights as other employees of the Public Service but which falls far short of that. I want to comment about the torturous reasoning of the Court whose decision I have had the opportunity to read. Frankly, I am appalled by the thinking put forward.

The court has suggested that Parliament must have intended to exclude its employees from coverage under the Canada Labour Code. However, it also points out that Parliament did not include those employees under the provisions of the Public Service Staff Relations Act and the Public Service Employment Act. The consequences are that, according to the reasoning of the Federal Court of Appeal, staff members of the House of Commons have been left in a legislative limbo where they have neither the right to organize under the Canada Labour Code or as other employees of the Government of Canada. The basis of that argument is the position taken by the court as to whether or not Part V of the Code applies. It points out that it applies in respect of employees who are employed upon or in connection with the operations of any federal work, undertaking or business. I would have thought that the House of Commons is a federal undertaking, or a federal work, or a federal business, particularly when you consider the reasoning of the court and its consideration of the judgment of the Supreme Court in the Canada Labour Relations Board versus the City of Yellowknife, and the fact that members of the House of Commons staff prepare meals, help to look after the grounds, drive the small buses and do many other things which are works in the traditional sense of the word.

• (1110)

In addition to that, the definition section of the Canada Labour Code states:

"Federal work undertaking or business" means any work, undertaking or business that is within the legislative authority of the Parliament of Canada, including without restricting the generality of the foregoing—

Then there are a number of references to various things such as transportation, aircraft, radio and banking. The general definition is that any work, business or undertaking that is within the legislative competence of the Parliament of Canada is a federal work, undertaking or business.

The Federal Court of Appeal has basically stood that definition on its head. It has looked at all of the particulars, but has not realized the general fact that the Parliament of Canada has clearly the legislative authority to legislate for its employees and should make the work of its employees federal works, undertakings or businesses, and, therefore, entitle them to certification under the Canada Labour Code.

The situation is that the Court of Appeal's decision has basically removed negotiating or bargaining power from these employees who have been waiting for three years to get those rights, and who have been trying for more than 20 years to get some effective means of redress and some effective means of speaking collectively on their own behalf.

This is a big place; there are 3,000 employees here in the House of Commons. A number of problems and grievances have emerged which drove the employees to form a union and to seek certification in the first place, and now they have had the rug pulled out from under their feet.

It is damn well about time that the courts of this country woke up and moved into the modern age. It is a perverse decision for them to say that because of legalisms going back into the 1870s they judge that Parliament did not intend to give to its employees the right to organize. The citations they make, which reach back many years ago, as I just said, indicate that Parliament was thinking of other things. I doubt very much whether Parliament was thinking whether or not its employees should have the right to organize. It may have been felt at one time that the employees of the House of Commons should not, but, nonetheless, in the 1960s the Parliament of Canada made a very major decision in extending collective bargaining to employees of the Government of Canada. There was no specific exclusion in saying that members of the House of Commons staff should not have the right to organize, although they were not given the same rights as other public employees.

There are many employees of the Government of Canada who are, in fact, certified under the Canada Labour Code. There are certain other staff, including I believe the staff of the Governor General, who are certified under the Canada Labour Code. The employees of other Legislatures in the country are certified under the relevant provincial labour codes. Therefore, it is very hard for me to understand why it is that we at this level have to present such a bad example as a Bill as flawed and inadequate as Bill C-45.

The major argument for Bill C-45 is that the employees will have something if they decide to go ahead and form a union with the limited rights of bargaining which are given to them. Those rights of bargaining are very limited. They are not entitled to appeal to an impartial body over issues such as classification, promotions and issues like that which provoked the employees to form a union in the first place. Therefore, the employees must go through the whole tortuous process of organizing all over again, of signing cards for the third or fourth time in order to get an adequate bargaining right in a regime in which they have no confidence and with a feeling that the deck is stacked against them and in favour of the House of Commons.

I counsel those employees, ever if they again have to sign cards, to form a union and get some consultative mechanisms to try to resolve problems informally, even if they are barred directly from settling them formally. If they are upset about the situation created by Bill C-45, assuming that it does eventually go through, then I have every reason to sympathize with them, because it is a bad Bill. It is an unfair Bill, and it is not right that their lengthy efforts to organize should be greeted in this kind of way.

I want to say to the back-bench Members of the Conservative Party, in particular, that it is time Members of that Party woke up to the fact that for many years now we in Canada have had a Canada Labour Code which affirms, as the provincial labour codes do, the right of collective bargaining, the right of employees to have a union. Those who are members of the Catholic faith may be aware of the May Day

message of the Council of the Conference of Bishops which just came out today, which again, in harmony with recent statements from the Vatican, reaffirms as a basic tenet of Catholic teaching the right of employees to have a union, to speak collectively, to bargain collectively and to have that kind of collective voice in determining what their working conditions should be. Surely in a free and democratic society like we have this country we in the House of Commons should do our best to try and respect those basic rights rather than working in the other direction. Unfortunately, I fear that there are too many Members in the Conservative back-benches who do not understand that, who are unsympathetic to the desire and need of employees, particularly in large organizations like the House of Commons—to have a union to represent them and, therefore, who have been putting pressure on the Government, and on you, Mr. Speaker, and on the House of Commons, to resist in every way possible the extension of adequate collective bargaining rights.

The only hope for Bill C-45 is that in good faith the legislative committee which looks at this Bill will consider it very thoughtfully and very seriously. At the very least, and I recognize that some members, even if I disagree with them, may have hesitation about the full range of powers under the Canada Labour Code, I believe the employees of the House of Commons should have bargaining rights equivalent to those enjoyed by other employees of the Public Service of Canada. That is the least we can do to the extent that we improve those bargaining rights for employees of the Public Service of Canada, that framework should be extended to employees of the House of Commons. I would urge and plead with those Members of the legislative committee who are here for the debate right now, including the Parliamentary Secretary to the Minister, that they consider amendments in a thoughtful and constructive way in order to try to improve a Bill which is a bad Bill, a Bill that I am afraid we in our Party find to be unacceptable.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to take this opportunity to participate in the debate on Bill C-45 and to express on behalf of my colleagues our appreciation of the words of the Member who just spoke. I think we find ourselves, in not a rare instance, but nevertheless too rare, in total agreement with the views that have just been expressed.

Bill C-45 is, in the final analysis, the product of a profound misunderstanding by Members of Parliament of the legitimate aspirations, the legitimate demand for basic rights by the 3,000 people who make this place function. Given the very nature of the institution, the adversarial nature of the chamber, the Commons, I believe the 3,000 employees involved serve us and the country very well. Why then is it that these employees should be denied the same kind of basic rights enjoyed by every other member of the Public Service of Canada? Why is it that as a Government we would seek to rest behind the decision of the court with respect to whether or not employees can be covered by the Canada Labour Code, when in the final analysis the highest court in this land in determining, enshrining and in protecting our citizens' rights—including those 3,000 citizens who service this Hill—is indeed Parliament itself.

• (1120)

In my province of Newfoundland we are experiencing a very destructive and acrimonious labour strike. While one cannot easily assign blame for that strike, because two sides are always involved in a dispute, that action occurred fundamentally because the Government assumed the worst case scenario that might happen with the people who worked for the provincial Government of Newfoundland if the union were given proper collective bargaining rights. In its paranoid consideration of what would be the worst scenario if these employees were given collective bargaining rights, it designated 49 per cent of every bargaining unit as essential and wiped away the fundamental principle inherent in the right to collective bargaining. That is what Bill C-45 does to the employees on Parliament Hill. It singles out 3,000 employees of the Government of Canada who service Members of Parliament.

We have decided as Members of Parliament that we are unique, more important and more sacred than all other Canadians who are served by the Public Service. We have decided to implement special measures which we believe will give us protection. By taking away the rights of the 3,000 employees of this place, we assume the worst possible scenario in the case of those 3,000 employees who service Parliament Hill. We assume that there will be the worst possible abuse, in our judgment, of the rights to which they are entitled. The fact is that we are satisfying our paranoia by denying them their basic rights. That is wrong and cannot be justified.

The unions representing the 3,000 employees on the Hill have said that they would, in effect, go so far as to forfeit the right to strike if Bill C-45 included a strong binding arbitration procedure. Therefore, we are not dealing with a group that wants the right to shut down Parliament Hill. We are dealing with a group that wants the same fundamental rights enjoyed by any other groups of federal civil servants in this country.

Our failure to amend this legislation or ensure that the employees on Parliament Hill fall within the guidelines of the Canada Labour Code and the Canada Labour Relations Board is an act of cowardice on the part of Members of Parliament. Furthermore, it represents an assumption of motives on the part of the employees of Parliament Hill which they frankly do not deserve. When one looks at the long history of service provided by employees on Parliament Hill, there is nothing to suggest that our employees on Parliament Hill deserve anything but our appreciation, our respect, and our determination to ensure that they enjoy the same rights and protections as every other Canadian who is in the employ of the Crown.

I plead with those Members opposite who will sit on the legislative committee on Bill C-45 to do what they know in their own hearts and souls is the right thing. I ask those

Members who are in fear of Parliament Hill being held hostage by those employees, whom I believe should be granted full rights, to examine the historical facts to see whether or not that is really the nature of the people who are asking that their rights be granted through a different version of Bill C-45.

We should always be cognizant of the fact that the eyes of the country are always on us and that the way we treat our employees and operate this place sets an example for many other institutions and employers across the country. If we as elected representatives seek to make this an elitist institution, giving ourselves special privileges or guarantees by denying the rights of our employees, I suggest that Canadians will not judge this institution kindly.

Hopefully the legislative committee will sit in a non-partisan and non-adversarial atmosphere. Therefore, I add my voice to those who ask members of that committee to make a considered judgment, and ask themselves whether we have the right to act as an elitist group of commissars and deny the employees of Parliament Hill the full rights and protections to which they are entitled as citizens of this country and employees of the Government of Canada.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in rising to address Bill C-45 today I do so with no great enthusiasm, because this pale apology for the conferral of rights on the employees of Parliament Hill does the Government no credit. If passed, it will do this Parliament no credit.

I would like to quote the words of Stanley Knowles 19 years ago when he was talking to a special committee. He said:

> Therefore, there has been a rule up here on the Hill that the Civil Service Commission stays out except for the odd bit of advice and for statistics to be used for comparative purposes. But it strikes me that by leaving out of this Bill and out of all other Bills any reference to parliamentary staff, we are in effect making no statutory provisions with respect to the rights of employees on Parliament Hill.

We see that situation being repeated today. Far from making statutory provisions for rights, Bill C-45 merely institutionalizes what would be reasonable practice in a traditional master-servant environment. It really has very little to do with collective bargaining rights. I fear that we may be seeing some sort of paradigm for the sort of labour legislation that the Government would like to apply across a whole range of industrial and civil service sectors.

The so-called rights that are provided in Bill C-45 fall far short of free collective bargaining rights within the normal understanding of those terms. They fall far short of the protection that is necessary for workers in any organized situation. They fall far short of the procedures which are necessary if grievances or disagreements are to be addressed frankly and sincerely, and they fall far short of what is necessary if they are to be fairly resolved.

Much has been said about Parliament's status. Parliament is the highest court of the land. After all, privilege is something that is exercised by Parliament and defined by Parliament. However, as Members on this side of the House have said, with those high powers and that high authority goes a higher responsibility. This, the highest court in the land, should be acting not only as the highest authority but also as the highest example. How better to show that high example than in the way in which Parliament and the House of Commons deals with parliamentary and House of Commons employees?

• (1130)

I believe that, far from being the shadow of collective bargaining legislation, a Bill to regulate relations between the employees of Parliament and Parliament itself should be a model, a paradigm, for the sort of industrial labour relations we would like to see throughout this country. What do we have instead? We have a Bill which essentially imposes a mere staff association type of environment on the employees of the House of Commons and of the Library of Parliament. We have the sort of loose, limp set-up whereby certain things will be able to be taken to management, and certain things will be subject to the collective bargaining process. But what is more noteworthy is what is left out, which is what is generally understood to be the rights of workers in collective bargaining situations.

There is a saying that, "In order for the people to trust the Government, the Government must trust the people". That I think applies very well to the situation before us with Bill C-45. The evidence suggests to me that those who drafted Bill C-45 are not seeking to extend collective bargaining rights to Parliament Hill in the true sense, but are seeking rather to give some minimal concessions, to throw some sops before the legitimate demands of the employees in order to diffuse the political pressure which the Government and the administration are feeling. It is an adaptation of earlier versions of the Public Service Staff Relations Act, and as such it is very plainly a throw-back to an era we should be glad has gone by. The results will be statutory protection and traditional management prerogatives which cannot be claimed as necessary either to preserve the supremacy of Parliament or the merit principle. The people who have been organizing have provided a long list of the type of abuses which could continue under Bill C-45 and which this legislation does not really address.

Privilege, of course, is something which has to be considered very fairly. Privilege, after all, is an institution and a convention which is framed for specific purposes. I challenge the Government to draw the logical lines of connection between privilege and what rights in fact are being taken away from Parliamentary employees. Sir David Lidderdale defines privilege as:

> —the sum of rights exceeding those rights of common citizens enjoyed by each House of Parliament collectively, by the Supreme Court, and by the individual members of the legislatures or judiciary that are necessary for the performance of their functions. Privilege is a traditional convention, not precisely defined, that like many traditions, changes with the passage of time.

We are not, fortunately, today facing the sort of pressure on Parliament that privilege was originally framed to insulate against. We are not likely to see a monarch accompanied by a file of armed infantry come to Parliament and attempt to

disrupt its proceedings or to detain its Members. For any legislation to be framed in that sort of context today is clearly ridiculous.

Beauchesne also has a definition of privilege for the conduct of public business and the procedure of the House generally including the acts of the Speaker himself in the chair. Neither the Government nor any authority has the power to deal with the staff of the House of Commons unless specially authorized to do so by statute or resolution of the House. That, of course, is why the existing legislation governing labour relations in the Public Service cannot apply.

However, this surely does not relieve Parliamentarians of the responsibility for framing legislation which reflects contemporary society in Canada, the legitimate aspirations of organized workers and the essential sense of justice and fairness which most Canadians feel. It is not as if an adventurous step was required, because we know that even in 1981 the Parliaments of the United Kingdom, Australia, Ontario and Quebec all recognized the rights of employees in those Parliaments and all afforded collective bargaining rights on the same basis as the provincial Public Service. It is also noted that in fact in Australia, Parliament was the subject of strike action. That Parliament as an institution did not find itself severely diminished by such action. The dispute was indeed regulated in the normal course of events.

Our opposition to Bill C-45 is based on its failure to provide those collective bargaining rights. I would like to list a couple for the benefit of people who do have collective bargaining agreements which are full, fair and unfettered so they may know what exactly is being denied the staff of the House of Parliament.

Public Service employees can, for example, appeal staffing decisions such as appointments or demotions to an independent third party. This right to appeal will be denied under Bill C-45. Bill C-45 eliminates any recourse to the rights available under the Canada Labour Code without providing any corresponding appeal or rights mechanisms. We should have an attitude of *noblesse oblige* to the employees of Parliament Hill.

While there has been considerable documentation of abuses, it would appear that they have been ignored in a framing of the legislation.

[*Translation*]

As is clear from a paper submitted by the PSAC, many employees have no job description, and those who do have found that they are obsolete and are often arbitrarily changed, especially in an environment that has recently been subject to considerable re-organization and technological change.

Mr. Speaker, I may add that the technological change will continue. And I would like to conclude by quoting the former President of the Public Service Alliance of Canada, Mr. Pierre Samson, who said:

> There is no reason why parliamentary employees should be considered as second class citizens—

And the New Democratic Party, supports this position.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to add my views to those expressed by Hon. Members who have already taken part in the debate on Bill C-45, a Bill that on the face of it would seem to benefit the employees of the House. It is certainly better than nothing because we have employees here at this very moment who are not unionized and who have very little in the way of protection, and I must admit that this legislation is at least a step in the right direction.

However, as soon as we scratch the surface and look at what Bill C-45 really offers, we realize that the legislation is unsatisfactory. However, it does provide a basis, and I would not go so far as to say that the Bill should be rejected out of hand. It still provides a basis for discussion, so there is a possibility of improving the Bill in Committee, provided the improvements are substantial.

Actually, I think this is a Bill that is meant to make the Government and Government Members feel good. Now they can say: We don't intend to leave those poor House employees defenceless; now we have a Bill that will help them organize and unionize and defend their rights.

What I find very strange indeed is that when these employees of the House of Commons had received the permission of the Canada Labour Relations Board to organize with a view to forming a union, the Government decided to appeal the decision and go before the courts to have it reversed.

My own explanation for this behaviour is that if the employees had organized on the basis of the initial decision, they would have organized in a way that would be more in line with their own demands. The Government, however, preferred to cut short any such action by its employees and introduce a Bill to deal with the situation according to its own lights. I think this legislation does more for the Government than for its employees. Any legislation that allows employees to unionize should provide a fair balance. In other words, the employees must have sufficient protection. On the other hand, the employer must be able to manage the entreprise. In this case, however, and I shall give some details later on, the employees are not being given enough power to look after their own interests. I would say this is a Bill that cries out for improvement. I am rather surprised that several back-benchers representing ridings close to Parliament Hill on the Hull side, in Gatineau and in Ottawa seem to be taking so little interest in this Bill. One would expect them to spring to the defence of some of the House of Commons employees who happen to be their constituents.

Mr. Speaker, I have been in this House for some time now, 17 years in fact, and I can tell you that discontent among House of Commons employees is proverbial. Not that there is a general outcry, but a Member of the House cannot walk in the corridors or cafeterias for more than a week without coming across an employee who has a grievance. They will even corner Members from distant ridings such as mine in the Montreal region. None of my electors work on Parliament Hill, yet employees come

up to me to complain about some of the administration's unilateral decisions. For quite some time I have been hoping that our employees might be covered under an acceptable collective bargaining system which would guarantee fair treatment. More significant still, they would have their say about the way they are treated, as is the case now for their fellow workers in some other Government departments.

Let us look at some of the more frequent grievances drawn to our attention in recent years. Staff reductions in certain sectors is one of them. I did not have time to check into all these allegations, but I have been told that maintenance staff cut-backs have reached 40 per cent in some cases. I have no supporting evidence but if the employees were unionized and could confront the employer these figures might be verified and the employees would be in a better position to defend themselves against cut-backs.

They also talk about reductions of some benefits which had been considered as vested rights. For instance, it is now more difficult for newer employees to get days off, and the latest trend is to hire even more part-time employees. Employees who thought they had permanent jobs are worried that they may eventually be displaced by part-time workers. More and more services are contracted out to and provided by the private sector. We can appreciate that some employees are afraid to learn practically overnight that, as a result of an arbitrary decision, their work will be done by a local firm, yet they did not have a chance to bargain or defend themselves.

Various comments have been heard about questionable hiring and classification practices. I do not want to exaggerate, but I would simply say that some people claim that promotions are not always based on merit alone. Without giving specific examples, I would point out that if we had an acceptable collective bargaining system some of these points which are now the subject of grievances would be discussed directly with the employer and settled amicably rather than continue to feed the rumour mill on Parliament Hill. Employees who feel they have been shortchanged keep chasing Members up and down the corridors to argue their case and, now and then, some of their complaints are picked up by the media. Hence the bad reputation of the House of Commons as an employer, something which should not even exist in 1986.

I would say therefore it is important and essential, in our Party's view, that our employees should join a union and have a collective agreement in which they would participate and under which they would be reasonably protected. Unfortunately, although Bill C-45 looks in that direction, it has flaws that will have to be remedied, if the legislation is to have both the support of the Liberal Party of Canada and probably more important still, the support of those who will be using it, those who are to be protected, namely the employees of the House of Commons.

For instance, I would like to point out that one of the provisions that needs the most to be amended is Clause 5(3) of Bill C-45, because it would prohibit the negotiation of certain problems that are linked primarily to classification, job description, employee remuneration and job evaluation.

So this is one of its major flaws. How is it possible to prevent employees from negotiating the classification system under which they work, which sets up the level at which they will be working, their job descriptions and above all their level of remuneration? There is reference to salary. In fact, there is no one in any collective bargaining process, even in the private sector, who cannot negotiate both the level of employee remuneration and job evaluation.

There is also Clause 55(2) dealing with staffing. In effect, it prevents any possibility of sending to arbitration any matters for instance dealing with appointments, job evaluation, promotion, demotion, transfers, lay-offs or dismissals, all matters that are subject to grievances under any collective agreement. Those two most contentious areas could not be referred to third party arbitration. That flaw in the legislation will have to be corrected.

Mr. Speaker, let me bring to your attention, for instance, the area of classification as viewed by the Public Service Alliance, and I quote from documents they were kind enough to make available to me: "The Public Service Alliance of Canada had the chance to evaluate at close range the classification system as applied in the House of Commons."

And they gave an exemple—I am concluding, Mr. Speaker—concerning messengers who filed a grievance in 1982 for having been reclassified from GS-4 to OP-2, and it is obvious that following that decision they are getting $5,000 less in salary today.

One will understand that in a normal collective agreement system, it would have been very hard to negotiate a $5,000 salary cut.

In this instance, since there was no collective agreement, an arbitrary decision was reached.

Mr. Speaker, I am giving that example only to illustrate the main thrust of my point, which is that the legislation is in dire need of amendment.

• (1140)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, good democratic government operates with the consent of the governed. Bill C-45 is an attempt to deny employees of the Hill, the governed in this case, from the rights which over a half a million workers under federal jurisdiction enjoy under the Canada Labour Code. Therefore, this Bill is an attempt to put one group of employees in a situation much different from the one in which their co-workers in other parts of the Government find themselves. Hill employees have been without protection from either federal or provincial laws and they continue to be so. That was a bad situation because the employees were in a no-man's land in which the employers could do what they pleased, and quite often did.

• (1150)

Bill C-45 does address some of the deficiencies that exist, but it does not establish a framework which would put the employees on the Hill on the same footing as other workers in Canada. The Bill establishes a new framework for the employees on the Hill but does not give them the rights which they should have as employees of the Government. Why should the employees on the Hill be treated differently from other people who work for the Government of Canada? The employees have a right to question these differences. We as their technical employers have a responsibility to make sure that those rights are at least equal to the rights of other employees of the Government of Canada.

In the 10 minutes we are allotted today it is impossible to pinpoint all of the shortcomings of the Bill. I would like to bring to the attention of the House those particular shortcomings in the Bill which will allow to continue the things that have caused the most dissatisfaction in the past.

First, the Bill does not cover MPs' staff, Leaders' staff and Party research staff. These employees work for us in a much more intimate way than do the custodians and the cafeteria staff. They have the same kind of problems as the other Hill employees and, therefore, they should have the right to be included under this Bill which establishes only minimal rights. They are excluded entirely and will be in the same position after the Bill is passed as all employees are at present. They will not have any basic rights.

Second, the Bill does not provide for negotiation of classification issues and things like job descriptions, assignments of pay levels and changes in duties. If this Bill passes as it presently reads, the present system of classification will remain unchanged. If we were to look back at the history of Parliament, we would probably find that this particular problem has been the cause of most occurrences of employee dissatisfaction. Many employees do not have job descriptions at all, and many find their job descriptions out of date or having little bearing on the work they actually perform. There is a particular need to establish job descriptions so that people know what they are doing, what they are being paid for and whether or not they are being paid for it at the right pay level. This Bill does not provide for negotiation of that matter.

Third, there is a clause in the Bill which can only be called a union-busting clause. That clause eliminates the recognition of any attempt made by employees to establish a union. It does not allow the applications for certification that have already been made to be recognized.

I could go on. The Bill removes the right to strike. It does not provide for the arbitration of awards, appraisals, promotions, demotions, transfers, layoffs and releases. Disallowing those things takes away from the rights of the people who should be given the same kind of rights as other workers in Canada. It becomes obvious that the shortcomings in this Bill should be looked at in committee very closely and changes should be made to the Bill so that it more closely resembles the kind of Bill the public servants of Canada have a right to expect.

Mr. Sergio Marchi (York West): Mr. Speaker, I too am pleased to rise this morning to make a few comments on Bill C-45 in the 10 minutes provided me. Bill C-45 is an Act to provide employees of the House of Commons and the Senate with a framework of representation. A central issue in this debate is that we in the Opposition are not trying to delay or oppose the Bill simply for the sake of opposing it. Once again, we are trying to bring something to the attention of the Government.

Bill C-45 is a piece of legislation that in theory and in principle tries to improve the lot of workers on Parliament Hill, both in the House of Commons and the other place, and to bring the workers up to a standard that is fair and comparable to the standards of workers outside the House of Commons and the Senate. We are trying to bring to the Government's attention the fact that Bill C-45 is simply not good enough. Bill C-45 will not do what Government Members purport it will do.

In its present form, the legislation is being rejected by both the Public Service Alliance of Canada and the National Association of Broadcast Employees and Technicians. As well, the very people this legislation addresses, the employees on Parliament Hill, have rejected it.

Earlier in debate we moved an amendment to hoist the Bill for an extended period of time so that the Government would have an opportunity to go back to the drawing-board and to begin to take seriously the complaints made against this particular piece of legislation. At that point in second-reading stage, that amendment was not agreed to.

We are saying once again at this point that there are serious frustrations being felt on Parliament Hill with respect to this piece of legislation. The feeling about this legislation is that if we are going to move to enhance the position of and respect for these workers, we should not go halfway or three-quarters of the way, but should go the full distance. Some of these employees feel that if we are not prepared to go the full distance then we should not bother doing anything at all. They feel that the last thing they need is to be used in a parliamentary debate and to be carted out at election time by a government Member who is pretending to be the champion of this particular cause. They are saying that they are not naive or gullible and that they do not wish the Government to proceed on that basis.

If you recall, Mr. Speaker, a very similar argument was presented to us when we were debating Bill C-62, the employment equity Bill. Not only in the House but in committee we were debating a piece of legislation that was attempting to ensure equity in the workplace for four target groups, the visible minorities, the disabled, women and natives. Every target group and every organization within the framework of those four classifications appeared before the committee and at meetings across the country to say that they were not satisfied

with the piecemeal, band-aid approach of this piece of legislation. It was a very frustrating process for me, and I was involved from square one until third reading in the House, because we could not address seriously or in a genuine fashion the concerns of those four target groups. We were putting in place a piece of legislation for those four communities in Canada, and those four communities were saying that the Canadian Government was not listening because the piece of legislation was not moving on the issues on which they wanted to move.

• (1200)

Now, in a very similar fashion, we have Bill C-45 before us. Rather than talking about employment equity, we are now talking about equity for workers on Parliament Hill so that they will be on equal ground with outside workers. To simplify the debate to its common demoninator, basically they are saying that cafeteria workers on Parliament Hill and cafeteria workers outside Parliament Hill should somehow within Government framework be on equal footing. Those two groups of workers should be receiving equal treatment from the federal Government. Those workers somewhere else in the federal bureaucracy and those on Parliament Hill should be treated with the same degree of respect. In essence, they are providing the same type of service in their own areas. Therefore, under the umbrella of the federal Government, why are we not prepared in this piece of legislation to allow workers on Parliament Hill the same rights presently enjoyed by workers off Parliament Hill? It is not a question of giving special rights. It is not a question of saying that we will give them the privileges of a, b, or c. If Bill C-45 were strengthened, we would be ensuring parity among workers under the federal Government and the rights of those under the Public Service Alliance of Canada within the federal bureaucracy would certainly prevail here.

There are a number of very contentious issues which and provide the basis of disapproval for Bill C-45. One is the inability of workers under this piece of legislation to deal with serious issues affecting their jobs, that is to say, under Bill C-45 individuals would have the right simply to dither about working conditions, numbers of hours, and salaries. However, this particular piece of legislation would not provide for important matters such as job classification, appointment, appraisal, promotion, demotion, transfer, lay-off, and the release of employees. If we do not allow for movement and opportunity for discussion and representation on these issues, what will this piece of legislation do?

In the few seconds remaining, I should like to refer to the issue of complaints on the job. Rather than employees having the benefit of a union body or organization bringing forward a complaint on their behalf, this piece of legislation would dictate that the individual would have to come forward and identify himself or herself. That is not good enough. It is almost a form of intimidation. Basically it does not say: "If you have a legitimate complaint, we do not wish to have your name or identity known. As long as it is a legitimate concern within the system, we will allow the union to raise it on your behalf so that not only your concern will be corrected, if the problem is of particular importance to other individuals who are experiencing it their lot could be improved". That is not guaranteed in the Bill. It places the onus on the individual to come forward; individuals are intimidated and threatened to come forward under the present system.

I see you motioning, Mr. Speaker, that my time is up. I appreciate having had this opportunity, and I look forward to the Government moving on some very serious concerns and very serious flaws which are presently embodied in the Bill.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I should like to make a few comments on Bill C-45. It is a very important issue because there are some 3,000 employees of the House of Commons. It strikes me as being very embarrassing that in 1986 some 3,000 employees of this House do not have the right to form a trade union or the right collective bargaining. They do not have the rights of other workers in all kinds of other industries. This is 1986. We have the Charter of Rights and Freedoms. We have all kinds of rights for all kinds of people who work in the country from coast to coast.

In my own riding there are trade unions and workers with rights. They negotiate their salaries, working conditions, and conditions regarding safety on the job. In some cases they negotiate for their pensions. However, the House of Commons, the supreme law-making body of the land, has workers who do not have those rights. This is very shameful in 1986.

Here we are being sanctimonious as a Parliament on all kinds of issues, yet we have people working for us who do not have basic, fundamental rights. As I said, it is an outright shame. We do not practise what we preach. I see a Member from Cape Breton over here; there are trade unions in Nova Scotia.

Mr. Peterson: Hamilton West.

Mr. Nystrom: In fact, in Hamilton there are even more trade unions. They have rights. The workers of Stelco have rights to collective bargaining, and rights *vis-à-vis* grievance procedures. They have rights with regard to working conditions, health and safety, and so on. Why do those workers have those rights and employees of the House of Commons do not have them? A tremendous amount of shame is reflected on every Member of the House of Commons. I hope, with all these new Members of the Conservative Party we can somehow break this terrible precedent of the past and give workers on the Hill, be they in the cafeterias, the Library, messenger services, the post office, or whatever, full and total collective bargaining rights and privileges like those enjoyed by employees of the Parliament of Great Britain.

Margaret Thatcher is a very conservative Conservative; she is more Conservative than most Conservatives in our House. However, she does not try to roll back the clock in terms of unionizing the employees of the Parliament of the United Kingdom. Why are my friends in the Conservative Party

afraid to bring in full and total collective bargaining rights and unionization rights for the employees of the House of Commons? They tend to hang their hats on that old thing called parliamentary privilege, as if we are supreme gods in the House of Commons and whatever we say goes. They seem to think that if workers have the right to collective bargaining and grievance procedures, suddenly our sacred privileges go out the window. That is a bunch of crap, a bunch of bunk; it is about time we called a spade a spade. It does not even happen in Margaret Thatcher's Britain, yet it happens in the boy from Baie Comeau's Canada. It is an utter national disgrace. I call upon Members of Parliament to ensure that the 3,000 employees of this place are given the right to collective bargaining and the right to have some say over their working conditions, health and safety, and hiring procedures.

I have been in the House for almost 18 years. I have heard story after story about how people sometimes get jobs in this place and how they are pushed around. Mr. Speaker, if you want some evidence of this, go to the Library and listen to some of the tapes which were dictated by Lloyd Francis, a former Speaker of the House, some of which were released to the press about seven months or eight months ago. In them this former distinguished Speaker of the House talked about sexual harassment where some women had to disrobe to qualify for their jobs. He talked about nepotism, about the fact that it is who you know and not what you know which got you a job in this place over the years. He talked about all kinds of other things that go on in the hiring of staff for the House of Commons. This was former Speaker Lloyd Francis. I know that from experience because we have heard these stories year in and year out.

• (1210)

I call upon the Conservative Party to make sure we have full collective bargaining rights for the employees of this place. It is not only the Parliament of Great Britain that has collective bargaining and trade unions in its Parliament. In fact, the employees there have the right to strike. That is Margaret Thatcher's Britain. In some of our provincial legislatures, for example in Saskatchewan, the employees have their own unions and collective bargaining process. Why can't we do it here? Why do we insist on being dinosaurs in the 1980s? That is beyond me, Mr. Speaker.

Mr. Parry: It is a Tory Government.

Mr. Nystrom: It is a Tory Government. The answer comes from the Hon. Member for Kenora—Rainy River (Mr. Parry). Even Margaret Thatcher has given these rights to the employees. I see a friend of mine in the Conservative Party agrees with me. Why can't the boy from Baie Comeau do the same thing, Mr. Speaker?

Bill C-45 does not go far enough. It is only a partial loaf. I wish Members of the Conservative Party would rear up on their hind legs and rebel a little bit. They should exercise a little bit of their authority and show the Prime Minister (Mr. Mulroney)—maybe we do not have four-legged Tories, I withdraw that—that they are not going to tolerate the kinds of laws that do not allow employees of the House of Commons to unionize in 1986.

[*Translation*]

Mr. Speaker, we have 3,000 employees in the House of Commons. They do not have the right to collective bargaining. They are not entitled to negotiate their salaries. They are not entitled to negotiate a number of items dealing with benefits, pensions and so on and so forth.

Mr. Speaker, this is 1986, not 1886. Now is the time to act, to let employees of the House of Commons have their rights. Mr. Speaker, in England under Margaret Thatcher, employees have the right to strike, they have unions, and we can do exactly the same thing here.

[*English*]

I call upon Members of the Conservative Party to do a little bit of rebelling, repent their past sins, as the Hon. Member for Nickel Belt (Mr. Rodriguez) would say.

Mr. Nickerson: We don't have any sins.

Mr. Nystrom: The Member for the Northwest Territories (Mr. Nickerson) says "We don't have any sins". I would like him to defend the system. I am quoting Margaret Thatcher. It must be getting really bad when a socialist has to quote Margaret Thatcher as evidence. I don't even like Margaret Thatcher but that shows how bad it is, having to say that Margaret Thatcher is setting a good example.

An Hon. Member: It shows you are growing.

Mr. Nystrom: Why can't the Conservatives in Canada come at least as far as Margaret Thatcher by allowing basic, fundamental democratic rights to the employees of the House of Commons? I hope some of them will tell us why they do not allow employees of this place to have their fundamental democratic rights. Why in 1986 should our employees not have the right to collective bargaining for their salaries? Why should the employees of the House of Commons not have the right to collective bargaining, *vis-à-vis* staffing? Why should they not have that kind of right?

We allow those kinds of rights for other workers, thank goodness. Why not right here in the House of Commons? It is an absolute disgrace in 1986 to treat the employees of the House of Commons, as we do in many ways, in a master-slave type of relationship. I hope we can get some Conservative Members of Parliament to explain today why they will not join those of us in the Opposition and change the system that dates back to 1896.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I wish to take part in this debate to say how much I regret that the Goverment did not accept the motion presented by my colleague for Hamilton East (Ms. Copps) asking for a one month hoist of

this bill to allow the parties involved, that is the employer and employees, to agree on a measure which everyone would find satisfactory.

Unfortunately, this suggestion was not accepted, and we are now at the third reading stage of Bill C-45, which I find abusive and which will not have the support of the Members of the Official Opposition.

We regret the inflexibility of the Government in this case since this is the first opportunity for Parliament to act generously with its employees on Parliament Hill. However, the Government, through the Government House Leader, recently published a communiqué to explain the context of the Parliamentary Employment and Staff Relations Bill. This release says: "The issue of the right to collective bargaining for parliamentary employees has been debated at least since 1967. Since then, there had been many reports and studies, but no Government legislation had been proposed before."

In the fall of 1983 began a series of certification applications presented under the Canadian Labour Code by unions wanting to be recognized as the bargaining agents for certain parliamentary employees. The Canada Labour Relations Board said that it was asserted qualified to hear them, but until now, it has published no certification order.

The Canada Labour Code is the act which governs collective bargaining for private sector workers under the jurisdiction of Parliament. Some fear that certification under the Code accompanied with the full right to strike might seriously jeopardize the efficient operation of Parliament. This is why the Government introduced this bill which, in a manner of speaking, takes away the full right to strike from our parliamentary employees.

I find the attitude of the Government somewhat strange in this case. Indeed, would the fact that the messengers of the House of Commons and certain employees of the Parliamentary Library were on strike at a given time seriously compromise the efficient operation of Parliament? I ask this question seriously.

Our colleague for Yorkton—Melville (Mr. Nystrom) who spoke before me in this debate pointed out quite rightly that the employees of other parliaments in the world have the right to strike. However, the mother of Parliaments in Great Britain has never been perturbed in its operation because some of its employees had the right to strike.

I have to ask myself whether the Government is not judging hastily and overly severely employees who have been working on Parliament Hill for many years, who have done their jobs as well as they could and who have never done anything to disturb the proper operation of this Parliament.

I find it somewhat strange that, while action is being taken before the Canada Labour Relations Board to have certain unions duly certified, the Government would disturb the normal process of this certification by introducing legislation which goes in the opposite direction and that it would continue to harass its employees by taking legal action. I have already said so and I now say it again: The problem of labour relations with the parliamentary employees will not be solved before the courts. The best proof of this is the fact that the recent decision of the Federal Appeal Court will be challenged by the Public Service Alliance. One of the representatives of the Alliance, Mr. Jean Bergeron, pointed out immediately after this ruling by the Federal Court that he would take the issue to the Supreme Court itself. It is obviously a very bad beginning for this new system of staff relations with the parliamentary employees if the parties involved continue to bicker before the courts. We, of the Liberal Party, would have much preferred that the Government come to a negotiated agreement with the representatives of these employees.

It seems to me that it would have been possible to do so if the Government had been willing to grant clearly and specifically to the representatives of the employees a clarification in the legislation about what Mr. Jacques Audette, president of the Public Service Alliance local and responsible for the parliamentary employees, said in a public letter dated May 7, 1985, the contents of which have been known for a number of months. This letter addressed to all Members of Parliament and Senators said the following:

> The issues which we were—and still are—most concerned about are classifications, job descriptions, competitions, promotions, transfers, as well as the fear to be laid off or dismissed.

However, I feel that the compulsory arbitration provided for under Bill C-45 is not a valid alternative, because employees who do not have the right to strike legally will, very often, strike illegally. The number of strikes which occur in Canada every year show to what extent workers, in order to make a point or get public opinion on their side, have often no other choice but to strike illegally. In my opinion, they have a poor knowledge of labour relations if they think that, through legislation, one can stop employees from going on strike when these employees feel that they have valid grounds to disrupt the normal order of things to convince their employer to show a little more understanding and compassion.

Therefore, I say to Government Members that if they think that by going ahead and imposing Bill C-45 on Parliament employees we will avoid strikes on the Hill, they are mistaken. It is not with strong-arm tactics that one can establish good labour relations.

I am quite disappointed with the uncompromising attitude the Government is showing with this Bill.

• (1220)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I made a speech on this Bill on Friday of last week in which I pointed out the historical master/slave relationship which has existed on this Hill since Parliament was established. As a matter of fact, when I first arrived here I was absolutely amazed at the subservience of the staff, brought on by what is known as parliamentary privilege. Members of Parliament are served,

saluted, bowed before and waited on hand and foot. I gave the example of the little green bus which goes from the Confederation Building to the Centre Block. If a lowly messenger gets on the bus and it is carrying a Member as well, it cannot stop at the West Block even though it has to go right past, even though the Member is not in a hurry. Even though there is no vote being taken in the House, the bus goes directly to the Centre Block.

Mr. Minaker: Not when I'm on it!

Mr. Rodriguez: That is the policy. We also have a parking area which is called the pit. The bus was not allowed to go down there until an employee on the Hill was assaulted in the pit at night. Suddenly our consciences got pricked and we sent the bus down into the pit again. The bus is for MPs. We are treated in a way which isolates us from the realities of this world. On the Hill it is unreal. People got jobs on the Hill in the messenger service, the cafeterias and restaurants, based on who they knew, based on nepotism. That is an established fact. In some instances that practice still exists today.

Now, finally, Parliament is shamed because the workers on the Hill are taking active steps to organize themselves into a collective. They have been embarrassing Parliament and parliamentarians into treating their employees with the kind of respect that collective bargaining ensures. That is why we now have Bill C-45 before this House. I want to and did give credit to the Conservatives for at least bringing it forward. It is something which the Liberals, even though they knew what was going on, never dared to do. We must not forget that. They will now parade around—and it is unfortunate that none of them are in the House at this moment—as the great friends of the workers. I will rephrase that. I cannot see any of the Official Opposition who will make an argument against what I am saying.

Bill C-45 has been brought into the House. I want to ask how Government Members can look those workers in the eye and say this Bill will ensure their right to negotiate grievances, staffing, classification, occupational health and safety, and technological change? How can Conservative Members look in the eyes of those people who serve them so well and say they are doing the best they can?

This Bill is a son of the Public Service Staff Relations Act. My colleague from Kenora—Rainy River says it is illegitimate at that. We know the PSSRA was the cause of most of the problems between the Canadian Union of Postal Workers and the post office management. It does not permit those items I have listed to be negotiated. If the Government really wanted to do something, there is an alternative. It could have covered these workers under the Canada Labour Code. That Code is far more comprehensive legislation than the PSSRA. If on this Hill, for example, there has been a demotion, a firing, or a cut in pay Bill C-45 does not allow the worker to grieve that. It does not permit grieving of that particular practice, which is still happening on this Hill. How can you look the people who work for you in the eye and tell them you are giving them something that will provide protection.

• (1230)

On the question of grievances it does not allow workplace problems to be addressed by union grievances, or grievances filed by a group of workers. For example, health and safety in the print shop and in the cafeterias; air quality and other environmental problems in the Wellington Building cannot be subject to a union grievance. Technological change is overtaking this Hill rapidly; one only has to look at the introduction of the OASIS Program and the Micoms and the word processors, and a whole host of other technological changes. In fact, the House has been cutting the staff on the Hill. There was a 40 per cent cut in maintenance staff on the Hill. Workers under Bill C-45 would not be able to grieve such situations.

How can these Government Members look the staff on the Hill in the eye, those who wait on them hand and foot and serve them with a great deal of deference and respect? How can they the masters tell the workers on the Hill, "We are doing the best we can for you". Air Canada workers, railway workers, a whole host of other public servants across this country are covered under the Canada Labour Code. What skin is it off their nose to permit the workers on the Hill to come under the protection of the Canada Labour Code.

We had the example of somebody working in the cafeteria cutting their hand. He went to the nurse and the nurse said, "You can't go to work, go home". The worker reported to the supervisor and the supervisor said, "You get your buns on the job or else you get off the job". That kind of thing will continue under Bill C-45. It does not allow the right to strike. It is not that workers on the Hill all want to go out on strike tomorrow. But in fact that is the ultimate, that is the last resort. Bill C-45 does not give workers the right to remove their services. As my colleague from Yorkton-Melville (Mr. Nystrom) asked, what has been the reason for not going with the right to strike? We are told, "Oh, we have got to go with the privilege of Parliament. You cannot interfere with parliamentarians' rights".

The Mother of Parliament, which we have always traditionally looked to for our examples in our parliamentary processes, has have full bargaining rights for their employees, including the right to strike. I have not read where the workers at Westminster have tied up Parliament and prevented parliamentarians from doing their job. Yet we have this condition in Bill C-45. We have no grievance procedures that are of strength, no staffing permitted to be grieved, the whole question of classification is non-negotiable, occupation, health and safety are non-negotiable, non-grievable, and the right to strike is not there.

The Conservatives have not been participating in this debate, and I wonder why the benches on the government side have been so silent. I would like them to enter into debate on the principles of Bill C-45. They owe it to the workers on this Hill who have served them and who continue to serve them so

well. You cannot hide behind Bill C-45, it is transparent. It does not do a thing to cover you up. You are showing you do not give a hoot and you do not respect the workers on the Hill when you bring Bill C-45 into this House and ask us to pass it. That is why we are opposed to it. I want to hear some Conservative debate. We are entitled to hear it and I think the workers are entitled to hear where you stand because you are going to ask them for your vote on election day.

The Acting Speaker (Mr. Charest): Question?

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am pleased to have this opportunity to offer you a few comments on Bill C-45, especially because in the course of my carreer here in Ottawa, I have had the honour to serve as President of the Treasury Board. In this capacity, I have had a great many occasions to deal with issues raised and considered in this Bill.

[*English*]

Over the time, Mr. Speaker, had the honour, and the privilege of that responsibility as President of the Treasury Board, to address in my own mind, along with my colleagues, and in dialogue with the citizens of Canada, the rights of public employees generally in terms of collective bargaining, the right to strike and, of course, in the latter days, the rights of those public servants who serve us so well here on the Hill. The bottom line is that our employees be treated fairly, that their rights be protected, but not in a paternalistic way. That is why it is essential that certain rights be extended to them.

Today in the very few moments allowed to me I want to address one of the rights which is not extended, and what one must do to ensure that right, in the absence of that very important right in labour-management relations to strike, to withdraw services, and that is the right of the employees to meaningful arbitration. There must be a mechanism for the settlement of disputes which is objective and fair. There is no room for paternalism in these relationships. The employees must be protected, but in a way which protects the public interest at the same time.

Without digressing, let me recount for the benefit of the Members of the House two experiences which I had as President of the Treasury Board which influenced me to a considerable degree in arriving at the conclusion that in many circumstances the right to strike is inappropriate, not in the interests of the employees, not in the interests of the employer, the Government of Canada, and certainly not in the interests of the public. Let me explain why, and why I believe that experience is important in excluding that particular right in this piece of legislation.

At one time I was faced simultaneously with strikes of employees who had a direct impact upon the public interest. Postal workers, of course, are a classic example. Now, the bargaining chip in the case of a strike by postal workers is not the Government of Canada; the bargaining chip is the public interest. It is the holding of the public hostage which becomes the principal trading chip in negotiations. That is not what collective bargaining in the public sector should be designed to accomplish. The employer is not hurt, except perhaps politically, but the people of Canada are hurt. The same is true in the case of air controllers, where there is a public outcry, and the Members of the House would immediately have to be called upon to legislate these workers back to work. That is the very denial of any right to strike which has been granted.

On the other hand, I recall a strike of the translators. There was very little disposition on the part of the public to be generous, if I can use that term, with the translators because the public interest was not affected. In that case the right to strike was not serving the interests of the employees, and in the other case it was not serving the interests of the public. When I look at the circumstances of employees on the Hill, clearly the right to strike is inappropriate. It would be curious indeed if the operations of this institution were to be shut down by reason of a strike of employees. Even if the powers of designation which exist under the relevant public service legislation were to be used, so that those employees essential to the safety, health and security of the public were required to work, there would still be picketers and picket lines. Members of the House would be called upon to cross those picket lines in the interest of discharging the very important responsibilities that they have assumed as Members of the House.

[*Translation*]

Mr. Speaker, these comments deal only with a few aspects of the legislation now before the House. However, I wish to emphasize just how essential it is for the rights and interests of all these employees to be protected effectively and in a way which is not, as we say in English, paternalistic.

• (1240)

[*English*]

Therefore, I am pleased that movement is being made in some directions. I believe from the debate that I have heard, the commentary on the Bill and my analysis of it, that this probably can be improved substantially in terms of providing employees the protection they require. At the same time, however, there must be the overriding consideration for the public interest.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to participate in the debate on Bill C-45. I am sure you would like to have an opportunity to express your views; I am sure that you would not support this piece of government legislation.

The employees on the Hill and those in the trade union movement who have studied this Bill realize very well that the Government does not really support collective bargaining. My colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), pointed out that the mother of Parliament in Westminster has had full union rights for many years. In Canada, these rights exist with the Supreme Court, the Privy Council, the Governor

General, Air Canada, CN, CP, CBC, the Mint, Canada Post, Canada Ports, CMHC and almost all of the other agencies associated with the federal Crown. They have appropriate mechanisms for collective bargaining rights.

This Bill flows from the 1984 declaration by the Canada Labour Relations Board that it had jurisdiction over Parliament Hill employees. This would have offered superior rights and tools to the workers on the Hill to those being offered under Bill C-45. On examination of the clauses of Bill C-45 this morning I find it to be a document designed to choke a donkey. It contains some 89 clauses and dozens of subclauses explaining what powers employees do not have and why they should not have them.

This Bill is extremely revealing of the Government, the President of the Treasury Board (Mr. de Cotret), the Government House Leader (Mr. Hnatyshyn), and I suppose the entire front bench of that administration. They do not want to deal effectively with those workers who are deserving, more than anyone else in the country, of a demonstration of good faith by the Government.

The denial of these rights will affect committee clerks, constables and security, nurses, printing services, the staff of Members of Parliament, French and English indexers, the Senate maintenance and messenger service, the Library of Parliament, maintenance, the committee reporting services, the broadcast service, the messengers and distribution service, and the restaurant and cafeterias.

In the seven years that I have been here I have seen many occasions when workers on Parliament Hill have been very much in need of the protection that is provided by union rights and grievance procedures. As a matter of fact, this morning when I was taking the bus from the Confederation building, a Government Member on board wanted to get off at the front door of the West Block. The driver has been given certain criteria under which to operate the bus. He saw that there were other people on board who were coming here. He did not go to the side door, but stopped at the corner so that the Government Member had to get off and walk some 30 feet. The Government Member became upset and asked why he was not taken to the front door. It is because of situations like that that workers on the Hill require some kind of realistic protection, which is not provided in this Bill.

The Bill contains no solutions to the problems which originally led staff to begin organizing on the Hill. Bill C-45 very carefully prevents any real negotiations for the classification of position and assignment of duties. It very specifically prohibits any kind of negotiation on staffing with respect to job appointments, appraisals, promotions, demotions, transfers or lay-offs. As the Hon. Member for Nickel Belt pointed out, these are crucial rights because of the history of nepotism on the Hill, where a position has often been corralled by someone who happens to be related to a person with influence here. It is an example of another situation in which workers, whether or not they are new on the Hill, require some kind of procedure to protect their rights.

Grievance procedures cannot be truly negotiated because limits are set on what grievances can go to third party arbitration. Specifically, union grievances are not allowed. I can see the shame on your face, Mr. Speaker, that the Government cannot be controlled and brought into the 20th Century. Bill C-45 is a dinosaur egg. We will have to display a dinosaur egg every Easter to symbolize the reactionary tripe being drafted by the Government.

I believe Canadians want to know about some of the experiences of Parliament Hill employees rather than this lengthy Bill which consists of hundreds of pages, in spite of the Nielsen task force recommendation about saving money.

Let us examine the experience of a cafeteria service employee who cut his hand while working on the job. The nurse told him that it was not safe to go back to work because of the nature of his wound. However, his manager told the employee to go back to work or face disciplinary action. What kind of nonsense is that? This employee was working with food to be served to everyone on the Hill. He was told by the nurse to go home because he could not possibly stay on the job, for medical reasons.

The Government is not interested in knowing what is happening on the Hill. It must be stated and restated until the Government's dinosaur mentality fades.

The management, following their instructions, apply all kinds of criteria to the workers on the Hill. In the case I just mentioned, not only are these guidelines rubbish, they endanger the life and well-being, not only of the individual involved but of those who are eating the food. My friend from Sudbury raised the point—

• (1250)

Mr. Rodriguez: Nickel Belt.

Mr. Fulton: Your official residence is in Sudbury. I do not mind letting the people who live in Nickel Belt know that the Hon. Member lives in Sudbury.

Mr. Rodriguez: I don't live in Sudbury.

Mr. Fulton: You don't?

Mr. Rodriguez: No.

Mr. Fulton: In Capreol, then. I am sorry Mr. Speaker, it was a small error. I want to ask why Hon. Members opposite are not speaking in this debate. Why are my friends from Alberta not speaking? The Ministers of the Crown are refusing to rise and explain why security workers on the Hill, those people who put themselves between us and any problems, are not allowed to have any kind of grievance procedure whereby there is some kind of arbitration process, some kind of realistic collective bargaining procedure where their rights and concerns are heard? What if one of the senior management in security is a little off base on some kind of security measure and the younger fellow, the guy who has been more recently

trained, says time and time again: "We should really be doing this and this" but the particular person in management says: "No, because I like to play golf at two o'clock or whatever"? I am not saying this is necessarily the case. What I am saying is there needs to be those kinds of mechanisms in place so we can increase the morale of those who do the tough work, whether in relation to Members of Parliament or to the administration of this huge complex. Real changes can then take place and we could see true efficiencies coming forth. We should not just be getting rid of people and shuffling them around.

I must say that the dinosaur egg is being hatched. I think the people of Canada should hear from some of these 211 Conservative Members of Parliament as to why Bill C-45 is the route to go. I certainly intend to transmit any of those speeches to the trade unionists in my constituency.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I would like to add a few comments to the debate on Bill C-45. I do so from the perspective of someone who has been a union member and a member of management, having seen it from both sides.

First, we have to remember that the people about whom we are speaking are not our servants. They are our employees and there is a great difference. I come from the public sector and I know the phrase "public servant" has a certain connotation in the minds of the taxpayers. It also has a certain connotation here on the Hill. We have to keep in mind that these people are employees and not servants. They are human beings and deserve the dignity of having the right to have a union and for that union to have the ability to represent them in the best way possible. In order to represent Hill employees, the union must have the tools which are available to most unions, for example, the right to grievance procedures, the right to strike, and a number of other matters which have been raised so far in this debate.

Let me deal with the right to strike because it is a fundamental right. When we have two sides sitting down to negotiate, whether it is language in a contract, the wording of a job description, the wage and benefit package or the hours of work, the employees only have one thing going for them and that is their ability to withdraw their services. The employer has the power of the dollar and control over their work lives. The workers only have the ultimate power, after negotiations have failed, to withdraw their services.

I find it rather ironic that the House of Commons and everything related to it, as far as the public is concerned, shuts down for two or three weeks at Christmas and two months or more in the summer. Obviously, we can do without Members of Parliament in terms of this Chamber and committees, by and large, for that period of time. Therefore, we cannot argue that we must have security staff, bus drivers, the people who record our words electronically and in-print form and all the other people who work here. If they withdrew their services, the world would not stop, and nor would Canada. Perhaps, if I could be facetious, we might save a few trees because there would be less *Hansards* printed. But those services are not fundamental.

We cannot argue, as some do, in terms of professions where nurses, doctors, policemen, firemen and so on are essential and should not have the right to strike. There all sorts of opportunities to deal with problems in these very clear instances where workers are considered an essential service. There are other mechanisms in place. In addition to grievance procedures which are built in, there is the arbitration procedure to establish the wage benefits and fringe benefit packages. The workers' loss of the right to strike has in some cases been reluctantly replaced with another mechanism. But here on the Hill what would be the problem if, as a result of an impasse in negotiation between employees and the Government, a particular group decided to withdraw its services as a means of expressing its frustration and desire to reach a settlement which ensures fairness to them? What would be the problem? What if the Clerks of the Table went on strike? Would this place come to a grinding halt? We would rely on you, Mr. Speaker, and your colleagues, to give us direction in terms of clarification. We do that all the time, so you, Mr. Speaker, could perform that role.

There are many other areas. If cafeterias and restaurant workers decided that their working conditions and wage benefits were not appropriate and went on strike we could go across the street. There are other alternatives. So there is no reason why we in the House of Commons should restrict the ability of those employees to withdraw their services if they feel they have no other choice in order to get an agreement which makes sense.

The ability to negotiate job descriptions is also fundamental. Without a job description in which you have some say there is a fuzziness of lines of responsibility, and the management side has an ability to manipulate one's duties without due consideration of whether it is really within "their job description". A job description should not just be laid upon the table and the worker told to do it. There has to be some give and take, some negotiation around the wording and interpretation of the wording. That can be very important. I have sat on the union side in negotiations and worked out job desciptions. As we do in the House of Commons, there was discussion over the words "may" and "shall" which have very specific meanings. If in a job description an employer says a worker "may" do this or "shall" do this, there is a lot of difference in the meaning. The workers and their representatives should have the opportunity to sit down with management and discuss these kinds of things. It should not be arbitrary.

We are getting close to the one o'clock adjournment. I would, therefore, ask permission to sit down and resume again at three o'clock.

The Acting Speaker (Mr. Charest): It being one o'clock, I do now leave the Chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—CANDU SAFETY FEATURES

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the accident at a Russian reactor site near Kiev should not, and cannot, be discussed in such a way so that all reactors in the world will be considered to be the same. The design and safety features of the Russian reactor in question are considerably different from Canada's CANDU reactor. The safety features of the CANDU reactor are proven and outstanding.

We understand that the Russian reactor is a graphite-moderated reactor. We also understand that there is a fire in the reactor. Such a situation could not happen in a CANDU reactor because we use heavy water as a moderator.

The CANDU reactor has barriers of concrete between the reactor vessel and the environment. These barriers would trap any potential radiation leak. We use heavy water as a moderator instead of graphite. Heavy water will not burn. Therefore, there could not be a fire. At the same time, the CANDU has concrete shields for added safety from potential radiation.

At Pickering, Ontario—

Mr. Speaker: Order, please. Sixty seconds.

* * *

PROVINCIAL AFFAIRS

ENUMERATION OF ELECTORS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise today to speak out on an issue of critical importance to concerned British Columbians.

With a provincial election looming on the horizon the enumeration of eligible voters is now at an end. Voters lists have now been tallied. The results are farcical—a sham. Bill Bennett's Government has been so niggardly with money for the enumeration that there are now 500,000 fewer names on the voters' list than there were for the last provincial election.

It is also more difficult to get on the voters' list now than it was before. If one cannot get to a registration office oneself, then one will not get on the list. If one moves between now and the election then one probably will not have the right to vote.

It seems that Bill Bennett and his scandal-ridden regime are afraid to face the verdict of all British Columbians. I urge everyone who wants to give the boot to Mr. Bennett and his cronies to get on the list. Democracy is too precious to be left to the scheming, manipulative machinations of Bill Bennett and his Government.

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DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—SAFETY STANDARDS INVESTIGATION URGED

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the nuclear disaster in Ukraine yesterday has become an international issue due to the detection of high levels of radiation in countries bordering the Soviet Union. Experts have already indicated to us that the safety standards in place in the Soviet nuclear power station were less than acceptable. There is now fear that radiation fall-out could reach as far as North America.

I urge the Secretary of State for External Affairs (Mr. Clark) to follow every avenue at his disposal to bring about a full multi-nation investigation into Soviet safety standards in nuclear power. This disaster could cost many lives. It is time that the Soviet Union put the rights of its peoples and the peoples of the world above technological short-cuts.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

POSSIBLE EMPLOYEE LAY-OFFS AT NORTHERN TELECOM IN AYLMER, P.Q.—POSSIBLE FORMATION OF COMMON FRONT

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, the Hon. Member for Ottawa-Centre (Mr. Cassidy) is making political capital at the expense of workers at Northern Telecom in Aylmer. The facts are not at all like that.

On March 25, I met with union representatives from Northern Telecom in my riding office. I suggested a meeting with the Hon. Member for Hull (Mr. Isabelle) and forming a common front with federal and provincial members and mayors of municipalities. I advised the Minister of Regional Industrial Expansion (Mr. Stevens) of the problem.

On April 18, I received a letter from the national union saying that it preferred a personal commitment from all these people instead of a common front.

Meanwhile, the union local wanted a common front but did not pursue the idea, probably under pressure from its national union.

Northern Telecom's decision was made on the basis of product demand. Furthermore, unlike what was claimed by the Hon. Member for Ottawa Centre, jobs will not be transferred

to Atlanta, Georgia, since this U.S. plant has also suffered job cuts. The number of jobs at the plant has dropped by 270.

Mr. Speaker: Order, please. Sixty seconds are up. The Hon. Member for Laurier (Mr. Berger).

* * *

[*English*]

NUCLEAR ARMAMENTS

COMPREHENSIVE TEST BAN TREATY ADVOCATED

Mr. David Berger (Laurier): Mr. Speaker, is nuclear war inevitable? Is war inherent in the fabric of history? What is to be done about it? Is there a special role for Canada? These were some of the questions asked and answered at an extraordinary conference on peace and security held in Montreal last week.

The writer, Elie Wiesel, stated the evident: the next summit conference between President Reagan and General Secretary Gorbachev must take place. He added that it should take place in Hiroshima.

Our Amabassador to the U.N., Mr. Lewis, stated that Canadians must promote a comprehensive test ban treaty, without the slightest equivocation. The Prime Minister (Mr. Mulroney) should forcefully convey these views to President Reagan and the western leaders in Tokyo next week. He should insist that concrete steps be taken to arrive at a comprehensive test ban treaty in the near future. Canadians will be watching, and Canadians demand no less.

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[*Translation*]

TOURISM

HIGHWAY NETWORK IN THE OUTAOUAIS—FEDERAL GOVERNMENT ANNOUNCEMENT

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Mr. Speaker, I would like to take this opportunity to talk about the importance of tourism in the outer regions. In the riding of Pontiac—Gatineau—Labelle, the most beautiful riding in Quebec, tourism is becoming a very important industry.

Unfortunately, our road system has not kept up with these development. However, things are changing. Yesterday, Mr. Speaker, a $100-million program was announced for repairing and developing the Outaouais road system.

The federal Government has agreed to give $45 million for this project, under a shared-cost program with the Government of Quebec.

• (1405)

[*English*]

This project, which is to be completed over the course of the next four years, will allow easier access to the wonders of our region. Golfers, skiers, anglers, hunters, and nature lovers will now be able to come to our towns and villages by way of a modern and safe road system. With increased tourism, the economy of Pontiac—Gatineau—Labelle will prosper and our young people will no longer have to leave friends and family to find jobs.

* * *

YOUTH

TIMING OF PROGRAM ANNOUNCEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Well, folks, do you remember that new Tory youth program promised by the end of the last fiscal year—oops, I mean by the end of spring? We now have the latest updated report from the Minister of State in charge of opening youth employment centres. She says to look for it in the fall, or perhaps even in the winter.

I have a better idea. Start looking for the program close to the next election when the Minister will be pursuing her real job, trying to capture the youth vote. That is when the program will be announced. However, for both youth and the Tories, that will be too late.

* * *

[*Translation*]

FISHERIES

ACQUISITION OF PÊCHERIES CARTIER INC. BY COOPÉRATIVE PURDEL—GOVERNMENT'S PRIVATIZATION POLICY

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, we were overjoyed to hear that a Gaspé co-operative was able to take over Pêcheries Cartier Inc., a Crown corporation with three seafood processing plants and a sales office.

This sale is in line with our renewed economy and our Government's privatization policy. By selling this Crown corporation to a flourishing and well-managed co-operative, we are guaranteeing not only its survival but also its future development.

The new owner, Coopérative Purdel, will continue to operate the plants and will maintain about 500 jobs.

In a region like the Gaspé, it was imperative to improve the productivity of a company that was in danger of closing down. By putting it in the hands of people in the industry, our Government has again shown its confidence in the entrepreneurship of Canadians, the Gaspé and Quebecers.

[*English*]

PUBLIC SERVICE

RESULTS OF POLL CONDUCTED IN NATIONAL CAPITAL REGION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, yesterday the CBC released a poll that was recently conducted in the national capital region analysing residents' views on the Government's restraint measures and on the Public Service. Given that a large majority of these residents are public servants, the results were extremely interesting.

Forty-five per cent of public servants think there are too many public servants and only 8 per cent think there are too few. When asked to judge the value for taxpayers' money, 69 per cent of public servants answered either "fair" or"poor". Thirty per cent of public servants feel more services should be contracted out to the private sector, and 23 per cent feel the over-all effect of the Government's restraint measures are positive.

It is refreshing to know that public servants realize that Government bureaucracy is out of hand. The Liberals and NDP should get their heads out of the sand and recognize what all other Canadians have known for years. We are often too quick to criticize and too slow to praise. Today I, along with millions of other Canadians, praise the public servants on their objective analysis of the Government's performance and direction.

Mr. Speaker: Order, please. Sixty seconds.

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POLITICAL PARTIES

RESULTS OF POLL CONDUCTED IN NATIONAL CAPITAL REGION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I too want to speak about yesterday's CBC poll. It said in part that, if an election were to be held tomorrow, the Tories would get 23 per cent of the vote, the Liberals would get 29.1 per cent of the vote, and the NDP would get 12 per cent of the vote. The moral of the story is that the people of the national capital area have had it with the Tory Government and the next time around they will get rid of the Tories and will bring the Liberals back to power.

* * *

[*Translation*]

TRADE

OBJECTIVES OF FREE TRADE NEGOTIATIONS BETWEEN CANADA AND UNITED STATES

Mr. Guy Ricard (Laval): Mr. Speaker, free trade negotiations between Canada and the United States are aimed at boosting economic growth, creating more jobs, and making our industries more efficient and more competitive on world markets.

Contrary to the views expressed by United Auto Workers President Bob White, we do not want to sell our technology, we do not want to sell our culture, and we certainly do not want to sell out Canada. If Mr. White believes he can help Canadian negotiations by hiding facts from the public, he is badly mistaken.

Instead of holding his union workers to ransom he should be defending their interests. If he wants to get into politics, let him hand in his resignation, get himself elected leader of the New Democratic Party, and take his seat in the House of Commons where he can display his true socialist colours.

* * *

• (1410)

[*English*]

MULTICULTURALISM

CHANGE IN FUNDING CRITERIA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of State for Multiculturalism (Mr. Jelinek) has begun to change funding criteria in his sector before the House approves his new multicultural policy. The result is a reduction in funding to hard-pressed community organizations in various regions. Some organizations which were rejected because of the spending freeze last winter are likely to be missed again in the 1986-87 Budget.

The Minister has decided that multiculturalism means business, and some of his limited funds will be directed to support that initiative. The Minister knows the inevitable consequences of that. Some organizations will be cut off, or all of them will receive less than they need.

In the Manitoba region multicultural program officers have only 90 per cent of last year's funding to fund this year's programs. It is more than time for the Minister of State for Multiculturalism to issue a policy paper and to consult with ethnocultural communities about his funding priorities. It is also more than time for the Government to rediscover the vital work of multicultural organizations and to fund their efforts accordingly.

* * *

TRADE

INCREASE IN EXPORTS FROM SASKATCHEWAN

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, recently the Saskatchewan economy has encountered the difficult combination of declining world markets for wheat,

oil, uranium, and potash. Despite these set-backs in the resource industry, the latest trade indicators show that Saskatchewan is faring well with a Progressive Conservative provincial Government.

By working in partnership with the federal Government, total Saskatchewan exports in 1985 increased 11.6 per cent from 1984. Manufacturing exports grew by over 14 per cent. Already in the first two months of 1986 over-all Saskatchewan exports have increased by an impressive 48 per cent from the same period last year.

This should interest the New Democratic Party particularly. As we know, the NDP is against more trade for Saskatchewan. The NDP favours conflict and harassment in federal provincial relations. This is in stark contrast to the Government of Grant Devine which sees the value of trade and the success of harmonious federal—provincial co-operation.

* * *

TRADE

SUPPORT FOR CANADA-UNITED STATES NEGOTIATIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, over the past year members of the opposition Parties have tried to mislead Canadians with regard to the upcoming trade negotiations with the United States. Their strategy of spreading doom and gloom scenarios has been quite irresponsible.

Let us look at some facts. Eighty per cent of our exports go to the United States, and approximately 2.5 million jobs are dependent upon trade. If we want to maintain and build upon our past successes, surely we should not bury our heads in the sand like an ostrich. Surely we should welcome the opportunity to sit down with our largest trading partner to discuss our trade issues and theirs. However, it is vitally important that we do our homework and be well organized for these discussions.

I believe we have a superb structure in place, under the leadership of Simon Reisman, with which to enhance our trade opportunities with the United States.

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[*Translation*]

CANADA POST CORPORATION

PROTESTS BY SAINT-LÉONARD—ANJOU CONSTITUENCY TAXPAYERS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, residents of new housing projects in the Municipality of Saint-Léonard and Ville d'Anjou in my riding of Saint-Léonard—Anjou state that they pay taxes just like residents of older wards.

A petition is being circulated in my riding, Mr. Speaker, but I will be unable to present it to the House because it was prepared before the new Standing Orders came into force. That is why I mention it today. Up to now I have 411 signatures from people of my riding who complain about Canada Post.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—REQUEST FOR RESIGNATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister. I want to ask him if he has obtained the resignation of the Minister of Regional Industrial Expansion, in light of the sleazy spectacle of a Minister in financial difficulty cashing in on ministerial connections to seek a very favourable loan agreement from a company which has benefited from his Department's programs.

• (1415)

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I have not secured, nor have I asked for, the resignation of the Minister for Regional Economic Expansion, and the Hon. Member for York Centre sets new records for indecency with his question.

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I was asking the Prime Minister for his understanding of the facts. Surely if his new guidelines mean anything, and if the guidelines from 1984 mean anything, especially in light of what the Prime Minister said in the House to me on June 6, 1985:

> We must seek to avoid even the appearance of a conflict of interest.

—surely that standard is violated by the spectacle of a Minister's wife getting benefits—

Mr. Gormley: Where is your question?

Mr. Kaplan: —seeking to obtain benefits for the family business from a company which has—

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

Mr. Kaplan: —benefited from his departmental programs?

Right Hon. Brian Mulroney (Prime Minister): That is not a question, Mr. Speaker. That is just an attempt to slander somebody who is not here. The Member will have to do a lot better than that because what he has been associated with is character assassination, McCarthyism, and slander, and that is not good enough in Canada.

NEWSPAPER REPORT—FAMILY BUSINESS TRANSACTION

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Prime Minister has an opportunity to explain the facts. What explanation can he put on the story made public today involving the Minister, the Minister's wife, a family business, that brings it within his conflict of interest guidelines?

Right Hon. Brian Mulroney (Prime Minister): Now the Hon. gentleman finally asks a question, Mr. Speaker. Finally he asks a question.

An Hon. Member: Give us an answer.

Mr. Mulroney: You will get your answer. When the report appeared this morning, I asked the Deputy Prime Minister, because I was chairing a meeting of P and P Committee this morning prior to my departure, to meet immediately with the Deputy Registrar General of Canada who is responsible for conflict of interest guidelines. The Deputy Prime Minister met and reviewed the facts as alleged, and received the assurance from the Deputy Registrar General that the Minister was in full compliance.

ACTIVITIES OF MINISTER'S WIFE IN LOAN NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, under the conflict of interest guidelines the company, constituting a principal asset of the Minister, was in a blind trust, yet the Minister's wife actively negotiated a loan. She first approached a company which at that time was actively discussing with the Minister a tax advantage and a sizable investment in Cape Breton. Does that not constitute, in the Prime Minister's mind, a violation of his conflict of interest guidelines, not only with respect to the blind trust but with respect to an appearance of wrong-doing on the part of the Minister and the Minister's wife?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, this series of questions is very similar to the question asked on April 7 by the Hon. Member for Essex—Windsor based on a very similar newspaper article. The right hon. gentleman is surely clutching at straws when he suggests in the words that he uses in his preamble that wives and spouses of Members of Parliament are not free to seek an independent and separate career—

Mr. Fulton: Not interest-free loans.

Mr. Nielsen: And, as a former Leader of that Party admonished us on one occasion, "wives are not chattels".

REQUEST THAT MINISTER BE RELIEVED OF DUTIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are not suggesting that Mrs. Stevens is anything of the kind. We are suggesting that she is a partner with her husband. Instead of a blind trust she actively negotiated a loan for that asset, there being no blind trust, and she approached a company and a gentleman with whom the Minister was having active discussions about an investment in Cape Breton.

My question, and the Deputy Prime Minister may attempt to answer it, is for the Prime Minister and only he can answer it. Will he relieve this Minister of his duties until we have an opportunity to have a full inquiry into how that company got a $2.6 million interest-free loan? How are we going to satisfy that?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): The Leader of the Opposition clearly believes in the novel principle of pre-trial hanging. We do not, and neither do Canadians. Nor do we believe in acting on unverified speculation in newspapers. The matter is—

Mr. Lapierre: It is your duty.

[*Translation*]

Mr. Mulroney: Yes, you are right. It is my duty. It is my duty to proceed in accordance with these guidelines. Today, the Deputy Prime Minister met with the senior Government official responsible who advised him that there was no conflict of interest. And now he is talking about ethical guidelines. I fail to see why any action should be taken on the basis of unfounded allegations by journalists, which in themselves do not warrant enforcement of the regulations.

* * *

[*English*]

TRADE

IMPOSITION OF U.S. DUTY ON FISH IMPORTED FROM CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. We just learned at noon today from Washington that the first victim of the so-called clean launch free trade talks is Canada's East Coast fishery. The International Trade Commission in Washington has decided there will be a 5.8 per cent duty on Canadian whole fish exported from Atlantic Canada. What does the Government of Canada propose to do to look after the interests of our East Coast fishery?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all it is the grossest of distortions to suggest that this decision had anything to do with the discussions on trade arrangements with the United States. Indeed, if those discussions are successful it may be that we will have in place a more effective instrument to protect Canadian interests. That is what we are looking to do.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this decision has everything to do with free trade. What was under

consideration in part in the U.S. reaching this decision was Canadian regional development and fishery research programs which they regard as an unfair subsidy. Given that, is the Minister now telling the people of Canada that in order to get free trade with the U.S. we have to abandon all such programs which are essential to the development of this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I am not saying that. No reasonable person would.

Mr. Broadbent: That is what the U.S. is saying.

Mr. Clark (Yellowhead): I suppose that if one were playing in the House of Commons the role of delivering paid poitical announcements for the Canadian Labour Congress, one might say that.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): But that is not the truth.

Mr. Crosbie: Bob White's Charlie McCarthy.

Mr. Speaker: Order, please.

Mr. Broadbent: Mr. Speaker, I will take my stand with Canadian fishermen any day, wherever he may want to stand.

FISHERY PROGRAMS INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I was talking to representatives of the Canadian fishing industry this morning and I want to ask the Minister—

An Hon. Member: In Toronto.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Yes. Believe it or not, fishermen from Atlantic Canada go to conventions in Toronto. It may surprise him but it does not surprise them.

Mr. Crosbie: They are pulling your chain, Ed.

Mr. Broadbent: Is the Minister saying that in order to meet free trade requirements, according to this U.S. ruling, Canadian fishermen have to get rid of fishery research grants and regional development programs? If he is not saying that, what is his position with the U.S? Is he going to tell them their decision is wrong? Is he going to stand up for Canadian fishermen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the first decisions I had to make as Secretary of State for External Affairs was whether or not we would accede to an American request to delay for one year the application of an international court decision which was in the interests of Canadian fishermen. I said no, we would not delay justice for Canadian fishermen for a year.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): In that tradition of standing up for Canadian fishermen we are now examining all the details of this decision today. We are looking particularly at what aspects might be appealable under the GATT. If there are any, then Canada will appeal.

Mr. Crosbie: And we fought it all the way. Next smear.

* * *

• (1425)

THE ADMINISTRATION

REPORT OF LOAN NEGOTIATED BY MINISTER'S WIFE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Through you, Mr. Speaker, I would like to ask the Minister if he knew that his wife had successfully negotiated—

Mr. Speaker: Order, order!

Mr. Garneau: —negotiated a $2.6 million loan free of interest for one year from a person closely associated with the company that had had major financial dealings with his Department.

Mr. Speaker: Order. Order, please. The last part of the question does make it in order.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): As the Prime Minister has just informed the House, he asked me this morning to look once again, personally, into the same matter that I looked into last April 7 in response to a question by the Member for Essex—Windsor. I met with the Assistant Deputy Registrar General and he assured me that the Minister had fully complied with the very exacting demands of the conflict of interest guidelines. Now, that is a fact. I do not know whether the hon. gentleman has taken the trouble to speak with the Assistant Deputy Registrar General himself, but were he to do so he would get that response from him.

[*Translation*]

INQUIRY CONCERNING DATE $2.6 MILLION INTEREST-FREE LOAN WAS NEGOTIATED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary. It is quite simple: When did you find out that your wife had negotiated a $2.6 million interest-free loan for the period of one year, through a person closely associated with the company with which your department does business? The question is quite straightforward. Just answer yes or no or give a date.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): First, what the hon. gentleman is raising is a matter with respect to conflict of interest, although he does

not apparently have the courage to come right out and make an accusation with respect thereto. Second, if he had read the conflict of interest guidelines that were tabled in this House last September 9, 1985, he would know that they do not apply to spouses of Members of Parliament, who, we maintain, are not chattels.

Some Hon. Members: Hear, hear!

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DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—POSSIBLE EFFECTS ON CANADA

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a question to direct to either the Minister of the Environment or the Minister of Health and Welfare, whichever one is speaking for the Government with respect to actions taken by the Canadian Government in relation to the accident in the Ukraine. I wonder if either Minister could bring the House up to date on what special surveillance mechanisms are being put into place by Environment Canada, what has been discovered, and bring the House up to date on the possible effects of this accident on the Canadian atmosphere.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not going to abuse the time of the House and I will try tobe very succinct. I am sure all of us in the House regret the accident that has taken place in the U.S.S.R. I want to say from a Canadian point of view that, as Minister of National Health and Welfare, I have the lead responsibility under the federal Nuclear Emergency Response Plan, in conjunction with other colleagues in the House, regarding incidents such as this.

As of noon today we have activated the emergency response team. Environment Canada is using 28 airports and they are starting to monitor as of noon today. Weather stations which tested weekly have been asked to do so continuously now on a daily basis. As these stations are on our northern frontiers I would possibly be in a position to be able to make a further statement on Thursday.

I intend to keep the House and the public as informed as I can. I can say I believe from a Canadian point of view the best information we have at the moment is that Canadians are not at risk, but obviously we are checking this literally minute by minute.

Mr. Blaikie: I would hope that the Minister might consider making a statement at an appropriate time, either tomorrow or Thursday, to keep the House up to date.

• (1430)

SAFETY STANDARDS FOR NUCLEAR POWER PLANTS—SWEDISH CALL FOR INTERNATIONAL CONFERENCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. Does Canada intend to support the call by Sweden for an international conference on safety standards with respect to nuclear power plants, and will we also be supporting the desire of the Swedish Government that the world have more access to inspection of nuclear power plants within the Soviet Union?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it has been a long-standing position of Canadian Governments that we would want to support initiatives of that kind, and certainly Canada would actively support any initiatives that were born out of these tragic circumstances.

I might take the opportunity to indicate that, on the instructions of the Prime Minister, Canada is today communicating to the Soviet Union our willingness to provide any kind of technical help that may be within our competence and may be useful to the Soviet Union in these circumstances.

Some Hon. Members: Hear, hear!

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TRADE

IMPOSITION OF U.S. DUTY ON CANADIAN FISH IMPORTS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, regardless of what the Secretary of State for External Affairs says, this action today by the United States Government represents a serious derailment on the fast track to free trade talks.

Some Hon. Members: Oh, oh!

Mr. Baker: Does the Minister not believe that this is a clear slap in the face to the Prime Minister and the Government of Canada? Was there not an understanding, if not an agreement, that no new duties would be imposed while these talks were on?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is unfortunate that Members of the House, facing a situation where there is real harm done to Canadian fishermen, would try to put partisan advantage in the House of Commons ahead of the interests of Canadian fishermen.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We are concerned about the interests of the Canadian fishermen who are affected. That is

why we have been making the strongest possible representations for one long year in order to achieve a different result than came down from this particular agency. We supplied counsel. We won half the case; we lost half the case.

According to American law, the President of the United States has no power to intervene. We have the power to look under GATT to see if there are means by which we can appeal the decision. We are going to do that.

Mr. Baker: Mr. Speaker, Canadian fishermen are saying that if this is what it is like to be on the fast track to the United States, perhaps we would be better off on a slow boat to China.

REASONS FOR U.S. ACTIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, fishermen want to know why the United States imposed a duty on Canadian saltfish last year, for the first time in history, a duty on round ground-fish today, and they say that they are starting their investigation tomorrow to impose a duty on frozen fish. Why has this happened only since the Tory Government came to power?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know that the Hon. Member was conspicuous by his silence during the years when his Party was in office in the House of Commons. But that does not suggest that history began in September of 1984. History of reform began at that time—

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): —including a history of reform in the trading arrangements between Canada and the United States so that we might put in place a system that better protects the interests of Canadian fishermen than the system that was left to us by the Liberals.

Some Hon. Members: Hear, hear!

SOFTWOOD LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, now that fishermen have fallen as first victims to the fast track, my question is directed to the Right Hon. Secretary of State for External Affairs. A few days ago President Reagan made the statement to Senator Packwood that the United States would:

—continue to retain full access to multilaterally sanctioned U.S. trade remedies.

Is it not the case that precisely the same kind of countervail action and duty is now possible and in fact enforceable in relation to softwood lumber?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the President's statement in his letter, as any literate reading would show, indicates that until there is a new arrangement, brought about by negotiations with Canada or some other means, existing remedies stay in place. That was made very clear yesterday. The United States has those remedies now. If we believe that those remedies do not serve Canada's interests, then it is very much in our interest to try to achieve better relations, which we can only do in the context of the trade negotiations which we are now pursuing.

POWERS OF U.S. SENATE

Mr. Jim Fulton (Skeena): Mr. Speaker, yesterday the Minister pretended to be literate. He said that countervail is at the very heart of these negotiations that are going on in the United States. Since the U.S. Senate retains the power on countervail during this whole process, is this not a bit like a poker game in which, during the next two years of negotiations, the United States builds up countervails on fish, lumber, hogs and everything else, while there is damn little we can do about it except sit around the House of Commons frittering time away?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know that accords with the Canadian Labour Congress script which is being read in the House of Commons by members of the New Democratic Party. It does not accord with any real set of apprehensions. Of course the United States retains a countervail capacity until there is a new agreement. So does Canada. The point is that we are seeking to find some negotiations that will result in a better situation for Canada. The New Democratic Party, guided by the Canadian Labour Congress, does not want to do anything at all except slip further into the past.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Instead of slipping right into the United States.

Mr. Hnatyshyn: Tell the Leader of your Party to write a letter.

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THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—POSITION OF MINISTERS' SPOUSES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. On September 9, 1985, the Prime Minister wrote to his Ministers, saying that: "I wish it to be understood clearly to all Ministers that they have an individual responsibility to prevent conflicts of interests, including those that might arise out of activities of their spouses, or dependent children, or their dealings in property or investments which are owned or managed in whole or in part by their spouses or dependent children." That was the Prime Minister's letter to his Ministers in regard to conflict of interest. Surely he does not expect Canadians to believe that the spectacle of the wife of a cabinet Minister seeking terms for a loan that are unavailable at normal lending

institutions does not constitute, at the very least, according to his own letter, the appearance of a conflict of interest?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member quotes a passage from my letter of September 9, 1985, but neglects to read the sentence prior thereto. It indicates that this code, as was the case with previous guidelines, does not apply to the spouses or dependent children of public office holders. This does not apply, and it was consistent with a letter of April 28, 1980, from Prime Minister Trudeau to his erstwhile colleagues which said: "I would remind you of our decision not to apply the requirements of these guidelines to our spouses and dependent children." This qualification which appears—

Mr. Frith: Minister's assets.

Mr. Mulroney: —in my letter was explored with the—

Mr. Frith: Minister's assets.

Mr. Mulroney: He says the Minister's assets. You can be absolutely certain that Noreen Stevens is one of the greatest assets that any Minister could have.

Some Hon. Members: Hear, hear!

MANAGEMENT OF MINISTER'S ASSETS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Prime Minister can twist and turn all he wants. He cannot swallow himself whole over this letter that he wrote on September 9. Does he not realize that the questions by Members in opposition refer to the management of assets that are owned by the Minister himself and do not refer to separate business activities that might be legitimately undertaken by the Minister's spouse? We are referring to the management and the borrowing of moneys, interest free, by the Minister's spouse for the Minister's company which was in financial trouble. Does he not realize that?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can only describe that lengthy bundle of assertions as absolute tripe. If the hon. gentleman took the trouble to call the Registrar General, he would be informed as I was, as late as this morning, that the Minister concerned had fully complied with the conflict of interest guidelines. If the Hon. Member does not choose to believe me, why does he not make that phone call and speak with that public official himself?

• (1440)

GRANT APPROVED BY MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, if that in fact is the case—

Mr. McDermid: Why don't you make the call?

Mr. Langdon: —it just proves the inadequacy of these conflict of interest guidelines. What we have here, frankly, as we look at it, is a clear case of family and friends—

Some Hon. Members: Question.

Mr. Langdon: —being caught up in—

Mr. Speaker: Order, please. Question.

Mr. Langdon: Does the Prime Minister consider it consistent with his own conflict of interest guidelines for a Minister to approve $86 million in support of a company—

Mr. Hnatyshyn: Order.

Mr. Langdon: —from which at the same time the Minister was receiving a $2.6 million loan for his company?

Mr. Hnatyshyn: Order.

Mr. Langdon: Is that consistent with the conflict of interest guidelines?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I give the Hon. Member for Essex—Windsor the same advice I gave him on April 7, 1986. What is consistent is for me to stand here, as has the Prime Minister, and tell him that the very exacting requirements of the conflict of interest guidelines have been met by the Minister. I have received that assurance personally from the Assistant Deputy Registrar General.

Mr. Gauthier: How long ago was that, Erik?

Mr. Nielsen: Why don't the hon. gentleman, and others who have not taken the trouble to receive that assurance personally, do just that?

Mr. Gauthier: Oh, come on. That's nonsense and you know it.

CONFLICT OF INTEREST GUIDELINES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we have read the letter of the Prime Minister of September 9, 1985. Does the Prime Minister, when he actually goes back and looks at that letter, not believe that these extensive financial transactions contradict that 1985 letter where it was said very clearly: "All Ministers have an individual responsibility to prevent conflict of interests—".

An Hon. Member: Come on.

Some Hon. Members: Order.

Mr. Langdon: "—including those that might arise out of the activities of their spouses—"

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. That is in order.

Mr. Langdon: You cannot escape that.

Mr. Andre: How many lectures do we get from this guy each day?

Mr. Speaker: How many interjections do we get?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have responded to that question, Sir, but the hon. gentleman gives me the opportunity to remind his Leader and the Leader of the Official Opposition that on the same day, September 9, 1985, a letter was sent seeking their co-operation, and that of the Parties they lead, in the area of conflict of interest. The Prime Minister has yet to receive a response from either gentleman.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AGRICULTURE

SIGNING OF SUB-AGREEMENT WITH QUEBEC—EVOLUTION OF SITUATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Agriculture. Quebec farm producers have been waiting for some time for the Quebec-Ottawa subsidiary agreement on agriculture to be signed.

Could the Minister inform Quebec farmers on the latest developments and on Quebec's participation?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the continuing representations of the Hon. Member on behalf of Quebec farmers. The Hon. Member will know that this Government has been anxious to sign an agricultural sub-agreement between the federal Government and the Province of Quebec, not only with the previous Government of the province but also the present Government. The Hon. Member may take some satisfaction from the fact that late last week I had confirmation from my provincial counterpart that he is prepared to enter into an agricultural agreement between the federal Government and the province in the amount of some $36 million.

* * *

THE ADMINISTRATION

LOAN NEGOTIATED BY MINISTER'S WIFE

Ms. Sheila Copps (Hamilton East): My question is directed to the Prime Minister and I would hope he would stop hiding behind the skirts of the Deputy Prime Minister—

Some Hon. Members: Oh, oh!

Ms. Copps: —in the same way the Minister is hiding behind his wife's skirts on this particular issue.

Some Hon. Members: Oh, oh!

Mr. McDermid: What a sexist remark.

An Hon. Member: Sheila the sexist.

An Hon. Member: Next question?

Mr. Speaker: Order, please. Is there a question?

Ms. Copps: I am asking my question.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Hurray for the rodent group.

Ms. Copps: On December 6, 1984, in response to the press question: "What does a Cabinet Minister have to do to get fired in a Mulroney Government?", the Prime Minister answered: "I think anything that violated—"

Some Hon. Members: Oh, oh!

Some Hon. Members: Question.

Mr. Speaker: Order. The other side is not being helpful either. The Hon. Member was asked for a question a minute ago. Is there a question?

Mr. Crosbie: Name her and get it over with.

Ms. Copps: Does the Prime Minister not believe that this particular loan violated the public trust?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would—

Mr. Mulroney: Oh, for God's sake.

Some Hon. Members: Oh, oh!

Mr. Nielsen: The Hon. Member obviously has not read and become familiar with the conflict of interest guidelines—because that is the subject she is raising—which were tabled in this House last September, 1985. She is obviously unaware of the mechanisms which are in place that would provide her with information which is of public record, and available to anyone who takes the trouble to call, with the Assistant Deputy Registrar General—

Mr. Gauthier: Come on, Erik! Sit down if you haven't anything else to say.

Mr. Nielsen: —who has the job, as a public official, to enforce—

Mr. Speaker: Order. Short supplementary, please.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Prime Minister in all sincerity—

Some Hon. Members: Oh, oh!

Ms. Copps: —whether he expects the Canadian people to believe the statement of the Minister that in fact he knew nothing about a loan of over $2 million? Does the Prime Minister really believe that the Minister was at arm's length with his own wife with respect to this transaction?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I think the Hon. Member would be the first to support me in the proposition that spouses are not chattels. They have their own lives and their own independent careers to lead.

Ms. Copps: The Government is keeping the heat off him.

Mr. Nielsen: They are not subject to the conflict of interest guidelines. If the Hon. Member would take the trouble to phone the public official to whom I made reference a moment ago, she would be reassured of the compliance of the Minister in every respect.

[*Translation*]

CONFLICT OF INTEREST GUIDELINES—PRIME MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Does he remember his letter dated September 9, 1985, in which he advised, and I quote:

—that all Ministers understand it is their personal responsibility to prevent conflicts of interest, including any that may arise from activities of their spouse or dependent children or from real estate transactions or investment operations in which the latter are directly or indirectly involved.

Does the Prime Minister believe there was no violation of this guideline in the transactions involving the department, Magna International Inc. and the company controlled by Mr. & Mrs. Stevens, the Minister and his wife, namely, York Centre Corp.?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Once again, Mr. Speaker, on the instructions of the Prime Minister, who was engaged in a very important and full agenda at Cabinet this morning, I personally spoke with the Assistant Deputy Registrar General and received his assurance that there had been full compliance by the Minister with the very exacting demands of the conflict of interest guidelines. If the Hon. Member is not prepared to accept that assurance of this public official conveyed through me, I invite him and other Hon. Members to do the telephoning personally.

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): My supplementary question is directed to the Prime Minister. In view of the fact there is a *prima facie* case that conflict of interest did in fact take place—

Some Hon. Members: No.

Mr. Crosbie: No such thing.

Mr. Cassidy: —will the Government agree—

Mr. Crosbie: Call Bob White. See what Bob says.

Mr. Cassidy: —as a matter of urgency to have this matter referred for consideration to the Standing Committee on Privileges and Elections so that all Members of this House may satisfy themselves as to whether or not a conflict of interest has in fact taken place?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the House is interested in the Perry Mason opinion of the hon. gentleman, but I have yet to leap to that quantum conclusion—

An Hon. Member: You will tomorrow.

Mr. Nielsen: —which would lead me to believe that I have seen—since I have been reading it—a *prima facie* case on the front page of *The Globe and Mail*. If it was there today, it was there on April 7 and a few other dates in the past.

* * *

• (1450)

FINANCE

CONCEPT OF INTRODUCING CAPITAL BUDGET

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Finance. In a recent message to Congress President Reagan said that consideration should be given to the creation of a capital budget which would be distinct from the budget for operating expenses. Since the Auditor General supports this concept, does the Minister intend to give it serious consideration?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is an issue in which we have been interested as a Government. There is an element of the *Budget Papers* devoted to a certain aspect of this particular issue. I might just say that while we are considering this issue, and while the Auditor General has expressed interest in it, the amount of capital spending which has been carried out by the Government of Canada is not great. The difference between capital budgeting and the type of budgeting that we are presenting right now would not be that much different.

Oral Questions

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in a September 9, 1985, letter the Prime Minister stated, and I quote:

> We have taken great pains to ensure that the new Code leaves no doubt that the ultimate responsibility for the ethical standards of the federal government rests with the Cabinet and, more particularly, with me.

Will the Prime Minister stand up in the House now and account for this action instead of passing it on to the Deputy Registrar General? Will he take the necessary action and relieve his Minister now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is a distinct lack of either an understanding of the guidelines, which would not surprise anybody, or a wilful inclination to malice on the part of the Hon. Member, because in reference—

Mr. Marchi: Put your seat on the line, big shot!

Some Hon. Members: Oh, oh!

Mr. Marchi: Put your seat on the line!

Mr. Hnatyshyn: You really do your Party proud, fella.

Mr. Mulroney: There is a rising star of the Rat Pack, I tell you. Aren't they a bunch of sweethearts?

The guidelines state very carefully and specifically, as did those of Mr. Trudeau, that they do not apply to the spouses or dependent children of public office-holders. Notwithstanding that, the Deputy Prime Minister met with the appropriate officials this morning and received the assurance that there was full compliance.

Ms. Copps: Take your responsibility seriously!

Mr. Speaker: A supplementary question.

REQUEST THAT MINISTER BE RELIEVED OF DUTIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am not talking about the spouse's assets, I am talking about the Minister's assets.

In view of the fact that in the same document the Prime Minsiter stated:

> But making use of these instruments will not relieve the Government of the responsibility—

Mr. Speaker: Order, please. This is a preamble. May I have a question, please?

Mr. Boudria: Will the Prime Minister now exercise his role of accountability to Parliament and immediately relieve that Minister of his functions?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister—

Ms. Copps: We don't want to hear from a self-confessed liar!

Mr. Nielsen: —did, indeed, exercise his responsibility—

Some Hon. Members: Order, order!

Mr. Speaker: Order, please.

An Hon. Member: Did you hear that?

Mr. Speaker: The Hon. Member for Hamilton East—

Some Hon. Members: Withdraw, withdraw!

Mr. Speaker: Order, please. I believe I heard something from the Hon. Member for Hamilton East, who will know what it is she said. I think she said something unparliamentary. Would she please do the House the courtesy—

Ms. Copps: Mr. Speaker, I made a general reference. But if the Speaker demands that a general reference be withdrawn, then I will certainly be happy to comply.

Mr. Mulroney: As usual, no class.

Mr. Nielsen: Mr. Speaker, I was explaining, as I have before, that, indeed, the Prime Minister discharged his responsibilities this morning when he instructed his Deputy Prime Minister to assure him. I have done that, that is, I have assured the Prime Minister, on the basis of the assurance of the Assistant Deputy Registrar General to me, that there had been full compliance with the guidelines.

I know the Hon. Member is one of those who did call the Assistant Deputy Registrar General this morning. But he was obviously very unhappy with the answer that he received as to compliance.

Mr. Boudria: I wasn't even here this morning.

Mr. Gauthier: Your buddy system is not working, Erik.

Ms. Copps: You're bugging the wrong office, Erik.

Mr. Speaker: Order, please.

Mr. Gauthier: Get a new antenna!

Mr. Speaker: Order, please.

Ms. Copps: Get a new splice!

Mr. Speaker: Order, please. The Hon. Member for Yorkton—Melville.

TRADE

TOKYO ECONOMIC SUMMIT—DISCUSSION OF AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Right Hon. Prime Minister.

Mr. Crosbie: A modicum of sanity.

Mr. Nystrom: In the last few days in the House we have often spoken of massive United States and European subsidies with regard to the export of grain around the world and their taking some of our traditional markets. In my hand I have a copy of the background material for the Tokyo Economic Summit. Why is agriculture barely even mentioned?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, agriculture is not only mentioned but it is very prominently mentioned in our communications. Our intention is to ensure that it is on the agenda as Canada's choice.

Each country is given an option with respect to the subject matter it wishes to carry forward for specific discussions. Ours is agriculture. I can tell my hon. friend that, pursuant thereto, we have invited the leaders of the Canadian agricultural community to meet with myself, the Minister of Finance, and the Secretary of State for External Affairs in Vancouver prior to our departure.

I can also tell my hon. friend that no later than tomorrow the Government will have a very important statement on behalf of farmers in Canada.

Some Hon. Members: Hear, hear!

MEETING OF GRAIN EXPORTING COUNTRIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, at the risk of scooping the Prime Minister, will he now confirm that there will be a meeting on June 2 in Vancouver of the five major grain exporting nations? Will he also tell the House what position we will be taking as a country regarding the United States and European subsidies?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, that is something that Canada has been working at for almost a year. Since last June I have had a chance to visit the four other major exporters. The Hon. Member will know that Canada, along with the United States, the European Economic Community, Argentina, and Australia, account for 95 per cent of the wheat which is traded in the world.

We have suggested that it would be appropriate to come together at the ministerial level for a small and rather informal meeting at least to begin some discussion of the areas which concern us. We are very close to being able to announce that we will be holding that meeting on the West Coast on June 2. We have a few details to work out; but we are very close to being able to hold the first ever such meeting.

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—SAFETY OF CANADIAN TOURISTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Secretary of State for External Affairs. The nuclear accident at the Chernobyl plant in Ukraine has caused anxiety for many Canadians whose family members are currently visiting that country. Can the Minister advise the House what action is being taken to assist any Canadian tourists who might be in the area?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, our embassy in Moscow has been in touch with the two Canadian tourists and the 16 students we know to be in the Kiev area. They are all reported to be well. We are looking for more information from the Soviet Union as to the nature, extent, and implications of the accident.

I think it would be well for Canadians who might be planning a trip to that region to wait until we have more of that information clearly in hand. I will be sending consular officials from our embassy in Moscow to Kiev to ensure that there is a monitoring capacity on the ground.

* * *

THE ADMINISTRATION

YORK CENTRE CORPORATION—SHAREHOLDING INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, despite the efforts of the Prime Minister and the Deputy Prime Minister to suggest that this is the conduct of a spouse only, and despite the Deputy Prime Minister's efforts to say that he has been in touch with the Deputy Registrar General, this issue goes further than checking the records of the Minister, or the wife's particular action. It relates not to her assets alone but to a principal asset of the Minister. That is what the issue is all about.

My question is directed to the Minister. I think he will want to clear the air before the Oral Question Period is over and before the House turns to other business. Last May, was he the controlling shareholder of York Centre Corp., which had a controlling interest in Cardiff Investments Ltd., and for which his wife approached Magna International Inc. with whom he was having dealings for Cape Breton investment? Was he the controlling shareholder at the relevant time? Was he aware of his wife making that approach to Magna International? Get up and say so.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman knows—

Mr. Deans: Why does he not answer?

Mr. Nielsen: —that this is an area within the jurisdiction of the Prime Minister, namely, conflict of interest.

Mr. Ouellet: Why does he not answer himself, then?

Mr. Nielsen: He has heard the Prime Minister say that he has asked me to speak with the public official who is responsible for compliance. I have done that and I have satisfied myself that there has been full compliance. If the right hon. gentleman has a contribution to make with respect to any improvements that might be made to conflict of interest guidelines, he might respond to the letter of the Prime Minister which was sent to him on September 9, 1985.

• (1500)

Mr. Speaker: Order, please. It is now three o'clock.

* * *

POINT OF ORDER

MISTAKEN IDENTIFICATION OF HON. MEMBER

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I rise on a point of order. I inadvertently misled the House during Question Period when I—

Mr. Ouellet: How many times?

Mr. Nielsen: —when I referred to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) as having called the Assistant Deputy Registrar General. That was not correct and I apologize if I have caused the hon. gentleman any embarrassment by saying that—

Mr. Gauthier: How do you know?

Mr. Nielsen: How do I know? Because in fact it was the Hon. Member for York South—Weston (Mr. Nunziata), but they look so much alike that I was confused at the time.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

PRIVILEGE

STATEMENT BY MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a question of privilege relating to the statements made by the Minister. First, I would like to advise him that the Hon. Member for York South—Weston (Mr. Nunziata) is not here today.

My question of privilege is an extremely important one. A representative from my office as well as one from the office of the Hon. Member for York South—Weston were on the phone today to the office of the Deputy Registrar General with respect to the obligations of every Member to comply with the conflict of interest guidelines. I would like to know what right the spy from the Deputy Prime Minister's office has to receive reports on what is happening about Members of Parliament regarding a quasi judicial function which is supposed to be carried out by the Deputy Registrar General. Why is he reporting to the Government on actions of opposition Members which have to do with the disposition of their duties as Members of Parliament? I think it is a very important question and I would like the Deputy Prime Minister (Mr. Nielsen)—

Mr. Boudria: Where is he going?

Ms. Copps: I would like an answer from the Speaker because I feel that my privileges as a Member have been—

Mr. Speaker: Order. The Hon. Member is quite correct in raising that matter after Question Period if she feels it is a matter that flows from Question Period. I take it she feels her privileges were affected earlier today and I am perfectly prepared to look at the question she has raised.

An Hon. Member: Are our phones being bugged now?

Mr. Speaker: Order, please. The Hon. Member may wish to submit precedents as to how this will affect her privileges, but I will be happy to look at it.

Ms. Copps: On the same question of privilege, Mr. Speaker, am I to understand that you have reserved judgment on this situation?

Mr. Speaker: Yes.

Ms. Copps: So I assume you are—

Mr. Speaker: I do not think I have given the floor back to the Hon. Member yet. Order, please.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read a second time and referred to a legislative committee.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, correct me if I am wrong, but I believe I have about three

minutes left to complete my remarks on this matter. If you could hear me through the movement, Mr. Speaker, I would—

Mr. Speaker: Order, please. The Hon. Member is absolutely correct. The clock on the Hon. Member's time will not run for a moment. Order, please. Order. The Hon. Member for Grey—Simcoe (Mr. Mitges) and others who have meetings, please hold them somewhere else. Order, please. The Hon. Member for Hamilton East (Ms. Copps), the Hon. Member for Davenport (Mr. Caccia), order, please.

Mr. Angus: Thank you, Mr. Speaker. Obviously they are all talking about the finer points of Bill C-45 and its impact on the employees of the House of Commons.

In the few moments left to me I would like to continue making my argument. I appreciate that you are in the chair, Mr. Speaker. Our concern is for how the employees of this place are treated. What avenues do they have for a collective bargaining process that goes beyond simply setting wages but allows them to work out their duties without any interference from senior management? How may they ensure that their job descriptions are appropriate? Do the cleaning staff, the cafeteria staff or security guards have a grievance procedure as it relates to promotions?

We see from time to time that people are shifted from various places of employment because they are lacking or have certain levels of qualifications. They need to have the right through their union to go through a grievance procedure if they feel that they have not been treated fairly. Union members across the country have that right and I think we have a responsibility to ensure that those people who work for the Parliament and for the Senate have the same opportunities, or are they second-class citizens in the eyes of the Government? Clearly, the way Bill C-45 is written indicates that these employees are perceived to be second-class citizens. I think that is very unfortunate and unfair.

As this Bill goes through committee and we hear representations from these workers, whether through what they hope to be their union or as individuals, I would ask that we listen to them and ensure that the opportunities are made available to them that are made available to many other Canadians. These opportunities include grievance procedures, the right to strike, negotiations for job descriptions and the like. It is extremely important that we treat these employees no differently than we treat the other workers of Canada.

I thank you, Mr. Speaker, for allowing me an opportunity to participate in this debate. I look forward with interest to seeing the final wording of the Bill.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to say some of the last words in this round of debate on Bill C-45. While the aim of the Bill is to provide restricted collective bargaining rights for employees of the House of Commons, the Senate and the Library of Parliament, it is seriously lacking in a number of areas.

Our major opposition to the Bill in its present wording is based on its failure to provide the rights required to resolve many of the problems which draw staff members to a collective bargaining option. For example, the Bill itself prevents any real negotiation of classification, appointments and assignments of duty. Surely this is a critical component of any collective bargaining process. There must be the ability to renegotiate classifications and the assignment of duties. I do not think there is a progressive institution in the world, if it wishes to keep management-labour peace, that does not offer the option of negotiation on these critical issues.

Second, there is the entire matter of staffing, including job appointments, appraisals, promotions, demotions, transfers and layoffs. I know, Mr. Speaker, that you are well aware of long lists of abuses in hiring practices. Insiders often hire friends. I will give you an example of that, Mr. Speaker.

In a technical service, a senior position became vacant. Several employees inquired about a competition but no competition was held. The husband of a manager from another Department of the same service was brought in to fill the position on a temporary basis. Several months later a competition was announced, the now experienced husband was hired permanently and the appeal of employees in the service was denied. This kind of hiring practice has in many instances become the rule. It is an exception when a fair and open application process is at work.

Imagine what that does to the morale of employees on Parliament Hill. Good morale is required in order to carry out our duties sufficiently and efficiently and for Parliament Hill to operate in the most progressive and positive manner possible. I have lists of instances such as this where favouritism is often used, where sons, daughters and spouses of existing employees often use the back door to obtain positions of employment, and where the normal application process is circumvented. It is all too frequent; it is too often the rule.

• (1510)

I should like to identify our concerns with Bill C-45. In terms of grievance procedures, limits are set on what grievances can go to third party arbitration, and union grievances are simply not allowed. Can anyone show me a collective agreement wherein union grievances are simply denied or are not allowed as part of the process? I do not believe they exist anyplace. We are using a rather creative approach to collective bargaining and are saying that we will deny union grievances as part of the grievance procedure. Quite frankly it is inane to think that this provision ought to remain within Bill C-45.

The Bill goes on to say that the staffs of Members of Parliament are excluded from the right to collective bargaining. I think it is important for us, as New Democrats, to state our experience with employees in our offices. For some years now we have had, as much as circumstances permit, a collective agreement with the people who work in our offices. We are now in the process of looking at extending that collective bargaining process to those people who are working

in our constituency offices. I say without any hesitation that the process has worked extremely well. There have been no serious problems, and there have been serious efforts to negotiate a collective agreement which satisfies both Members as well as their staffs. I know I speak for all members of the New Democratic Party caucus when I say that we are pleased with the collective bargaining process we have developed. We are pleased with the way in which it is functioning now and would like to see it made available to the staffs of all Members of Parliament in a true collective bargaining environment. We are restricted under the existing rules, but we have enabled the collective bargaining process to advance as much as laws and regulations permit us to do. We are anxious to see it extended, not only to other employees so that they can take advantage of the progressive and positive management-labour relations which have existed in New Democratic Party offices, but we are anxious to see it expanded into law.

Another problem we have with the particular Bill is that the right to strike is prohibited. When the right to strike is prohibited in a collective agreement, one has to ask whether that provides an imbalance in terms of negotiating strength. As any progressive individual would say, of course it does in that it biases the process heavily in favour of one side of the equation.

I should like to return for a moment to Bill C-45 wherein it excludes employees of Members of Parliament. It seems to me that the Charter of Rights and Freedoms contains a clause which indicates that no discrimination will be permitted in Canada on the basis of association. Basically this means that people are free to get together to negotiate collective agreements. It seems peculiar that Members of Parliament would not permit freedom of association for those men and women who work in our offices. We feel that this point flies right in the face of the work which went into our new Constitution, particularly the section dealing with rights and freedoms as they apply to the staffs of Members of Parliament.

We are also concerned about the certification process, and that procedures will require that all union cards signed on Parliament Hill will now have to be re-signed. It seems to be a deliberate effort on the part of the Government to ensure that collective bargaining does not take place on Parliament Hill. It is unbelievable that in a free and democratic country, a country which prides itself in people being able to associate with whomever they please and in having the right of association in our Constitution, such a blatant step would be taken and men and women working for Members of Parliament would be denied the right to form a free collective bargaining unit.

One could go on and on. There are many shortcomings which various groups and individual groups have brought to our attention to date. We will now have an opportunity to fine tune Bill C-45 in the hope of eliminating some of the concerns which have been registered. We would only be doing our job if we developed a Bill which would enable all employees of Parliament Hill to participate in free collective bargaining and to have the benefits of all rights and privileges accorded to them by the Canada Labour Code and the labour codes of various provinces, so that they are treated in the same way as employees elsewhere in Canada.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is quite clear, at least to those of us in the Liberal Party, that although the Bill before us signals movement in the right direction, it requires improvement in a number of ways. I will concentrate on one of them in the limited time available to me.

In essence, the initiative behind the Bill which we welcome is that the last bastion of employer-employee relationships that has existed for so long is now being removed, namely, the group of people working on the Hill can finally organize themselves and enjoy the same rights, privileges and duties enjoyed by workers in the private and public sectors who are organized and do not work on the Hill. At last we on the Hill are adopting the same or similar principles and rules which govern Canadians who work in the public and private sectors off the Hill. It is a welcome development.

The people who toil on the Hill in a variety of activities work hard. They put in long hours, and sometimes working conditions are not the best. The final form of Bill C-45 will hopefully recognize the desirability of setting into motion an organization which will permit people who work on the Hill to put forth their requirements, their legitimate claims and the improvements which they desire at work in the same manner and fashion as workers in places other than Parliament Hill.

Specifically the Bill is weak in the provision relating to arbitration. We on the Liberal side of the House want to stress the necessity and desirability of a stronger arbitration process when required. This was the substance of submissions made by NABET and by PSAC when they made representations, particularly on subsection 5(3) and subsection 55(2). These two sections prohibit unions from referring to the arbitration process certain very important matters, namely, job classification and the questions of appraisal, promotion, demotion, transfer, appointment, lay-off, and release of employees. We realize that these are very key issues. Quite rightly and understandably, any union would want to have these considerations included rather than excluded from the arbitration process when required.

Federal public servants who are governed by the Public Service Staff Relations Act face certain limitations in terms of what can and cannot be taken to arbitration. In the case of these issues and the workers on the Hill, consideration will have to be made in order to produce a piece of legislation in tune with the times and also in tune with contemporary labour practices. We know that there is criticism and opposition to the Bill *per se*. We know progress has come very, very slowly.

• (1520)

The assumption has been made that workers on the Hill have worked until now under adequate and appropriate health and safety rights. If that is the case, we would like to see this

consideration of health and safety rights included in the specifics of the Bill. That would include the importance of indoor air quality and the safety of those who work on buildings and structures winter and summer.

Bill C-45 is due to move on to committee. We hope that examination in detail will be guided by the major consideration and principle that workers on the Hill deserve the same democratic instruments and ability to express themselves as to what they expect at work from their employers as Canadians elsewhere. It seems to me that is a most reasonable and highly desirable criterion that at last will be adopted on the Hill. With reinforcement of the arbitration process to include the items referred to earlier in this intervention, maybe we will be able to produce a reasonably good piece of legislation to the benefit of the women and the men who work on the Hill, and provide such a valuable service to all of us, and by reflection, to the people of Canada.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I did not have an opportunity prior to today to speak on this Bill. It has been a piece of legislation in which I have been vitally interested for some long period of time, as you know. I want to set out what it is about the legislation that I find offensive, and why I think the Government is heading down a path that will only cause difficulty for itself and its employees over the long haul.

What we have is a Government that writes laws that govern collective bargaining at the federal level within federal jurisdiction and sets those laws within the context of either the Public Service Staff Relations Act or under the auspices of the Canada Labour Code, and yet it refuses to give to our employees, those who work for Parliament, the same fundamental rights that we would give to all other people.

There is an inconsistency in this position with which I find it very difficult to grapple. If we believe that people in the workplace have the right to organize, and I think we have all pretty well expressed a belief in that, then why do we not permit the normal channels available to all others to be used by the employees of Parliament Hill? Why do we find it necessary to draw a piece of legislation so restrictive in its nature and scope that it makes a mockery of the collective bargaining process that we have, over many years, developed for all other people who work in our society? In essence, that is what I find most difficult to understand about the position being taken by the Government.

I could appreciate that the Government in its normal right wing way might not want to grant the right to strike, would want to take the right to strike away from everyone, and I realize that, Mr. Speaker. However, the Government has an obligation to at least give some reasons for the decisions it has taken in denying that right to one group in society.

It has long been held that it would be appropriate for a Government under certain circumstances to refuse to extend the same rights of withdrawal of services to certain employees that are afforded to all other employees. Those circumstances have to be quite clearly set out under the normal processes. Generally speaking, it is because someone works in what is deemed to be an essential service that the individual is refused the right to withdraw his or her services during a dispute over a collective agreement.

One could hardly claim, and I say this quite bluntly, that all the employees of Parliament Hill, vital though they are to our daily lives, and vital though they are to the ongoing work of Parliament, could be designated as essential in the true sense of the word. It is handy to be able to go to the restaurant and to the cafeteria, but one could hardly make the claim that the people who work there are indeed essential employees within the meaning of essentiality that is normally used for the purposes of depriving employees of the same rights enjoyed by all other people in society. The same thing could be said of a whole host of people; maintenance people, people in the library of Parliament, the Senate maintenance and messenger services, and you could come to the conclusion that though their services are appreciated by most of us, underpaid I might add, but nevertheless appreciated by most of us, they really do not fall into a category of essentiality. That is one of the areas in the Bill that I find is drawn much too finely.

The Bill does not meet the tests one would normally apply in determining whether or not the rights generally given in a collective bargaining situation are being afforded or given to the employees of the Parliament of Canada. I want to say in addition to that aspect, there are a number of other things denied our employees. To begin with, our own individual employees are denied the right to negotiate at all under the structure. Were it not for the NDP's commitment to the collective bargaining process there would be no collective bargaining process on Parliament Hill at all, at the moment. Because we believe that process works well, and because we believe in guaranteeing employees certain rights that are inviolable in the process, we have that arrangement with our own employees, the only group who has that opportunity at the moment.

• (1530)

What we do have is a whole host of serious restrictions placed in this piece of legislation on what would normally be afforded to employees either of the Government of Canada outside of Parliament Hill, or to other employees working in the private or the public sector provincially and municipally across Canada.

Let me suggest, for example, that there can be no negotiation of any worth within the terms of this Bill for classification of positions or for staffing. There can be no appeal of such things as job appointments, appraisals, promotions, demotions, transfers or lay-offs. There is a very limited grievance procedure. When you start looking at it, those are the very things for which you need a collective agreement, if you are to make any kind of protection affordable and possible. Yet this Bill denies those things to employees of the Parliament of Canada.

It is almost incomprehensible to me that we have a Government which has, on the one hand, laws in force and effect to grant certain rights and, of course, impose certain obligations, on the part of employees in both the public and private sectors under federal jurisdiction, and on the other hand a Government that claims need not and therefore will not give those self-same rights to its own employees on Parliament Hill. I find it difficult to come to grips with the insensitivity shown by this Government towards its employees. The Government displays a lack of confidence in its employees by drafting legislation that is so limited in scope and application. I believe, consistent with what has happened in most sectors of the economy, that the collective bargaining system works and works well. I believe the people who work for the Parliament of Canada are dedicated to work in the best interests of Parliament, Canada and Canadians. I believe those people would exercise their rights in such a way as not to be disruptive. They would work within the normal collective bargaining process which is in place in most other areas. The reason we are so concerned about the Bill is that it displays an attitude of distrust. It does not pay proper attention to the worth of the people who work for us. It denies them rights which we claim ought to be afforded to everyone.

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is the following one. Mr. Hnatyshyn, seconded by Mr. Wilson (Etobicoke Centre), moves that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

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

• (1540)

(*Division No. 244*)

YEAS

Members

Andre	Gagnon	Nielsen
Attewell	Gass	Nowlan
Bertrand	Gérin	Oberle
Binns	Gervais	O'Neil
Bissonnette	Gormley	Oostrom
Blackburn (Jonquière)	Gray (Bonaventure-Îles-de-la-Madeleine)	Peterson
Blais	Greenaway	Porter
Blenkarn	Grisé	Price
Bourgault	Gustafson	Ravis
Brightwell	Halliday	Redway
Brisco	Hamilton	Reid
Browes	Harvey	Reimer
Cadieux	Hawkes	Ricard
Caldwell	Hnatyshyn	St. Germain
Cardiff	Hockin	St-Julien
Champagne (Saint-Hyacinthe-Bagot)	Howie	Schellenberg (Nanaimo-Alberni)
Clark (Brandon-Souris)	Jacques	Scott (Hamilton-Wentworth)
Clifford	James	Shields
Clinch	Jelinek	Sparrow
Comeau	Jepson	Stackhouse
Cook	Jourdenais	Stevens
Cooper	Kilgour	Stewart
Corbett	King	Tardif (Charlesbourg)
Cossitt	Lanthier	Taylor
Côté (Lac-Saint-Jean)	Lawrence	Thacker
Côté (Langelier)	Layton	Towers
Crofton	Lesick	Tremblay (Québec-Est)
Crouse	Lewis	Tremblay (Lotbinière)
Darling	Lopez	Tupper
Daubney	MacKay	Turner (Ottawa-Carleton)
de Cotret	Mailly	Vankoughnet
Della Noce	Malone	Vincent
Desjardins	Marin	Warner
Desrosiers	Mayer	Weiner
Domm	McCuish	Wilson (Etobicoke Centre)
Fennell	McDermid	Winegard
Ferland	McInnes	Wise
Fontaine	McKenzie	Witer—123.
Forrestall	McMillan	
Fraleigh	Merrithew	
Fretz	Minaker	
	Mitges	
	Murta	
	Nickerson	

NAYS

Members

Allmand	Gagliano	McDonald (Broadview-Greenwood)
Althouse	Garneau	Nicholson (Trinity)
Angus	Gauthier	Nystrom
Benjamin	Gray (Windsor West)	Orlikow
Berger	Guilbault (Saint-Jacques)	Ouellet
Blaikie	Henderson	Parry
Boudria	Hopkins	Prud'homme
Broadbent	Hovdebo	Riis
Caccia	Langdon	Robichaud
Cassidy	Lapierre	Rodriguez
Copps	Marchi	Tobin—37.
Deans	McCurdy	
de Corneille		
Fulton		

• (1610)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to a legislative committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Multiculturalism—Establishment of Multicultural Business Centre; the Hon. Member for Prince Albert (Mr. Hovdebo)—Western Grain Stabilization Act—Size of payment to farmers. (b) Request for announcement of deficiency payments; and the Hon. Member for Don Valley East (Mr. Attewell)—Transportation of Dangerous Goods—Request that legislation be strengthened.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee.

Mr. Tobin: I rise on a point of order, Mr. Speaker. I hope that Your Honour will understand. I did not hear the words of the Table Clerk with respect to Bill C-75 in which I am very much interested. I did not hear because of the movement of Members in and out of the House. I wonder if it could be repeated.

Mr. Speaker: Perhaps the Table Clerk could reread the Order.

[Editor's Note: Whereupon a Table Clerk read the Government Order.]

Mr. Gray (Windsor West): Mr. Speaker, I would ask the House Leader if he could clarify what business he expects the House to debate this afternoon. There was some suggestion that we would deal with Bill C-96 as opposed to Bill C-75.

Mr. Hnatyshyn: Mr. Speaker, there have been consultations with members of the Hon. Member's Party with respect to moving on to the report stage of Bill C-75.

Mr. Ouellet: With whom?

Mr. Hnatyshyn: With both Parties. I understand that there has been an agreement that we would proceed with Bill C-75. It was requested by members of the New Democratic Party that we deal with this Bill first since members of the Transport Committee will be travelling next week. Therefore, it was felt that it would be more appropriate to try to deal with the report stage of this Bill while members of the committee—

Mr. Fulton: Are they going to Expo?

Mr. Hnatyshyn: I do not know. They are planning on travelling. As a result, I have ceded to the request. I received a letter, a copy of which went to my hon. friend.

Mr. Speaker: Order, please. The Chair has an introductory ruling to make with respect to Bill C-75 which the Chair would like to read now. Whatever else happens the Chair is prepared to put the ruling on the record since it has been distributed. I think, in fairness, the Chair should do that. Perhaps the House Leaders may want to have further conversation while I am reading my ruling.

There are 11 report stage motions on today's Order Paper in amendment to Bill C-75, an Act to amend the Canada Shipping Act and to amend the Canada Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

Motions Nos. 1 and 4 in the name of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) seek to limit the ability of the Crown to pass on to the user the cost of the services provided by the Canadian Coast Guard. In particular, Motion No. 4 specifically sets a ceiling on the amount which can be charged. Clearly, this is a relaxation of the conditions and terms of the Royal Recommendation attached to the Bill. As the Hon. Member knows, such a proposal is out of order. It would be my intention to rule this motion out of order. I would refer the Hon. Member to Beauchesne's Fifth Edition, Citation 773(7), which states in part:

> An amendment is out of order if it—relaxes the conditions and qualifications as expressed in the Royal Recommendation.

[*Translation*]

Motions Nos. 2 and 3, moved and negatived in committee, would omit certain major classes of ships from the provisions of subsection 1 of Clause 4 of the Bill.

Like motion No. 4, this also has the effect of relaxing the terms of the Royal Recommendation. Therefore, it would be my intention to also rule these motions out of order.

Motions Nos. 5, 6 and 11 will be grouped for debate and voted on separately.

Motions Nos. 7, 8 and 9 which deal with the oil and gas provisions of the Bill will be grouped for debate and voted on separately.

[*English*]

Motion No. 10 was debated and negatived in committee and will not be selected.

To allow Hon. Members time to prepare themselves to present any procedural arguments which they may have on those motions about which I have expressed procedural difficulties, namely, Motions Nos. 1 to 4, the House will proceed to debate the first grouping, that is, Motions Nos. 5, 6 and 11.

My notes here indicate that I intend to hear procedural argument on the next day the order is called, or earlier, if necessary, subject to whatever happens now.

Mr. Tobin: Mr. Speaker, with your consent, I would like to take a moment right now to comment on the ruling Your Honour has made. I believe with respect to Motions Nos. 2 and 3, in particular, Your Honour's ruling is fundamental to the entire Bill. I am sure that the Speaker, through his officials, has this material checked. Clause 4, which is what these amendments refer to, was the subject of, perhaps, 99 per cent of the testimony heard by the Legislative Committee considering Bill C-75. Clause 4 goes straight to the heart—

Mr. Speaker: Order, please. I am perfectly happy to let the Hon. Member finish, provided he understands that I must require him to restrict himself not to the substantive argument he may wish to make about his amendment, but to the procedural admissibility question.

Mr. Tobin: That is correct, Mr. Speaker. It goes right to the heart of the Bill.

As I understand it, the reality—and there was a ruling on this issue in committee—is that both Motions Nos. 2 and 3 do not in any way restrict the ability of the Crown on the question of raising funds through user fees. These motions would simply limit the Crown with respect to who can be charged. The Government's over-all objective of recovering *x* amount of dollars, whatever *x* happens to be—and we do not know yet because the Minister has not told us—would be entirely in the hands of the Government, except that the Government would be merely directed under these amendments not to charge certain categories of ships. Nonetheless, that would not prohibit the Government from recovering cost, as the Government has indicated it wants to do.

We debated this matter in committee. It was discussed fully at that time. Not only did the Clerk of the committee and the Chairman come to the decision that the motions were in order; but, ultimately, there was also some consensus in committee among members, whether or not they supported the amendments. We were very cognizant in drafting these amendments of the fact that clearly the Government's ability to recover costs would not be affected. This would limit the classes of people from whom the Government could recover costs but it would not limit, as some amendments proposed to do by completely wiping out Clause 4, the Government's ability to recover costs.

• (1620)

As you may not be aware, Mr. Speaker, in both cases but particularly with Motion No. 3, there was a very close vote in committee, a committee representing members of all three Parties. In fact, in one case an amendment was defeated by one vote, although it was supported by members of all three Parties.

Given the fundamental importance of this particular clause and the amount of testimony the legislative committee heard on it, I believe we deserve an opportunity to put our amendments before our colleagues to see whether or not the House will accept the rationale of the arguments we make. I do not know—

Mr. Speaker: Order, please. Now the Hon. Member is commenting on a Speaker's ruling. Let me repeat the citation from Beauchesne's in whole for the Hon. Member who has yet, in my view, to make an argument against the citation from Beauchesne's. This may help the Hon. Member to understand. An amendment is out of order if, first, it imposes a charge upon the public Treasury, and the Hon. Member has argued that this motion does not do that. Let us accept that. Second, it is out of order if it extends the objects and purposes, and let us accept that the motion does not do that. If it relaxes the conditions and qualifications as expressed in the Royal Recommendations, it is also out of order. It seems to me to be very clear that the effect of Motions Nos. 2 and 3 is to relax the Royal Recommendation. If the Hon. Member wishes to make a case against that, I am prepared to hear it.

Mr. Tobin: Mr. Speaker, it may be clear to you, having examined the matter as you have, that it relaxes the Royal Recommendation, but having spent months on this Bill with other members of the legislative committee under a reform measure of the House of Commons, it is not at all clear to me that this relaxes the recommendation. In fact, I would go further and say that if these particular amendments which seek not to wipe out the Government's cost-recovery ability but simply to target it are not acceptable, then I do not know what in heaven's name is the purpose of a legislative committee because this is not—

Mr. Speaker: Order, please.

Mr. Tobin: Mr. Speaker—

Mr. Speaker: Order. The Hon. Member puts the Chair in a difficult position when he extends his argument into an implied criticism of the ruling of the Chair. I do not think he intended that since I know that the Hon. Member cares about those things. The Hon. Member knows that the Chair is trying to take seriously the substantive argument he is making, but the Chair is charged with resolving a procedural question. Perhaps I could read a citation from the Fourth Edition of Beauchesne's to the Hon. Member. I am prepared to reserve on this matter and to hear another argument, but not today. The Hon. Member may wish to think about that. Let me quote

as follows Citation 246(3) of the Fourth Edition which is explicit and at length:

> (3) The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down *once for all* (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications.
>
> In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

Mr. Tobin: Technically.

Mr. Speaker: If the Hon. Member wants to argue that somehow the motion does not relax the conditions of the recommendation which imposes the Act, which is that the charges shall be levied in the manner set out in the Bill, I am prepared to hear him but he has yet to make that argument.

Mr. Tobin: Let us make that specific argument, Mr. Speaker. Clause 4 is a piece of enabling legislation only. Nowhere in Bill C-75 which is now before the House has the Government spelled out how Clause 4 as a piece of enabling legislation is to be implemented. The Speaker will be aware as well from the assistance he has received from the Table that the Minister, as part of his work with the legislative committee, has undertaken that the Government shall not spell out for a period of one year how Clause 4 is to be implemented or whether 1 per cent or 100 per cent cost recovery shall be enacted. The Government has further made clear by presentation of the legislation itself—and I invite the Speaker to review it—that there are no provisions whatsoever as to how Clause 4 will be enacted. It is a piece of enabling legislation giving the Minister power if he chooses—

Mr. Speaker: The Crown.

Mr. Tobin: —the Crown the power if the Crown chooses to exercise the ability to recover costs. There is no schedule of cost recovery attached to this legislation indicating how it will be done, to whom the moneys are charged or what percentages are charged on costs which have been assumed by the Crown. I ask you again, Mr. Speaker, given the central importance of this clause, to appreciate that since the Government has not laid out a schedule, my amendment merely asks that when that exercises occurs, this enabling legislation not apply to certain classes of vessels. It is perfectly in order because it does not take away something which to this point has not been spelled out to the House. It is a piece of enabling legislation that offers the House no idea how on earth it is to be used.

Mr. Speaker: I repeat—

Mr. Gauthier: Good argument.

Mr. Speaker: It is a good argument. However, it does not change the Chair's view.

Mr. Henderson: It changed my view.

Mr. Speaker: I will take the Hon. Member for Egmont (Mr. Henderson) at his word that his view on this question has just been changed. It does not change the Chair's difficulty, which is that the Chair—

Mr. Tobin: What is the point—

Mr. Speaker: The Hon. Member is raising a question that is not the Chair's concern. The Chair has to resolve the question of whether the Hon. Member's amendment creates indirectly or directly an infringement upon the royal prerogative, because only the Crown can do certain things by our traditions. The Hon. Member knows that that is what the Chair is up against. The Chair is prepared to reserve and consider the arguments made by the Hon. Member.

Mr. Tobin: Point of clarification.

Mr. Speaker: There is no such thing.

Mr. Tobin: I have a short point to make. I will do this for my benefit and not for the Chair's.

Mr. Speaker: Order, please.

Mr. Tobin: What the Chair is telling Members of the House is that in a new reformed Parliament—

Mr. Speaker: No, no.

Mr. Tobin: Point of clarification, Mr. Speaker.

Mr. Speaker: No, the Hon. Member is about to comment on a Speaker's ruling.

Mr. Tobin: No, I am not going to comment on the ruling. You have not heard me, Mr. Speaker.

Mr. Speaker: Order, please. There is no such thing as a point of clarification.

Mr. Tobin: Point of information.

Mr. Speaker: There is no such thing as a point of information.

Mr. Tobin: Question then, Mr. Speaker.

Mr. Speaker: That you do in writing.

Mr. Tobin: Point of order.

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan (Mr. Angus) has a similar point of order.

Mr. Angus: Mr. Speaker, if I may, in your ruling as to the grouping of Motions Nos. 5, 6 and 11, I would like to draw to your attention that Motion No. 5 and Motion No. 6 deal with an appeal mechanism that is tied into a timetable, whereas Motion No. 11 deals very specifically with the time in which the clause shall come into force.

I would argue that grouping Motions Nos. 5 and 6 together for the purpose of debate would be logical if Motion No. 11 were to be left by itself because it deals with a different subject matter. I would ask you to look at that, and the next time the matter is dealt with, hopefully you will be prepared to rule in favour of separating Motion No. 11 so that it will be debated separately.

Mr. Speaker: Our practices have always been that when motions affect one clause, an attempt is made to group them for debate. Motion No. 11 does amend a different clause in terms of its effect but its effect is to apply to Clause 4. It is for that reason that the Chair decided that it should properly be grouped for debate on Clause 4. On that basis, I am prepared to leave that grouping as indicated.

• (1630)

Mr. Lewis: Mr. Speaker, I appreciate that my hon. friend opposite and indeed other members of the committee spent a great deal of time discussing the Bill. I understand his concern, but my notes in respect of Motion No. 4 contain the same comment on Citation 773(7) of Beauchesne's. We would argue—and we may want to embellish that argument if necessary—that the motion relaxes a condition of the Royal Recommendation and is therefore out of order in accordance with that citation of Beauchesne's.

Mr. Speaker: The effect of what the Chair was saying in respect of Motion No. 4 is that because Motions Nos. 1 and 4 are connected it would take care of Motion No. 1. I take it the Hon. Member is making the argument with regard to Motions Nos. 2 and 3.

Mr. Tobin: Oh, oh!

Mr. Speaker: Order, please. Having sat where the Hon. Member is sitting, the Chair has some understanding of the Hon. Member's problem in this matter. However, it does not change the obligation of the Chair to apply the precedents and our rules.

I take it we will call Motions Nos. 5, 6 and 11 which have been combined.

Mr. Tobin: Mr. Speaker, I rise on a point of order. For future reference, if I understand correctly the ruling in this regard, one could come to the House and move an amendment to increase the Government's ability to recover but not to decrease or delete—

Mr. Speaker: Order, please. The Hon. Member is attempting to make a comment on the Speaker's ruling.

Mr. Tobin: Am I correct in my assumption?

Mr. Speaker: Order, please. The Chair does not enter into something which can only be called an *obiter dictum*. The Hon. Member may find that what he should do on any matter is make a procedural argument which he thinks is appropriate at the time, and the Chair will give it all the consideration it can.

Therefore, we will proceed to the consideration of Motions Nos. 5, 6 and 11, which have been combined.

Mr. Iain Angus (Thunder Bay—Atikokan) moved:

Motion No. 5

That Bill C-75, be amended in Clause 4 by striking out lines 19 to 37 at page 5 and substituting the following therefor:

"(3) A copy of each regulation that the Governor in Council proposes to make under subsection (1) shall be laid before either House of Parliament.

(4) Where, within twenty sitting days after a proposed regulation is laid before either House of Parliament under subsection (3), fifteen Senators or twenty Members of the House of Commons, as the case may be, by notice in writing addressed to the Speaker, request that the proposed regulation be referred to a committee, the proposed regulation shall stand referred to the standing committee of the Senate or House of Commons, as the case may be, that deals with transportation matters, or to such other committee as the Senate or House of Commons may order.

(5) A committee to which a proposed regulation is referred under subsection (4) shall forthwith consider the proposed regulation and report thereon to the Senate or House of Commons, as the case may be, within thirty sitting days after the referral is made.

(6) Where a proposed regulation relating to any particular subject-matter is referred to a committee of either or each House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) within six months after the committee that reports or last reports, as the case may be, has reported under subsection (5).

(7) Where a proposed regulation relating to any particular subject-matter is not referred to a committee of either House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) on the expiration of the time limit set out in subsection (4) in respect of the House of Parliament before which the proposed regulation referred to in that subsection was last laid."

Motion No. 6

That Bill C-75, be amended in Clause 4 by adding immediately after line 19 at page 6 the following:

"(10) Two years after the coming into force of section 3.1 and every two years thereafter, the Minister shall refer section 3.1 to the Standing Committee on Transport for the purpose of reviewing its economic impact on users of services provided by the Canadian Coast Guard and the committee shall report not later than the sixtieth sitting day of the House, following the request for review."

Motion No. 11

That Bill C-75, be amended in Clause 87 by striking out line 32 at page 111 and substituting the following therefor:

"by proclamation, with the exception of section 4 which shall come into force on or after January 1, 1988."

He said: Mr. Speaker, briefly, the purpose of Motion No. 5 is to take Clause 4 one step further in its evolution as developed through the legislative committee. As it stands now, the Bill provides for publishing any regulation under Clause 4 dealing with who should be charged, how much they should be charged, and under what condition they should be charged. What about the requirement for a public review process? Let us keep in mind that ultimately the Minister of Transport on behalf of the Crown makes the determination. Officials may assist him or her in determining the mechanisms and the amount, but ultimately it is the Minister of Transport who signs the document which goes to Cabinet for the appropriate order. Under the current Bill the only public review provision

is that it shall be published in *The Canada Gazette* at least 90 days before the proposed effective date thereof, and a reasonable opportunity within those 90 days shall be afforded to interested persons to make representations to the Minister with respect thereto. In other words, an appeal can be made to the person who approved the regulation.

I am proposing in Motion No. 5 a mechanism which would allow someone who is concerned about a particular regulation to lobby his or her Member of Parliament. For example, such persons could have concerns about the impact of a regulation on the movement of grain west or east, or its impact upon shipping in the St. Lawrence and the ability of that industry to survive. It could be a concern about potash, iron ore, or any other bulk commodity which is moved by marine services. They could be concerned about its effect on the North, in Atlantic Canada, or on the Pacific Coast. They could also be concerned about its effect on fishermen or recreational boaters. In any event, if they are concerned about a regulation, under Motion No. 5 they would be able to lobby their Members of Parliament who in turn, assuming that they agreed with the concern, would collect the signatures of 20 Members of the House. This would open up a review mechanism by a standing committee. For example, it would be logical for the Standing Committee on Transport to consider transportation matters. This would provide for a public forum and provide for some consideration of the impact, whether it is a 1 per cent increase, a 10 per cent increase or whatever. When one is fighting for nickels and dimes, every added cost has a very real and detrimental impact upon one's ability to sell one's product or to move someone else's produce.

Motion No. 6 is an extension of that concept. It would put into place an automatic mechanism so that every two years after the legislation was proclaimed, the Minister would refer Section 4 to the standing committee for the purpose of reviewing its economic impact on users of services provided by the Canadian Coast Guard, and the committee would be given 60 sitting days within which to report.

Similar mechanisms exist. We have seen them applied in the House. Although the report has not been tabled within the last few days, I would anticipate that very shortly a report under the Western Grain Transportation Act will be tabled as a review of the process enacted by Parliament. We want a chance. There are those of us on this side of the House—and I suppose there are others on the other side of the House who feel the same way deep in their hearts—who do not really want Clause 4 because we know what will be its impact upon the marine community. However, the reality is that the Government is not prepared to remove that clause, and we have to try to improve it as part of our job as Members of the House. We want to give the Government the opportunity, two years down the road, to review what has happened and to look at the impact of whatever fee was imposed upon grain producers and upon every other user of the marine service.

Motion No. 11 reads as follows:

"by proclamation, with the exception of section 4 which shall come into force on or after January 1, 1988."

One may ask why that particular date was chosen or why we did not choose 1990 or the year 2000. If I wanted to play games with the House, that is what I would do. However, I wanted to be serious. During the debate in committee and the representations by the Minister of Transport (Mr. Mazankowski), as well as those by his parliamentary assistant, we heard that it was not the intention of the Government to have Clause 4 proclaimed immediately. Even after it was proclaimed, we heard that it would take a year to put into place the regulatory regime to allow it to be implemented. We were also told that it was not the intention of the Government to proclaim it until January 1, 1987, or some nine months from now. Therefore, if we take into account the year in which the regulatory process would be developed, it takes us to January 1, 1988. All I am doing in this particular motion is taking the Government's word in enacting the piece of legislation.

The main problem with Clause 4 is one of process. Aside from any ideological opposition to user pay, cost recovery or whatever, there is a process problem. We argued before the committee that there is another way. The Minister and the Crown want to have the legislation now and then negotiate, discuss, consult, with the users of the St. Lawrence Seaway, the Port of Vancouver, the Port of Prince Rupert, the ports in Atlantic Canada and the ports in the far north. The Minister and the Crown want to have that hammer so they can strike a deal to force the shippers into a corner where they have to take something that is not acceptable to them. Instead, they should be sitting down with representatives of the Dominion Marine Association, the Great Lakes Waterways Development Association, the International Association of Great Lakes Ports, the Canada Ports, the prairie producers of agricultural products, the coal, iron ore and the steel industries.

• (1640)

The Government should sit down and talk with the industries about their realities, not just the realities of the deficit the Government has that it wants to try to eliminate, which it is doing, by nickeling and diming certain industries. We already see our farmers having a 19 per cent reduction in the prices of their products, and we are going to add to the cost of moving those products, whether through the Seaway, Vancouver, Prince Rupert or Churchill. As a result of Clause 4, Mr. Speaker, those costs have nowhere to go but up.

What we would like to see is Clause 4 out of this Bill. We argued with the Government about it. Why not consult and see if a deal can be struck with the users of the marine services and Coast Guard services to pay for part of the operation? Perhaps it is just a matter of timing when these things should be implemented as opposed to the amounts. We heard in testimony before the committee that if this were 10 years ago when things were booming and everything was moving through the Seaway, there would likely be no objections to a Seaway toll, a coast guard fee, because the industry was booming and making money. Today, the industry is laying up ships. We

have seen the fleet on the Seaway decline in considerable numbers over the last three or four years. The timing is all wrong, Mr. Speaker.

If we cannot pull this clause out of the Bill, we will have to give the shippers, the producers, the users, an opportunity for a review process at the time when the regulations are tabled so they can go to some other body, that body being this House, to argue that those regulations as they affect them are not appropriate at this time. Second, there should be an opportunity for this House to review its own work every two years to make sure that we have not done something, then forgotten about it, only to find that year after year there are two or three fewer carriers in place.

I would encourage the Government to give consideration to providing this kind of an appeal mechanism. It is consistent with other Acts that have come out of this Parliament and it makes a lot of sense to adopt these proposals today.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to be able to put a few words on the record regarding Bill C-75 which I know you know, and other Members of this House know, is not a terribly well drafted piece of legislation yet, but we are working at it today, particularly in relation to amendments to Clause 4.

This clause, as the Minister's Parliamentary Secretary knows, has raised the ire of those in the vessel ownership community from one end of the country to the other. I know that Clause 4 subsection 3.1, to which my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) is directing his Motions Nos. 5 and 6 in particular, has been negatively received by communities in my constituency, especially Prince Rupert. Whether it is the commercial fishing industry or people involved with larger vessels that come in for coal, grain, wood or anything else, they have been quite alarmed at the potential effects of subsection 3.1 and the way in which it might be implemented. I know when I spoke before that I said it was a bit of a trojan horse regulatory clause. It does not provide for the specifics of what most vessel owners would like to see in place.

I know that motions have been passed by the city councils of Prince Rupert, Kitimat and Stewart. I know there has been extensive correspondence to the committee, to the Minister and myself from the Queen Charlotte Islands and from many other areas on the North Coast from Hartley Bay, Kitkatla, Metlakatla, Oona River, Queen Charlotte City, Sandspit, Point Clements, and Masset. They have all gone on record as making sure that the Minister is aware of their concerns, particularly about the size of the cost recovery which the Minister indicated on the record some time ago was what he had in mind, it being 15 per cent of the roughly $826 million which was the calculated cost for Coast Guard services for the coming fiscal year. This meant that the Minister was trying to get something well in excess of $100 million in user-fees from vessel owners.

While this clause has gone through committee stage and has had some further potential cost recovery items added to it, for that reason before going to Motions Nos. 5, 6 and 11, which have been grouped for this afternoon, I would like to deal with the new wording of Clause 4 which would amend subsection 3.1. It says:

> For the purpose of defraying the cost of services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, sounding and dredging, vessel traffic services, ice-breaking services and marine aid.

As I am sure Members of the House know, the words "sounding" and "marine aid" have been added. In an area of the country from where I come which represents many thousands of miles of coastline, including some of the most treacherous waters anywhere on the continent, in particular the Hecate Strait which frequently gets winds up to 100 miles an hour and where very large and very small vessels run into extreme difficulties, many large and many small boats have gone down with a great loss of life. Mariners generally, whether they go out to sail, to fish, or to operate tugboats or large vessels, are always concerned about weather changes and safety.

One of the elements of safety touched on by Clause 4 in subsection 3.1, as it is written, is that it brings in the idea of cost recovery without making it clear what the conditions are wherein cost recovery would be considered. As fishermen have pointed out to me, if you were out in a boat with waves only four feet high with winds blowing about 25 mph out of the southeast and you are trying to make a decision whether to call the Coast Guard because you know that one of your friends three months before had to put a similar call in similar wave and wind daytime conditions only to have had to pay full user-fee costs to be brought back into Prince Rupert, you would have to weigh the situation. You might wait until the waves are five feet high and you are taking on water, a couple of hundred gallons a minute, but then it might be too late.

The Canadian economy shares generally in the benefits that come from the northern B.C. coast, $500 million this past year, from the fishing industry, the export of coal, grain, wood or regular transit of tourist vessels, the B.C. ferry system and everything else that goes on in marine commerce on the West Coast. Or, as my colleague has so ably pointed out, as regards the Seaway, and our northern and eastern coasts. These kinds of things need to be responded to much more clearly by Parliament and the Minister than has been the case to date. That is why my colleague has put before us Motions Nos. 5 and 6. Those affected by the new regulatory mechanisms, everyone who owns a company, large or small, and who has something other than that which is rowed around or sailed around is seriously interested in where these regulations are going to go. Yet we do not have them. As the Speaker said earlier today, there is no schedule in this Bill as to what the regulations are going to be. It is a big unknown. It is still a Trojan horse document. Vessel owners and operators do not know what the cost is going to be. Since it is a prerogative of

the Crown to provide a precise regime within which the regulations could come forward, my colleague has put forward a way in which those affected by new regulations can go to their Member of Parliament. He or she can get in touch with 19 other Members of this House and launch a process whereby a regulation can be reviewed by a parliamentary process. There is a precise time frame within which that is to be reported back and dealt with.

• (1650)

Motion No. 6 goes further than that. It provides for an economic review of the impact of these user-fees on various sectors. That is a good idea, particularly when we look at what is happening in the U.S. There is legislation before the U.S. Congress to remove all Seaway fees. Here we have a Republican administration saying it does not think this idea of user-fees and licence fees and all these other things is good for commerce. Our country benefits generally from this kind of commerce so we are going to do away with the fees.

There you have the right wingers to the south of us saying that this is not the way to go. Yet here we have the Minister of Transport and his colleagues saying that they are looking for some other way to raise another $100 million or $200 million or $300 million, so we are going to have regulations. "We will not tell you what they are or how you can change them or when we are going to proclaim them, or exactly how they are going to affect you. Just, here it is, you voted for us and you are going to get it anyway."

I think Government Members should, in good conscience, vote in favour of these two motions because they provide a mechanism to protect their constituents and local economies. They provide for a very important process whereby a badly drafted Bill such as this one can have some of its negative or positive aspects reviewed by the House. I think that makes good sense.

I see you are indicating that I am running out of time. That is too bad because I know my constituents are very much interested in seeing this Bill changed, in particular Clause 4. It tends to go after those who should not be subject to these kinds of costs. I am thinking again of those in the fishing industry running very close to the line. As we learned today, this Government does not intend to do anything about an inappropriate countervailing duty brought against all our fishermen on the East Coast. That duty will mean a couple of million dollars out of their pockets. Many of our coastal industries, the fishing industry and many of our commercial trades, are very close to the point of just breaking even. Many of these user-fees require very close scrutiny by this House. That is why I think these motions should be supported. I trust you will be voting the right way, Mr. Speaker, later today.

Some Hon. Members: Question.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, there should be no question here today until such time as Members have had an opportunity to discuss this Bill thoroughly. I know that Members, deep down, are concerned about the impact of Bill C-75. About 99 per cent of the representations the legislative committee heard concerned Clause 4. That is true regardless of where the representations came from, whether it be the Canadian Boating Association in Ontario or British Columbia, or fishermen in Atlantic Canada and British Columbia. What they were most concerned about was that this clause gives the Government the power to impose user-fees on various boat owners. It does not matter whether they run great ships through the Great Lakes or paddle a canoe in an acid-filled lake in Ontario.

The great frustration for all those who came before the legislative committee, and the great frustration for every right thinking Member of the House of Commons about Clause 4, is that even though the Bill gives the Minister the power to impose charges for what was provided as a service by the Government, he has not defined who or how much he is going to charge. Is he going to charge 1 per cent of the cost of providing a service or is he going to charge 100 per cent? I suppose, at least in theory, the Minister could impose a charge equal to 150 per cent of the cost of providing a service. He could make money on the deal. He could make it a commercial operation under Clause 4.

The Government is asking Members of Parliament to pass a Bill which will allow the Minister to impose charges on Canadians without giving us any idea whatsoever how they are to be imposed. A fishermen in a community in P.E.I. is looking at a loaded gun with the trigger pull being passed to the Minister of Transport (Mr. Mazankowski). He does not know whether the Minister is going to fire a warning shot, put one across his bow, or blow his head off. He has no idea whether a little bit of buckshot is to be sprinkled on the tail end of the boat, hitting a few lobster pots, or whether it is going to send him to the bottom. The Minister demands and will receive, if the majority responds in the normal way, the authority to impose these charges. We are not to be told how that gun is to be used. That is simply unacceptable. I ask Members to reach down inside themselves and question their conscience, their sense of democracy, their sense of the right of the individual in this country, and reject this archaic legislation, which of course is not deserving of consideration by intelligent men and women of conscience in this Chamber.

[*Translation*]

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

• (1700)

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

The House resumed from Friday, November 30, 1984, consideration of the motion of Mr. Nowlan that Bill C-201, an Act respecting the official designation of "Nova Scotia", be read the second time and referred to a legislative committee.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I rise to speak on Bill C-201, an Act representing the official designation of Nova Scotia. I want to express the gratitude of the House to the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) for presenting this Bill, which obviously is important to him as a Nova Scotian.

This Bill's thrust is as follows: In every place where the words "Nova Scotia" appear in any Act, regulation, statutory instrument, report, contract, lease, licence or other document the proper designation of this name in both official languages is and shall be "Nova Scotia".

The purpose of this Bill is to retain the Latin title "Nova Scotia" for official purposes, in both English and French documents. This would mean, more specifically, that the designation "Nouvelle-Écosse" would be changed to the Latin, "Nova Scotia".

These issues, especially where proper names are in question, can lead to emotional debate, and in my view these kinds of questions should be considered very seriously before decisions are taken on them.

There are also other very serious points of a constitutional nature which should be made with respect to this Bill. To begin with, as worded this Bill would apply to any report, contract, lease, licence or other document. However, by Section 92(13) of the Constitution Act, 1867, jurisdiction over property and civil rights in the province belongs to the province, and to this extent the legislation would be subject to constitutional challenge. I wonder if it is the intention of the legislation to require, for example, that the Bank of Nova Scotia, which is well known in French as La Banque de Nouvelle-Écosse change its French letterhead in writing to French clients. Indeed, if it could not use the French name in written documents, would it necessarily follow as a business matter if nothing else, that it would also need to change any signs on its building?

According to the Official Languages Act and the Constitution Act, 1982, both versions of Acts of Parliament in the official languages of Canada are equally authentic. It happens that the name "Nova Scotia", and its French version "Nouvelle-Écosse", appear in some 40 federal statutes, including the Supreme Court Act, the Judges Act, and the Interpretation Act. The French version "Nouvelle-Écosse" also appears, of course, in other jurisprudence.

It appears that for at least 270 years "Nouvelle-Écosse" has been the accepted French term to describe Nova Scotia. Encyclopaedias, text books, dictionaries, atlases, journals, periodicals, newspapers, et cetera, throughout the French-speaking world have used and are using that expression as a matter of course, and nowhere is there any indication that there might be some doubt about its propriety.

You may agree, therefore, that we are dealing here with an issue that goes much beyond legal technicalities and that it is surprising to discover that a time-honoured expression such as "Nouvelle-Écosse", which is solidly enshrined in a language as universal as French, should be questioned on grounds, allegedly, that there might not be a proper basis for it. It might be noted that common usage, when it comes to names of countries, places, et cetera, is recognized in Section 30 of the Interpretation Act.

In any event, "Nouvelle-Écosse" was used to describe this area by France and Britain, the two successive sovereign authorities originally there, in the official French version of the Treaty of Utrecht, 1713. It would seem to me that several centuries of use give legitimacy to the words "Nouvelle-Écosse".

The Acting Speaker (Mr. Charest): Debate.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I have known the Hon. Member from Nova Scotia a long time. In fact, he was a Member when I first came to the House of Commons almost 14 years ago. One of the things that I have always recognized is the dedication and the sincerity of the Hon. Member. Certainly he has been a very stalwart Member of Parliament, as well as a very imaginative one. He has made a tremendous contribution, not only to this House of Commons, but to Canada generally.

There is no doubt in my mind that in proposing this Bill he did it as a dedicated Canadian. He did it as he felt it was something he thought should be done, especially coming as he does from that province. Anything that we have to say is in support of his dedication.

When we look back at the debate which took place on this Bill on March 27, 1981 when it was a Bill called Bill C-217, I must admit that I found interesting the various points of research which the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) presented at that time in support of his motion. That speech was really a mini-history lesson outlining as it did the origins of words like Quebec, Ontario and Canada. My earliest recollection of Canadian history was the native word for Canada which was "Kanata". No doubt that is one of the reasons we have a small community near Ottawa today that is called Kanata.

Without doubt, many Canadian words have their origins in various languages. Native Indian or Inuit words, for instance,

are very prevalent in place names. This is logical, taking into account the historical development of our country, and taking into account, first of all, the native population that was here when the early explorers found this part of the world. We had people from many nations that found their way to our country. I think one of the earliest stages of history found the North American continent divided, north and south, between the Portuguese and the Spanish. Then as history progressed, changes took place. Then there became a division on the 49th parallel. There have been many changes made, and each individual who came to this country brought with him a part of his own homeland, a heartland that he really appreciated.

For instance, there is Kananaskis, which is very much on the map now as far as Alberta is concerned, there is Lac la Biche, and then take the other word, "cafe". I have heard people from south of the border call it "cafee", and then, of course, others call it restaurant. There are many interpretations of different words that we have in our language.

Few Canadian place names can boast of a Latin origin, but Nova Scotia is one of them. In English that Latin designation has remained rather than being translated into "New Scotland". In French, "Nouvelle-Écosse" was chosen as the name for Nova Scotia. Apparently, "Nouvelle-Écosse" has been the accepted French terminology for at least 273 years. That is a long time in Canadian history. It is described as "Nouvelle-Écosse" in the official French version of the Treaty of Utrecht of 1713. I do not know how many Members are aware that Utrecht is in Holland. One of my earlier relations came from that part of the world. This is no recent development. We are looking back at the very roots of Nova Scotia—*aux vraies racines de la Nouvelle-Écosse.*

• (1710)

Place names become dear to our heart. It may be that Francophones, who over the years have known Nouvelle-Écosse as either their province of origin, or as a splendid Canadian province that they would like to visit, cannot easily change their habits and suddenly think of Nova Scotia. I wonder if there is any solid reason for doing so? Nowadays, Nova Scotia is commonly regarded not as a Latin name but as the English version of the Province's name. Surely Francophones would prefer a title which is clearly French and which has been so through the centuries.

I know that the Hon. Member for Annapolis Valley—Hants has gone to great pains to point out that the motivation for his Bill has nothing to do with the bilingual question but that it has to do with the importance of using proper names for places in this country: "The proper use of proper nouns", as the Hon. Member put it. At the outset I tried to make the point that the Hon. Member for Annapolis Valley—Hants is very sincere in what he is doing and what he is proposing. I am sure that many Hon. Members feel that "Nouvelle-Écosse", a designation in use for close to three centuries, is indeed the proper use of a proper noun.

The Hon. Member for Annpolis Valley—Hants has stated on occasion that he would like to see the name changed in terms of tourism. Surely, saying: "*Venez en Nouvelle-Écosse*" can be as great a spur to tourism as: "*Venez en Nova Scotia*".

Think of all the maps that would need to be redrawn, all the legislation which would need to be redrafted, all the signs which would need to be repainted if the name of the province were changed. Perhaps one of the weaknesses of the Bill is that the Hon. Member has not thought about the problems that it would create.

I am not opposed to change just for the sake of opposing change. I have always believed that I am a person who always looks to the future with optimism. However, we know that there are many reasons for changing place names. Istanbul versus Constantinople reflects a change in political power. Tanzania versus Zanzibar and Tanganyika reflects a change in geographic boundaries. Members of the House will be aware that even the names of our constituencies change from time to time as a result of the change in boundaries.

Pearson International Airport as opposed to Toronto International Airport reflects a means of paying honour to a respected statesman. Many changes are made from time to time for special reasons, but those reasons must be sound and reasonable.

There are all kinds of reasons for changing place names. In order for the change to stand the test of time, there has to be compelling logic behind it, because Canadians are logical people who want to know why changes are made.

In the present case, I can think of no reason so compelling that it would cause me to unseat the present nomenclature of "Nouvelle Écosse" for another name.

I am grateful for this opportunity to speak on a very important matter to the Hon. Member for Annapolis Valley—Hants. I am pleased that we are able to express our own concerns and feelings in Private Members' Hour.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to make a short intervention with regard to the Bill put forward by the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan). Personally, I have mixed feelings about this Bill. I understand the Hon. Member's desire to assert what he believes very strongly is the name of his home province.

I am reminded of my childhood, growing up in English Canada, and being told of a place along the St. Lawrence River called Three Rivers. Over time, with the change in official documents and the usage of the name, that community reverted to its original French name of Trois Rivières. Similarly, I believe the Hon. Member for Annapolis Valley—Hants is attempting to provide for the recognition that Nova Scotia, or New Scotland, is a name that reflects its Scottish heritage and should be recognized as such.

Having said that, I am not sure that we in the House of Commons are the ones who should initiate that kind of change. I would be very reluctant to do so unless we had a very definite

resolution passed by the Legislature of the Province of Nova Scotia indicating that there is the collective desire for such a change. At that time, perhaps with a petition from Members of Parliament from that province, the House could give further consideration to the Bill brought forward by the Hon. Member for Annapolis Valley—Hants. However, I also have no objection to this Bill going to a committee of the House for further consideration.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I can't help thinking Bill C-201 is rather confusing, if we read the French title of the Bill: "Loi concernant le nom officielle de la "Nouvelle-Écosse"", and then realize that the designation "Nouvelle-Écosse" is being challenged by this Bill.

"Nouvelle-Écosse" is a designation hallowed by a 300-year old tradition, as was already pointed out. It is the name we find in the Treaty of Utrecht, under which France ceded Nova Scotia to Great Britain in 1713. The region belonged to the French from 1667 to 1710. Originally called "Acadie", it was known as "Nouvelle-Écosse" in the early 1700's. Mr. Speaker, personally I would hesitate, and so should all Members of this House, to reverse this historic tradition.

The French designation for this part of the country has been "Nouvelle-Écosse" in all Canada's official documents, including documents of a constitutional nature.

As Hon. Members are well aware, the Constitution is a document that applies both to the provinces and to the federal Government. I do not think the federal Government can unilaterally change the official title of a province without obtaining prior consent from that province.

I don't think we have any reason to believe that there is a vast movement of support in Nova Scotia for this Bill. It seems that Nova Scotia's Francophones are quite satisfied with the name of their province. Substituting Nova Scotia, now considered more as an English than a Latin designation, for Nouvelle-Écosse, would be of no benefit to Nova Scotians of French origin.

I also think that a particularly compelling argument is provided by toponymy or the study of place names. In toponymy, current and past usage is one of the main elements to be considered.

The Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) emphasized that he was in favour of the Latin designation, not conformity with English usage.

With all due respect for Latin and its vital contribution to our civilization and even to both our official languages, there is nothing in Canada today that really obliges us, either historically or traditionally, to give precedence to the Latin version. The designation "Nova Scotia" is no longer considered a Latin term. Over time and in common usage, it has acquired an English connotation for the purposes of geographic designation.

Mr. Speaker, I think we should act prudently and without undue haste, since we lack a consensus reflecting all the views of the various groups in our society. I also have some hesitation in agreeing such a measure would be both practical and justified.

• (1720)

[*English*]

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I find very interesting the arguments of the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) for introducing this Bill which would supplant "Nouvelle-Écosse" with "Nova Scotia". According to the Hon. Member, the name "Nova Scotia", because it is Latin, should not be translated because in translation it loses its status as a proper name.

When we travel abroad, we travel to Venice, not to Venezia. We go to Florence, not Fiorenze, and to Rome, not Roma. In our English and French usage, we have not hesitated to change the names used in various countries, adapting them to our own linguistic milieu. Similarly, there is nothing sacrosanct about the Latin words "Nova Scotia". In English we could have changed that to "New Scotland". But that did not happen, and over the years the fact that "Nova Scotia" was Latin became more or less submerged by the fact that "Nova Scotia" was the English designation for a Canadian province, otherwise known as "Nouvelle-Écosse" in the other major language of Canada.

This is an historical fact. There is nothing peculiar about it. There is no law that says English and French must evolve in exactly the same way. Indeed such a premise would be an antithesis to all these persons who view the properties of our two official languages as being unique and unbridled. In short, just because English Canadians did not change "Nova Scotia" to "New Scotland" is no reason for French Canadians not to have changed the name to "Nouvelle-Écosse". To seek linguistic conformity in regard to vocabulary would be an affront to both our official languages.

I wonder if the Hon. Member has considered all the changes which would be necessary if this Bill were passed. My colleague who spoke before me has already referred to changes in maps, legislation and signs which would be required to reflect the new reality. Changes would go far beyond matters of federal jurisdiction. Every town and hamlet in Nova Scotia would be affected. And while there might not be a wholesale rush to change the letterheads of companies, name plates on buildings and tourist maps and other written materials about the province, there would be a certain confusion about the whole situation. One could even envisage factions arising; one faction saying: "Leave the maps and name plates alone" and the other saying: "No, we must reflect what has been legislated."

Every benefit must be weighed against possible disadvantages. If the disadvantages are weightier than the benefit, then it is very much to be questioned if there is, in fact, a benefit.

This is a situation of that type. If indeed it is a benefit to have purity of form in respecting Latin, then let us weigh that against the factors of the effect on the population and the cost.

If this Bill were to lead to great happiness in the province by those persons affected by the change, I would favour moving ahead quickly with this Bill. However, I must admit that I can see no striking advantages.

I would like to add another factor for consideration, that of the image abroad. More persons than ever are travelling to Canada these days because of Expo and what is happening overseas, and we can assume that many of them will want to travel to our beautiful seaside province known in all Francophone tourist literature as "Nouvelle-Écosse". Who is to explain to all these hordes of would-be tourists that, alas, Nouvelle-Écosse is no more? What will Francophone tourists think of a province which has just lost its clearly French appelation? How will they interpret that, I wonder? Would they be disappointed or upset by this change? I think that would be unfortunate, Mr. Speaker.

Nova Scotia, with its Acadian culture and its growing number of Francophone institutions is proudly Francophone, just as it is proudly Anglohone. Both parts of that collectivity deserve the right to express themselevs in the name which they have chosen historically and to which they have cleaved over the centuries, Nova Scotia in English, Nouvelle-Écosse in French.

I also wonder what has happened to the Official Opposition. We do not have one member of the Liberal Party in the House of Commons, not merely to contribute to the debate, but there are none here at all. Thank you and merci, Mr. Speaker.

[*Translation*]

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, my name is Carole Jacques, Member for Montreal—Mercier. Mr. Speaker, a lawyer's memory never fails, they say.

Mr. Speaker, I should like to speak to the Bill entitled An Act respecting the official designation of "Nova Scotia" . I want to approach this matter from a national angle.

One might say that the name "Nova Scotia" is part of the cultural heritage of Nova Scotians and, in fact, of all Canadians. It is a part of our cultural heritage because it is the name which for nearly 300 years has appeared in all our official documents, all our newspapers, all our business or personal correspondence.

How would a Francophone used to saying "Je viens de la Nouvelle-Écosse" feel if, henceforth, he had to say "Je viens de la Nova Scotia"? Probably the same way an Anglophone would feel when saying "I come from Nouvelle-Écosse". One would get the impression the sentence was begun in one language and finished in the other.

The words "Nova Scotia" may very well be derived from Latin, but still they do sound English because they have been used for years to designate one of our maritime provinces. It would be too much to ask Francophones to say "Nova Scotia" instead of "Nouvelle-Écosse", just at it would be to ask Anglophones to substitute the words "Colombie-Britannique" for the words "British Columbia". In either case it would be foreign to the speaker's language.

Is there any logic in the fact that Anglophones did not translate the latin phrase *Nova Scotia*, as Francophones did? Rather than logic, what is involved is a historical process that led to the constant use of the words *Nova Scotia* on one side, and *Nouvelle-Écosse* on the other. I feel it is not proper that we should be logical to the point of imposing uniformity in all areas.

Canada was not built on uniformity. The proof is that we have here today French-speaking Members and English-speaking Members. What gives this country its character is that it was developed under the influence of various stimuli, each evolving in its own right. Let us not now impose rigid uniformity.

Mr. Speaker, when I was a child, I had the chance to visit Nova Scotia, and its people with their extraordinarily warm hospitality that is well reflected in the words *Nouvelle-Écosse*. It would be infringing upon their rights if we were to substitute the latin name *Nova Scotia*. The rights of citizens secured over centuries, contrary to toponymic usage, would require amendments to constitutional documents—and besides, this is a provincial matter—and a number of necessary changes dealt with by federal law, and soon and so forth, Mr. Speaker. This would have a negative impact on the French-speaking population, because *Nova Scotia* is perceived as an English name.

The translation of names goes contrary to good usage with respect to proper names. The name is Latin and not English. The name is to be found in the 1621 Charter issued by King James to William Alexander. We must realize, Mr. Speaker, that Nova Scotia has very dynamic minorities which have vested rights over time that we cannot infringe upon. We have to respect as a Government and as a federal Parliament the rights of the French-language minorities outside Quebec.

The Acting Speaker (Mr. Charest): Order, please. Debate. The Hon. Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Lanthier).

Mr. Claude Lanthier (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, I welcome this opportunity today to see our Anglophone Members in the House of Commons vehemently defending a French designation whose existence has been consecrated by history! I am very proud of my Anglophone colleagues today.

• (1730)

[*English*]

I am proud of my Anglophone colleagues who are defending so vigorously the French appellation "Nouvelle-Écosse". This is an historic moment, not only in the House of Commons, but in the Progressive Conservative Party, which was once

renowned as an English-speaking Party. Today, we have direct proof to the contrary.

[*Translation*]

To get back to the debate, Mr. Speaker, some examples were given earlier of foreign designations of certain cities famous for their culture, such as the French "Venise" and the English "Venice" for the Italian "Venezia", and for centuries no one has objected to the different names in other languages. Even London, which is called "Londres" in French and London of course in English. There is Greece and the magnificent island of Corfu, Kérkyra, and here again there has been no objection to these different designations through the ages.

Mr. Speaker, the name "Nouvelle-Écosse" has been hallowed by history and by the suffering of a people that deserves all our support and admiration, and I am referring to the Acadians.

It is probably the only vestige Acadians have retained of their country of origin, and I am referring to this very direct and very French designation, "Nouvelle-Écosse", which was immediately accepted by all Anglophones in the surrounding area, even in Prince Edward Island.

I wonder what will happen if we have to change the name of a province. What all those lawyers are going to think up—some would say there are too many of them here in the House—what are all those lawyers going to say when the door has been opened by legal precedent? Will they dare change British Columbia to Canadian Columbia? Will they ask to change "Nouveau-Brunswick" to New Brunswick or Nouvelle-Allemagne? Where will that open door lead us?

Therefore, Mr. Speaker, I respectfully submit to the House that the designation "Nova Scotia" was adapted and adopted by the English because of its cultural flavour, the ability to speak Latin then being the "in" thing in some European courts. That's the reason why the English had adopted it. It is clear, however, that if they had wanted to call it "New Scotland", they would have done so as they did for New Brunswick. I think that the designation "Nouvelle-Écosse" is a time-honoured one which should be preserved jealously not only for the local people, but also for the people in Western Canada, in Ontario, as well as in Quebec who have always known our Canadian provinces by their own names. And the designation "Nouvelle-Écosse" suits perfectly the fine province of Nova Scotia. I suggest, therefore, that we should keep it.

Second, I feel that this is not the proper forum to discuss such an issue, Mr. Speaker. I suggest it is the fact of a very old Government to say that we are going to send instructions to the provinces. The previous Government, missed by a small minority of Canadians, had the despicable habit of sending edicts to the provinces and to tell them: That is what you are going to do. We, from the province of Quebec, know it, because we were imposed similar things with the last Constitution. This Government, however, will respect the basic rights of the provinces and we sincerely believe that, strictly speaking, it is up to the provinces to discuss at least their name.

I think, therefore, that we should first of all refer the matter to the province of Nova Scotia before coming up with this instruction to be imposed to an individual Canadian province.

Third, Mr. Speaker, we must realize that on all maps throughout the world, the designation "Nouvelle-Écosse" appears. In my career, I have had the opportunity to work for Zaire, a Francophone country in Africa. And I have seen in that and other countries maps of the world showing Canada with its provinces where the names "Nouvelle-Écosse" and "Nouveau-Brunswick" appeared. These people were aware that they had French maps of the world and that French is a universal language.

By the way, if we are to make or propose changes, I dare say that we should suggest in good French the expression "adjoint parlementaire" to replace "secrétaire parlementaire". It would be a very good French designation which is used in Geneva, Paris and Quebec City. I think that the expression "secrétaire parlementaire" is an anglicism which we shall have to rectify one of these days.

But that is not the issue now before us, the debate is rather concerned with a name change for a province that has not yet made an official request—even though it does not have to ask—and has not yet expressed any wish to have its name changed.

Therefore, I would like to suggest to the House that this would imply a number of changes, the updating of all world maps, charts, even radio systems, navigational systems that use the phrase *Nouvelle-Écosse* in French.

Fourthly, it goes without saying that to our proud French Canadians who are struggling in that beautiful country that was Acadia and has been Nova Scotia for a few centuries now, we must not give the impression that they are being deserted. As representatives of all Canada, we must support the remnants of French culture that may remain in difficult areas of Canada. French Canadians who are a very small minority in those areas of Nova Scotia should not be made to feel they are being shelved for good by that change in the name of their own province.

Therefore, Mr. Speaker, we should respect the vested, innate rights of our French-Canadians in Nova Scotia, who have always been proud French-Canadians and who come to visit us in Montreal once in a while, to show that the French spirit is still around, even among them.

Therefore, Mr. Speaker, to sum up, I would like to bring to the attention of all Canadians today the fact that this Bill is being put forth, perhaps seriously, by people whom I shall not name but, as I must tell you, Mr. Speaker, who are now absent from the House.

Therefore, I humbly move, Mr. Speaker, that the name *Nouvelle-Écosse* be and remain historically applicable to that province known in English as "the Province of Nova Scotia".

Hon. Donald J. Johnston (Saint-Henri—Westmount): Surely, Mr. Speaker, you have noticed the irregularity, the fact that I share the view of my colleague the Parliamentary Secretary who represents the constituency of LaSalle (Mr. Lanthier).

Indeed I fully agree with what he has just said: the name "Nouvelle-Écosse" is part of our history.

I should tell the House that I do have some credibility because I married a Nova Scotia woman and I consider that province as our second home.

I am quite surprised that our colleague the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) should have introduced this kind of legislative amendment. It is with some surprise as well that I notice he is not in the House to—

Mr. Lanthier: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Lanthier) on a point of order.

Mr. Lanthier: Mr. Speaker, although I do not have as much experience as the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), I believe it is unacceptable to mention a colleague's absence from the House.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary is quite right. Incidentally, I would point out to him that he should say "rappel au Règlement" rather than "point d'ordre". The Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

Mr. Johnston: Mr. Speaker, he is quite right. As I recall, he did the same thing himself five minutes ago.

Therefore—

• (1740)

[*English*]

I do not intend to continue this debate at any great length. I was surprised that an Hon. Member from Nova Scotia would make this proposal to change the French version of the name of that province.

I must say I take issue with one comment made by my friend, the Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Lanthier), namely, that the preceding Government had been insensitive to the aspirations of the provinces. On the other hand, this Government has to recognize that the very private Private Member's Bill that we have before us is being debated on the initiative of a Conservative Member of long standing. In my time in the House, I do not recall any such proposal coming from the Government of which I was then a member.

I would be interested in reading the interventions of some of the other Hon. Members of the House of Commons who are from Nova Scotia and find themselves on the Government benches if they have already made interventions. I see that the distinguished Hon. Member for Dartmouth—Halifax East (Mr. Forrestall) is here today. I have not had the opportunity of discussing this particular Bill with him. Once again, in my judgment, it is totally inappropriate for a Private Member's Bill to raise an issue which is so important to so many people.

[*Translation*]

Our friend from LaSalle (Mr. Lanthier) mentioned the importance of the Acadian community in Nova Scotia. Imagine the attitude of this community, where I know quite a few members. Many are involved in provincial politics in Nova Scotia. Imagine their reaction to changing the name of the beautiful province of Nova Scotia.

Mr. Speaker, I just want to say that for us, at least for me because after all this is a Private Member's Bill, what our hon. friend from Annapolis Valley—Hants (Mr. Nowlan) is suggesting is entirely unacceptable.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): The Canadian Permanent Committee on Geographic Names, the CPCGN, has for many years held the principle that, aside from entities that come under federal jurisdiction, such as Indian reserves, national parks and military bases, geographical names fall under provincial jurisdiction. The name of a province is of course another problem altogether. According to the Department of Justice, the name of a province is the name appearing in the Act under which the province entered Confederation. In the case of Nova Scotia, this was the British North America Act. Since these are constitutional documents, the federal Government cannot proceed with any changes without having such changes ratified by the provinces. Furthermore, the provinces cannot change their names without requesting the approval of the federal Government. I think we can conclude this is an area of shared jurisdiction, where it would be up to the provincial Parliament to take the initiative.

Mr. Speaker, in toponymy, current and past usage is one of the main elements to be taken into consideration. The name "Nouvelle- Écosse" as used on maps, in treaties, in historical works and in geographic documents goes back to the eighteenth century at least. Its use has been maintained without interruption since that time, and the name remains in common usage, not only among French-speaking Nova Scotians and all French-speaking Canadians but also throughout the French-speaking world. It is the name we find in the Treaty of Utrecht of 1713, under which France formally ceded Nova Scotia to Great Britain.

We must remember that, initially colonized by France under the name "Acadie", Nova Scotia was French from 1667 to 1710. Furthermore, even if the name Nova Scotia is of Latin origin, it has been a very long time since it was perceived as such by the population of that province and Canadians in general, who consider it to be the English name of a province with a strong English-speaking majority.

Perhaps it is nothing more than a formality—important though it may be—but we must not forget either that if we were to change the official name "Nouvelle-Écosse" we would have to change not only all federal statutes but also all official documents, maps and what have you where the provincial name appears.

The name "Nouvelle-Écosse" is part of the cultural heritage of Nova Scotians and of all other Canadians.

On the other hand, such a change now that the attitude of most Canadians concerning bilingualism is one of greater tolerance and wider acceptance might very well stiffen relations between the two linguistic communities and polarize their respective position.

• (1750)

[*English*]

This Bill would require many changes, modifications, maps, treaties, and federal laws. As we have already said, basically it is within provincial jurisdiction. I become a little nervous about the federal Government trying to pass any kind of law without the full consultation of the province and its people, especially when the law lies within provincial jurisdiction. I am even more concerned about the negative aspect of this Bill on the Francophone population.

Nova Scotia is considered an English name. *Nouvelle-Écosse* fits in truly with the bilingual character of this great country of ours and of the magnificent Province of Nova Scotia.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to speak to this Bill this afternoon. I noticed that the various speakers were in a seldom seen unanimous mood and shared a common view. I think there is much similarity in the considerations which prompted us to rise.

I have always been very sensitive whenever linguistic questions arise here in Canada, particularly in Quebec where I come from and where this has always been a prominent issue. I live in an ancestral house which has been passed on from fathers to sons since 1665, over 300 years, so I do not really know whether this tradition explains why I always find it difficult to accept changes to things which are so deeply rooted in our heritage, be it in Quebec or elsewhere in Canada. I have very specific views on what constitutes our national heritage, and I think these are things that are very difficult to change. Changing a name or an expression would not really change what we want to change in this country, whatever that may be.

Take my name, for instance. It evolved in three different ways over 300 years. We never moved away, we never moved off our land, we never budged as much as three feet in 300 years, and in spite of all this, the name Blais managed to evolve and change three times. This is just an example. However, we never had to come before Parliament to make that change. Lucky for us!

I was listening to the other speeches earlier, and I was thinking of the wealth of wonderful names we have here in Canada, including the names of our provinces and the names of our towns and villages. I was thinking, in Quebec, how much the Indian languages have given us in the form of names that are practically impossible to translate and that we would never even think of changing. For instance, the names of Quebec City, Péribonka, and Ottawa. These are all Indian names, and I feel I should name some of them to show how wonderful they are. For instance, Bellechasse, the riding I represent. We can't translate names like that. Some of my colleagues have tried to, but not very successfully. Take Sherbrooke. You could hardly translate that. I don't know in what language it would work, but you can't translate it. La Salle and Westmount. I don't know how the Hon. Member who just left us . . . I don't want to bore you, but if we referred to the Hon. Member from "La montagne de l'Ouest", we might get mixed up with Members from other parts of Canada. It cannot be done.

I think we should keep the names we have in Canada. The evolution has to be natural. A moment ago I gave examples concerning my own situation.

The key question which made me think is this: How can we as a federal Government take over a provincial responsibility? In my opinion, the question is quite clear. It is not up to us to take this kind of initiative. The province itself should have expressed interest, but such is not the case. Otherwise we could seriously consider whether it is the common will of most residents of the province and what would be the reaction of other people throughout Canada.

We often hear various comments, and time and time again Governments are blamed for reacting instead of acting, which may be true in some cases. It may be true, but perhaps it is in cases such as this one where we must ask whether it is the proper way for a Government to proceed. If a Government goes too far ahead or wants to proceed too quickly to make certain changes which might antagonize people and lead to negative reactions on their part, I would suggest we have our work cut out for us if we as parliamentary legislators want to push ahead with this kind of legislative measure when we do not have an obvious consensus, either provincial or national.

Speaking sometimes in French and sometimes in English, my colleague the Hon. Member for Hamilton—Wentworth (Mr. Scott), stealing my lines, dealt with the cost of the changes. Again, at a time when each cent and each dollar in Canada counts, where we have to borrow one third—nearly 33 cents—out of every dollar we spend, we would have to borrow a lot more to make the necessary changes in legislations, regulations, maps and treaties.

Mr. Speaker, it is never interesting to have to rise to oppose such a proposal, but I think that we ought to do it and do it simply. Mr. Speaker, I feel that we have no other alternative

than to oppose this initiative, to maintain the *status quo* and to keep the name as it is now.

I have the feeling that you want me to conclude. I have a lot more to say, Mr. Speaker, but I will continue another time.

The Acting Speaker (Mr. Charest): The hour allotted for consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1) this item is dropped from the *Order Paper*.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Charest): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, to amend and consolidate the laws prohibiting marriage between related persons, to which the concurrence of this House is desired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

MULTICULTURALISM—ESTABLISHMENT OF MULTICULTURAL BUSINESS CENTRE

Mr. Alan Redway (York East): Mr. Speaker, as you know, my constituency of York East is made up of a portion of two of the six cities that compose the municipality of Metropolitan Toronto. My constituency is composed of a portion of the borough of East York and another portion of the municipality, the City of North York. My municipality and constituency have a very multicultural population. In my constituency there reside over 60 different ethnic and cultural groups all together.

I had the privilege of serving as the Mayor of my municipality, the borough of East York, for a number of years. While serving in that capacity, we established a multicultural committee in East York. It later became the race relations multicultural committee of East York. A short time later, the City of North York established a similar type of committee. It is known as the Mayor's Race Relations Committee for the City of North York. We have a friendly rivalry in our two municipalities, Mr. Speaker, as to which one of these organizations was actually the first of its kind.

The East York Multicultural Committee was originally created for two purposes. One was to allow all of our residents, no matter from which cultural background they came or for how long they had lived in our community, to get to know and to understand one another better and, at the same time, to encourage the members of our community, whether newcomers or long time residents, to become involved and participate in the wider community activities and life.

The North York committee, on the other hand, was created to deal specifically with race relations matters. It grew out of incidents in Metropolitan Toronto in the late 1970s when race relations, relationships with the police, and relationships in various communities were of great concern. As a result of that, the focus and the main attention of that committee was placed on the race relations aspect.

I do not think it really matters which one of those committees was first. Both are geared toward promotion of good relationships in our community, whether race relations or the whole relationship of getting people to know and understand each other better. On top of those two functions, however, both committees are geared to ensure that all people have the opportunity to participate and become involved in the wider community. That is what multiculturalism is all about, in my view.

The Sunday before last in my municipality, the borough of East York, we had our great multicultural festival which is known as East York Day. On the platform that day we had two people who exemplified what multiculturalism is all about. One was the new Lieutenant-Governor of the Province of Ontario, His Honour, Lincoln Alexander. He is the first black Canadian to serve as Lieutenant-Governor of a province. He was born in this country, in the City of Toronto. In order to take his full place in the wider Canadian society, he had to overcome great problems and obstacles. Another man on the platform that day was the Chairman of East York Day, a man by the name of Shamoh Kara. He came here as a refugee from Tanzania many years ago. He has become prominent in his own community and in the wider community.

• (1805)

Those are two great examples of what multiculturalism is all about. Our community is committed to multiculturalism, and so is our Government. It is moving beyond traditional multiculturalism into equality of economic opportunity. It has been doing that in two areas recently. One is the employment equity Bill which has just gone into committee. The other is an initiative which the Minister of State for Multiculturalism (Mr. Jelinek) recently took in Toronto through a conference called Multiculturalism Means Business. At that conference, and also in the debate concerning employment equity, one thing became quite clear: The concern of many of our fellow Canadians is about the question of whether or not there is discrimination, whether it be in employment or in business.

On April 14 I put a question to the Minister of State for Multiculturalism and asked him if the new multiculturalism business centre which he proposed at the conference was going to deal with this issue. I asked him that specifically, bearing in mind the concern people have over the enforcement of the rules and regulations set out in the employment equity Bill,

and the concerns people have about enforcing equality of opportunity and anti-discriminatory measures in business itself. I hope that tonight the Parliamentary Secretary is going to tell us that not only will this business centre deal with those matters but tell us specifically how, and tell us about the enforcement provisions which are needed to overcome discrimination in these areas.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I take this opportunity to reply to the question of my colleague from York East (Mr. Redway). I am pleased to be able to speak to this matter which is important to all of us—equality of opportunity. This is what our Government stands for and the purpose of our multiculturalism policies and programs.

Of course, we are talking about equality in all aspects of Canadian life: equality of cultural opportunity, equality of social opportunity, and equality of political opportunity. Indeed, Mr. Speaker, I should like to refer to the remarks of our Minister at the Toronto Convention Centre on April 11, 1986. He said, and I quote:

When I speak of equality, I mean all aspects of life in Canadian society:

Cultural equality—to preserve, encourage and promote the cultures, practices and customs which are the very essence of a truly multicultural society;

Social equality—to respect the right of every individual to take part freely in the life of society without coming up against the constraints imposed by racism, intolerance and fanaticism;

Political equality—to give everyone the opportunity to take part in the decisions made in municipal, provincial and federal affairs.

Mr. Speaker, needless to say, those are my own priorities, and I am quoting the Minister, and they are also those of the Government of Canada.

• (1810)

[*English*]

Mr. Speaker, at the same time, our Government continues to support cultural retention and enhancement, as well as the greater integration of Canadian society, both through individual learning or skills acquisition and through the evolution of institutions to reflect and be open to Canadians of all cultures and races.

Such an open society is attractive to investors and entrepreneurial immigrants from countries around the world. They can feel welcome here and feel that their children will have equal opportunities for advancement. At the same time, such a society is open to a more effective use of all its human talents and resources.

The recent Multiculturalism Means Business conference is an example of initiative that promotes equality of economic opportunity. The conference brought together about 700 people from across the country from many ethnocultural backgrounds, representing all levels of Governments; community organizations; individual businesses of all sizes; business, trade and professional associations. Many doors of opportunity were opened and many contacts were made.

The momentum generated by this conference will be continued and the issues raised there will be addressed. A multiculturalism and business centre is one initiative to increase economic opportunity for all Canadians, both in terms of business and employment opportunity.

The Government's commitment has not waned on social and cultural issues. The Government has already announced its commitment to the second decade to combat racism and racial discrimination. At the same time, the Minister of State for Multiculturalism (Mr. Jelinek) released the progress report on *Equality Now* recommendations.

In closing, Mr. Speaker, I would like to reiterate this Government's commitment to a society where all Canadians enjoy equality of opportunity in all spheres of life, social, cultural, political and economical. Thank you, Mr. Speaker.

WESTERN GRAIN STABILIZATION ACT—SIZE OF PAYMENT TO FARMERS. (B) REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Government has a responsibility to deal with the crisis in farm income, particularly in the grain producing sector. The extraordinary drops in income, caused partially by the EEC and U.S. action in the market, merits extraordinary response from the Government. Members of this House and many farm organizations have been asking, since the initial grain price announcements, for some indication that the Government intends to live up to its commitment to take some action.

The western grain stabilization payments of $600 are timely and appreciated, but they are also a very good indicator of the magnitude of the income reduction that has been taking place. The western grain stabilization makes up for income shortfalls for 1985-86. It does not deal with the projected shortfall or income reduction in the 1986-87 crop year. That shortfall, with $3 wheat indicated by the initial payment announcement, will be $1 billion. In fact, the Saskatchewan Pool Research Branch has indicated that it feels that, with all areas and grains included, it is likely to be a shortfall closer to $2 billion. The western grain stabilization plan may trigger another pay-out in 1986-87, but by its very nature it eats itself. Each time a pay-out is triggered, it indicates a lower income, which lowers the five-year average. Therefore, the next pay-outs are going to be progressively smaller, particularly if the pay-out is triggered in successive years.

The grain producing community is asking the Government to make a commitment to ensure that the incomes of farmers next year will at least be equal to 1985-86. If that is not done, there will be far fewer farmers to help in 1987. I hope the strategy of the Government is not to reduce the number of farms and eliminate a number of farmers so that the need for assistance will be less, as has been suggested by others, and implied in the Nielsen report.

• (1815)

I hope the Prime Minister (Mr. Mulroney) will announce in his press conference tomorrow programs such as are available to United States and European farmers. Such programs would solve the problems for many farmers by assuring at least the cost of production in deficiency payments. As I said earlier, extraordinary drops in farm income demand extraordinary action. We would appreciate an indication of the Government's action now.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member for Prince Albert (Mr. Hovdebo) raises a concern that is felt by all of us connected with agriculture in Canada. I should point out that it is not only an issue affecting western Canada—which many people have come to believe is the grain growing area of Canada—it also affects the total Canadian agricultural picture.

When we consider the amount of grain produced in various provinces of the country and rank them in order of the amount of grain produced, the Hon. Member's home Province of Saskatchewan is the largest producer; Alberta is the second largest; Ontario is third, followed by Manitoba. The fact is that Ontario produces a large amount of grain and is very much affected by what the Hon. Member for Prince Alberta referred to as an extraordinary situation.

It is an extraordinary situation, and we face a very difficult market as a result of the Europeans and the Americans essentially engaging in a price war. In my view, it is largely brought on by the actions of the European community as a result of dramatically increasing agricultural production, especially in the grain sector, through some very large subsidies.

Let me point out that it is not in any way the strategy of this Government to eliminate farmers. I hesitate to even dignify that question with an answer. The Hon. Member should know very well that this Government supports agriculture. The Prime Minister (Mr. Mulroney) said at a press conference some two weeks ago that: "there's more we have to do for western agriculture and we're going to try to do it within the constraints imposed upon us by this economic situation". That is certainly a refreshing attitude on the part of a Prime Minister of this country, not only on behalf of western agriculture but Canadian agriculture as a whole.

I believe that our record in terms of supporting agriculture, especially western agriculture, has been very good. In the calendar year 1985, the federal Government was responsible for close to $1.5 billion of new initiatives or ongoing initiatives in western Canada to support the grain industry. That is a significant amount of money, and it should indicate that the Government is very willing to support agriculture.

The Hon. Member heard the Prime Minister state in Question Period today that Canada intended to raise the agricultural trade issue at the Tokyo meeting. Again, that indicates this Government's support for Canadian agriculture. In anticipation of the Tokyo meeting, the Prime Minister will be meeting a group of farm representatives from across the country on Thursday to hear their concerns and let them know that we in fact are concerned about agriculture.

I believe that our record of support for agriculture is good. We want to maintain that record and do whatever we can to improve it so that Canadian farmers are not the casualties in this very severe price war between the European community and the United States.

• (1820)

TRANSPORTATION OF DANGEROUS GOODS—REQUEST THAT LEGISLATION BE STRENGTHENED

Mr. Bill Attewell (Don Valley East): Mr. Speaker, some time ago I asked the Minister of Transport (Mr. Mazankowski) about the status of legislation concerning the transportation of dangerous goods. He informed the House that broad regulations covering the transportation of dangerous goods were proclaimed on July 1, 1985. The regulations cover all modes of transportation; air, water, rail and road. Interprovincial transport by road was the only important mode of transportation not covered by these regulations because it is a provincial not federal jurisdiction. As of February of 1986, the provinces and the territories adopted similar legislation to cover transportation of dangerous goods by road and which enforced the transportation of dangerous goods regulations. The ultimate aim of the transportation of dangerous goods regulations is to create a set of uniform regulatory requirements which apply to all means of transportation.

The Act and regulations are an attempt to rationalize the transportation of dangerous goods across Canada. Dangerous goods such as toxic chemicals, highly flammable or explosive products, radioactive materials, corrosives and so on constitute a real threat to our communities when they are not transported safely. The Mississauga derailment in 1979, in which a train containing cars of chlorine gas derailed, resulted in a massive evacuation of the city of Mississauga for several days. Fortunately, no lives were lost during this emergency. However, there are certainly no guarantees that we will be so lucky again.

The mode of transportation, the type of container, and the labelling of materials are all important aspects which contribute to the safer transportation of dangerous goods. Another factor which is of great concern to many, including the Corporation of the City of Toronto and a group of concerned citizens called "M-TRAC", the Metro-Toronto Residents' Action Committee for Rail Safety, is the speed at which trains pass through densely populated urban areas.

In March of this year the City of Toronto submitted a brief to the Acting President of the Canadian Transport Commission and to the Chairman of the Railway Transport Committee requesting that train speeds be reduced to 25 miles per hour on the CP North Toronto subdivision line. The brief points out that in 1981, the Railway Transport Committee

imposed a maximim speed limit of 35 miles per hour on trains carrying full loads of special dangerous goods. The city is still greatly concerned, however, about trains carrying partial loads or empty cars with residue of dangerous chemicals. Unless some further action is taken, the risks will continue to increase and so will the potential for disaster. The City of Toronto states in its brief, and I quote:

—some risks cannot be avoided in urban areas. The transport by rail of ever increasing loads of toxic and explosive chemicals through high density areas, where evacuation may be difficult if not impossible, imposes an unfair and unjustified risk to many residents of the city of Toronto. The time for action is now for we are just one accident from a disaster.

In its response to the position paper of the Minister of Transport, "Freedom to Move", M-TRAC expresses its concerns that deregulation may lead to laxity in safety. Certainly the proclamation of the transportation of dangerous goods regulations in July of 1985 has alleviated some concerns. However, M-TRAC is more particularly concerned for the people in highly congested urban areas who are especially vulnerable to train derailment and resultant spillage of dangerous cargo.

There are many people who are concerned about this important issue. Harry Behrend, Vice-Chairman of M-TRAC, and my friend, Rose Dyson, are two people who have been greatly concerned about and involved in making the issues of transporting dangerous goods by rail and the speed at which trains pass through heavily urbanized areas, priority concerns. Last summer, my colleague, the Hon. Member for York East (Mr. Redway), my wife Sandy and I went on a fact-finding tour of the CP Rail main line through Toronto to learn more about the situation and the risks involved. CP Rail officials were helpful in answering our inquiries.

One of the ways in which the railways are attempting to make their mode of transportation safer is through the use of a new type of wheel bearing to improve performance and safety standards. I believe CP has converted something like 75 per cent of the bearings to date.

It should be noted, however, that dangerous goods are not transported just by rail, although this is certainly the mode of transport which has attracted the most attention. The use of other modes of transportation, such as by truck or tanker, is also prevalent. It is vital that the appropriate regulations be followed to the letter to ensure that dangerous goods are transported safely, with no threat to the surrounding population. This is an important issue which concerns Canadians, especially those who live in densely populated urban areas, such as my riding of Don Valley East.

● (1825)

On a positive note, a federal task force was set up on March 14, 1986, by the Minister of Transport to study the transportation of dangerous goods by rail in the Metropolitan Toronto area. On the task force are representatives of CN, CP, M-TRAC, and the public at large. While they have two years to conduct their research and compile their recommendations, speed reduction has been identified as an urgent issue. I look forward to an interim report in this regard. I also look forward to their final recommendations on how to improve the safety factors, thereby protecting the public when dangerous goods are being transported through Metropolitan Toronto so that we never have anything close to the disaster which occurred in Mississauga in 1979.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since the Hon. Member for Don Valley East (Mr. Attewell) has dealt to a great extent with rail passenger traffic and the establishment of the task force, I will direct myself more particularly to his concerns regarding trucking.

At the outset, I would remind Hon. Members that regulations respecting the classification of dangerous goods, the documentation and marking of them, the preparation of emergency response plans, the reporting of spills, and, above all, the training of those responsible for the handling of dangerous goods, have already been promulgated. In fact, as the Hon. Member has mentioned, these measures have been in effect across the country since July 1, 1985.

By long-standing agreement with the provinces, they will have the primary role of enforcing the regulations with respect to vehicular traffic, that is, truck traffic, as it respects dangerous goods. Ontario has taken the lead among the provinces in the application of regulations. It has trained all of its highway inspectors and weigh scale operators and it has been working closely with the Ontario Trucking Association and a number of private trucking associations, not the least of which is the Ontario Petroleum Association, to ensure that vehicle operators are fully aware of the nature and hazards of the products they are transporting. The other provinces are conducting the same compliance programs. In fact, all provinces have been enforcing the regulations since February, 1986.

Discussions with a view to amending aspects of the legislation are presently under way which I hope will address, in part, the Hon. Member's concern. However, I must underline for the Hon. Member that this is only enabling legislation. It is the regulations which give teeth to the legislation. It is an awareness program. It is in education that we will achieve safety, not through legislation or regulation alone. Education is equally important.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. This House therefore stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:30 p.m.

HOUSE OF COMMONS

Wednesday, April 30, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

TOXIC RAIN—EFFECT OF CHEMICALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Canadian Environmental Law Research Foundation report emphasizes that little is known about the effects of toxic rain on our food, water, and health. The Minister of the Environment (Mr. McMillan) responded by not assuming responsibility for research into this serious problem. Instead, he is reported as saying that: "Having Environment Canada conduct research would be just too easy. Maybe we are just going to have to ask the producers of toxic materials to research the effects of their own chemicals". What a shocking answer. However, this is not the first time the Minister and his Government have abandoned their role. Funding for the Guelph Toxicology Research Centre was cancelled by his predecessor.

This Minister is confirming that things have not really changed under his command. The authors of the report ask for action and Government initiative in dealing with toxic rain. The Guelph Toxicology Centre should be funded, and the budget for toxic—

Mr. Speaker: Order, please. Sixty seconds.

* * *

• (1405)

AGRICULTURE

MEASURES TO ASSIST FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): The Prime Minister's (Mr. Mulroney) announcement today removed a number of irritants for hard-pressed farmers and we thank him for it. Increasing the ceiling for domestic wheat prices to $11; rebating an additional 2 cents per litre on farm fuel; removing sales and excise taxes on farm fuel; and freezing freight rate increases are all necessary for the farm community, and are a welcome fulfilment of election promises made two years ago.

The farm community and our Party applaud the removal of these irritants. We fought hard for recognition by the Minister of Agriculture (Mr. Wise) and the Prime Minister that there still were taxes to be removed from farm fuels and this announcement shows an admission of the correctness of our position.

We and the farm organizations of Canada have been pointing out that farm incomes need help this year due to the world price response to the U.S. Farm Bill. We regret that no mention of deficiency payments was made today, but we will continue to press the case because we know it is the only course of action open for the survival of Canada's farmers.

* * *

[*Translation*]

EMPLOYMENT

YOUTH AND WOMEN—GOVERNMENT PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): This morning, Mr. Speaker, I received very interesting statistics concerning job creation, particularly with respect to young people and women.

Indeed, Mr. Speaker, our Government has created over 47,000 jobs since September 1984, hence the 2.5 per cent drop in unemployment over that same period of time. In addition the number of unemployed youths declined by 79,000 since we took over, whereas the former Government could only report increasing job losses rather than new jobs.

I also have a very positive statement about women in the labour market. The latest statistics indicate that 293,000 more women have found jobs in the past eighteen months.

That, Mr. Speaker, is further evidence that our Government has kept its promises. Our priorities and the economic upsurge—

Mr. Speaker: Order, please. The 60 seconds have expired. The Hon. Member for Swift Current—Maple Creek (Mr. Wilson).

* * *

[*English*]

AGRICULTURE

DOMESTIC WHEAT PRICE INCREASE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, Canadian grain farmers, through no fault of their

own, are faced with low prices. These prices bear no relation to market forces or cost of production.

Today the Government has responded to the concerns of those producers with a number of measures, foremost among which is the raising of the maximum allowable price for domestic wheat to $11 per bushel.

At present the farmer's share of a loaf of bread is hardly enough to make one decent sandwich. Our producers can now look forward to some relief as a result of today's domestic wheat initiative, an initiative which will have a minimal effect on Canadian consumers but represents a tremendous boost to western wheat growers facing a subsidy war between the United States and the European Economic Community.

This domestic wheat initiative is but one of a long line of agricultural measures put forward by the Government. The Government stands fully behind Canadian wheat producers.

Over the course of the last 20 months the Government has done more for Canadian agriculture than any previous Government in Canadian history.

* * *

FINANCE

EFFECT OF TAX MEASURES ON LOWER-INCOME FAMILIES

Mr. Sergio Marchi (York West): Mr. Speaker, a recent study released by the National Council of Welfare has confirmed that the Conservative Budget of 1985 and economic statement of 1984 will leave Canada's working poor worse off than they were before. While the wealthy got a $500,000 lifetime capital gains exemption, the poor were hit by the partial deindexation of child benefits and personal tax exemptions, a 3 per cent surtax, and higher federal sales and excise taxes.

Over the next five years a family with two children and a single income of $10,000 annually will lose $905 in disposable income. At $21,000, which is the poverty line, the loss is some $2,334. But those with an annual income of $100,000 will actually see a gain of $517 in disposable income.

It is time that the Government recognized that its regressive and short-sighted economic policies are not working on behalf of all of Canada. In fact they are creating and enhancing two different Canadas, where those in greatest need have been forgotten. That is simply a national disgrace.

[*Translation*]

AGRICULTURE

ABOLITION OF ALL FEDERAL TAXES ON FARM FUELS

Mr. Marc Ferland (Portneuf): Mr. Speaker, the agricultural community has been hard-pressed over the past several years and, as a result of the former Liberal Government's indifference, its real income has gone down by 50 per cent in the past decade.

The September 1984 election was our Government's starting point to implement an unprecedented number of measures designed to help agricultural producers whose work and productivity have been feeding Canada and the rest of the world. A new series of agricultural measures were announced this morning by the Right Hon. the Prime Minister (Mr. Mulroney). As of tomorrow all federal taxes on farm fuel will be repealed. This will entail annual savings in excess of $80 million at a time when our farmers need them most.

Mr. Speaker, this is the way our Government intends to spur the Canadian economy.

* * *

• (1410)

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, how many more times must Canada continue to be embarrassed by the naivete of the Prime Minister's (Mr. Mulroney) relationship with the President of the U.S.? He is negotiating a free-trade agreement with an America that not only imposed a countervail on us yesterday but made it clear that it intends to keep the right to impose such duties no matter what. Only the truly gullible could regard this as a hopeful process.

This reminds us of another hopeful process which led to the appointment of the acid rain envoys, and a report by them which recommended no research and no actual reduction, and which, in spite of presidential endorsation, now appears to be an item which the U.S. administration does not even intend to budget for, according to what U.S. Energy Secretary John Herrington said at a Congressional hearing yesterday.

Democrat Henry Waxman, quoted as saying wryly: "We sure fooled those Canadians," would have been kinder to a great many Canadians who were not fooled if he had said: "We sure fooled those Conservatives".

AGRICULTURE

REMOVAL OF TAXES ON FARM FUELS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, this morning the Right Hon. Prime Minister (Mr. Mulroney) announced that the Government is removing all federal taxes on farm fuels for off-highway use effective May 1, 1986. The net savings to Canadian farmers resulting form this tax cut will be $165 million over the next two years. This announcement comes at a good time for farmers who are now seeding their 1986 crops.

This measure is part of the federal Government's initiative package designed to help the agricultural and energy sectors of Canada. Other agricultural measures in the package include the introduction and speedy passage of farm debt review legislation, an increase in the maximum allowable domestic price level of wheat to $11 per bushel, and a maintenance of WGTA producers' freight rates at the 1985-86 crop year levels.

Although these measures are not the total solution to the financial problems facing Canadian farmers, they do represent the ongoing federal commitment to agriculture. The long-term answer lies in an improved bilateral and multilateral trading environment. The old adage "Actions speak louder than words" is certainly true in this case.

* * *

ENERGY

TAX RELIEF MEASURES FOR WESTERN INDUSTRY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, this morning the Prime Minister (Mr. Mulroney) announced measures to assist in the survival of western Canada's most important energy industry. The Small Producer Credit of the PGRT will be increased from $500,000 to $2 million effective May 1 this year and for the life of the tax. The PGRT will be set to zero for Syncrude and Suncor's synthetic oil sands plants effective May 1. These measures will provide about $100 million of relief primarily to small and medium-sized Canadian producers but also available to all companies operating in Canada.

Western producers have already reported that this will provide significant revenue tax relief which should enable small and medium-sized producers to maintain activities. A healthy energy industry in the western part of Canada contributes to a healthy economy right across the country.

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—POSSIBLE CONTAMINATION OF AGRICULTURAL PRODUCE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the whole world is aware that over the weekend a very serious accident occurred at a Soviet nuclear power plant in Ukraine. I am sure all Canadians join with me in expressing deep concern for those individuals and families affected by the accident.

While few details of the incident have been released by the Soviets, we do know that radioactive fallout in substantial quantities can now be found in the Scandinavian countries of Sweden, Finland, Norway, and Denmark. We also learned today that as much as 13 per cent of certain critical Soviet agricultural produce, including meats and dairy products, may have been contaminated by fallout from the accident. If this is the case, there could be a serious food shortage.

I urge the Government of Canada, on behalf of all Canadians, to offer Canadian produce to the Soviet Union to replenish these contaminated food stocks, as well as to offer whatever other technical and medical assistance can be provided.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my questions are for the Deputy Prime Minister. I wish again to come to the right of the Minister of Regional Industrial Expansion to continue to sit in the Cabinet.

Last September in a public letter the Prime Minister wrote to each Minister about the conflict of interest guidelines he stated:

> You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else. Nor will you find anything which will relieve me and my colleagues of the necessity of exercising judgment.

Yet the Government has tried to pass its responsibility off on to the Assistant Deputy Registrar General, Mr. Boyle. I have spoken to Mr. Boyle. He did no investigation—

Some Hon. Members: Question.

Mr. Kaplan: —beyond speaking to the Minister.

How did the Government satisfy itself that the guidelines had not been violated? Is the Government satisfied that the guidelines have not been violated?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered that kind of question fully and repeatedly yesterday when I said to the House, in response to several questions from several different quarters, that on the instructions of the Prime Minister I had personally met with the Assistant Deputy Registrar General in order to establish that there had been full, complete compliance with the code of conduct, which it is more properly called, by the Minister concerned. He assured me that there had been that full compliance. That satisfied me. Accordingly, I reported to the Prime Minister.

MINISTER'S WIFE'S ACTIVITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Government has not challenged the facts of what the Minister's wife did, where she went to raise the money for her husband's company, or how she got it. Yet this morning when the Prime Minister was asked whether or not he believed that the Minister knew nothing of what his wife was doing the Prime Minister did not answer that question. That question has to be answered. Do the Prime Minister and the Government believe that the Minister of Regional Industrial Expansion had no knowledge of what his wife was doing? Is that the position of the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the position of the Government is that if the Hon. Member, or any other Hon. Member, believes that Mrs. Stevens has done something dishonourable or criminal, they should so state, and take the appropriate courses open to them, having made such a charge.

GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, the conflict of interest guidelines are for Ministers to obey. I am asking the Deputy Prime Minister whether he and the Government believe the Minister since, as the Prime Minister said, it is his duty and responsibility to see that the guidelines are enforced. Do they believe the Minister when he tells them that he had no knowledge of what his wife was doing?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is the responsibility of the Prime Minister and of the Government to ensure that there has been compliance with the code of conduct by all Ministers of the Government. With respect to this particular Minister, my advice to the Prime Minister, based upon the assurances I received from the Assistant Deputy Registrar General, was that there has been that full compliance.

KOREAN BANK LOAN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Deputy Prime Minister. In answer to my question yesterday concerning the one-year interest-free loan of $2.6 million granted by the company 622109 Ontario Ltd. to the family business of the Minister of Regional Industrial Expansion, the Deputy Prime Minister replied that at the request of the Prime Minister he had looked "once again, personally, into the same matter that I looked into last April 7", which was a loan from a Korean bank associated with Hyundai to the family business of the Minister. In reply to my question yesterday, why did the Minister refer to the loan made by a Korean bank which was a different loan from the one referred to in my question? Why did he make that automatic connection?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the application of the simple rules of logic suggests to me that the Hon. Member was probably absent on April 7 when the Hon. Member for Essex—Windsor raised similar questions based on similar newspaper articles. I do believe they were from the same newspaper. On that occasion I took the appropriate steps on the instructions of the Prime Minister, as I did on this occasion.

[*Translation*]

INQUIRY WHETHER A COMPANY RECEIVED FUNDS OR LOAN GUARANTEES

Mr. Raymond Garneau (Laval-des-Rapides): It was obviously not the same loan, Mr. Speaker. And now for my supplementary. Could the Deputy Prime Minister give the House the assurance that neither numbered company 622109 Ontario Ltd., nor any of its officers who made a loan of $2.6 million to the family business of the Minister of Regional Industrial Expansion, received funds or loan guarantees worth millions of dollars from the Korean Hanil Bank, the Hyundai Corporation, Magna International Inc. or any officers connected with any of these companies?

• (1420)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the responsibility of the Prime Minister to the House and to the country is to ensure that there has been full compliance with the code of conduct which has been established for the guidance of Ministers of the Crown. That responsibility has been discharged. The Prime Minister, the Government, and I are satisfied that there has been full compliance with the code of conduct by the Minister. If the Hon. Member is going to suggest that something dishonourable or criminal has been done, let him say so and pursue the proper course.

ASSISTANT DEPUTY REGISTRAR GENERAL—INVESTIGATORY POWERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also directed to the Deputy Prime Minister. It concerns the possible conflict of interest in the transactions involving the Minister of Regional Industrial Expansion. At

the Minister's suggestion, I took the opportunity yesterday to meet for an hour with the Assistant Deputy Registrar General in order to find out what investigation took place of the matters alleged in yesterday's newspapers.

Is the Deputy Prime Minister aware of the fact that no investigation took place and that the Assistant Deputy Registrar General informed me and my colleague from Windsor that in fact he had no power, or staff, to conduct an investigation into such allegations as those which appeared in *The Globe and Mail* yesterday? How could he tell the House that there has been full compliance in this particular case, when in fact there has been no investigation—

Mr. Speaker: Order, please.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am glad to see at least one Member of Parliament is doing his homework and learning the facts of life as they apply to the Assistant Deputy Registrar General. Of course I am aware of those matters, and he should be. If he was not told today, I am sure the Assistant Deputy Registrar General would tell him now, if he phoned him back, that there has in fact been compliance with the code by the Minister.

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, would the Deputy Prime Minister kindly explain how he can give these repeated assurances to the House when in fact there has been and will be no investigation by the official who was responsible for this particular task and assured us that in fact he does not make those decisions but that he commends them to the Prime Minister who makes the decisions? Will the Government now agree to send the matter to the Standing Committee on Elections, Privileges and Procedure so that we can have a full investigation of these very serious allegations?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member's progress is encouraging. If he energetically pursues that learning curve, he will discover that the code of conduct which is in place for public office holders—

An Hon. Member: Requires a resignation today.

Mr. Nielsen: —does not require any investigation. It requires compliance. That compliance has been had. In respect of his suggestion, he knows, or should know, that there are processes available to him, and indeed to any other Member of Parliament, who wishes to invoke those procedures. He had better continue his studies.

MINISTER'S BEHAVIOUR

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister. I remind him that the Minister of Regional Industrial Expansion has blatantly ignored the Prime Minister's direct instructions when he referred to "the responsibility to prevent conflict of interest including those that might arise out of the activities of spouses". Will the Deputy Prime Minister explain to this House why he believes this incredible behaviour, in conflict with the Prime Minister's directive, is now acceptable behaviour?

• (1425)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I suppose that is about the finest example of hang before trial that I have ever heard, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Broadbent: We just want a trial. Let's have an investigation.

Mr. Nielsen: If the Hon. Member wishes to charge the Minister with having done something dishonourable or of a criminal nature, he has that option open to him if he cares to take it on the floor of the House of Commons, and there are also procedures and processes available to him to invoke, should he care to do so.

GUIDELINE PROVISIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I thought the Deputy Prime Minister would have guts enough to answer the question. Obviously he doesn't.

Will the Deputy Prime Minister explain to this House why the Minister of Regional Industrial Expansion is not in violation of Section 31(2) where it reads in part:

—being placed or the appearance of being placed under an obligation to any person or organization that might profit from special consideration by the office holder.

How has the Minister not contravened those guidelines? Explain that to the House.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I shall explain to the Hon. Member that, should he choose to have the courage to do so, there are procedures and processes available in the House of Commons and in its procedures for him to make that kind of charge and take whatever appropriate procedures are necessary in order to follow through on it.

An Hon. Member: This is the same defence you used last fall.

Oral Questions

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. POWER TO IMPOSE COUNTERVAIL DUTIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Secretary of State for External Affairs. On Monday in the House he implicitly acknowledged that a free trade agreement with the United States in which the Americans would retain the countervailing power to restrict Canadian exports, whether fish today or softwood tomorrow, could be worse than useless. The Minister said "countervail is very much at the heart of these negotiations".

Given the importance of this restrictive power, can the Secretary of State for External Affairs assure us that this constitutionally entrenched power in the United States is on the negotiating table?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I repeat what I said earlier.

CONTENT OF NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, what the Minister said earlier is what led to the question. He didn't tell us it was on the table.

I talked to the office of one of the crucially involved Senators today in Washington who told me that a majority of the 10 Senators who voted in favour of negotiations would strongly oppose removing the countervailing authority. As the Minister has said this authority is crucial to these negotiations, as I do, and since we don't want to lose any more jobs over this incompetent Government's negotiations, is it on the table or isn't it? That is what we want to know.

Right Hon. Joe Clark (Secretary of State for External Affairs): Of course, Mr. Speaker, that question is in the negotiations with the United States. Just for future clarity, when I receive questions from the Hon. Leader of the NDP I will send my letters direct to Shirley Carr.

Some Hon. Members: Oh, oh!

An Hon. Member: That is dumb, Joe.

Mr. Crosbie: She is your Edgar Bergen.

An. Hon. Member: Send them to Dublin.

Mr. Speaker: Order, please.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I won't comment on an insult to a newly elected leader of the largest labour body in the country.

I want to ask the Minister to be specific. Since I am told that a big majority of the Senators will never give up this power, since that goes to the root of the discussions and is harmful, if retained, for Canadian jobs, will the Secretary of State assure us that no agreement will be signed by his Government in which that countervailing power remains with the U.S. to destroy Canadian jobs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I wasn't insulting Shirley Carr. I was simply commenting on her evident power.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1430)

Mr. Crosbie: Ed bows to her.

Mr. Clark (Yellowhead): If the Leader of the New Democratic Party had not been so busy last week taking his instructions at the convention of the Canadian Labour Congress, he would have known that the vote of the United States Senate was explicitly without condition. There are no preconditions to that negotiation. Of course this matter is going to be part of the negotiations. Yes, we very much expect that we will be able to make progress on it.

* * *

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and is with regard to the loan affair. On December 18, 1983, the Conservative Leader said on the television program *Question Period*: "There will be conflict of interest guidelines which will be absolutely watertight and there will be a penalty for not observing it". When will the Minister in question be punished? Will this punishment be his dismissal from Cabinet?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That, too, Mr. Speaker, is a prime example of total disregard for a fundamental principle of justice in this country namely, the presumption of innocence. As I have said to other Hon. Members, if that Member has a charge of dishonourable or criminal conduct by the Minister, he is free, if he has the courage to do so, to make that charge—

Mr. Ouellet: It's your responsibility.

Mr. Nielsen: —and to take advantage of the processes and procedures which are available to him in our system to follow through.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL DEMAND RESIGNATION OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, crime has nothing to do with it. The Prime Minister said in the House on September 9, as reported at page 6399 of *Hansard*: The Government must be able to provide competent

management and, above all, to be guided by the highest standards of conduct—

Mr. Speaker: The question, please. No preamble.

Mr. Boudria: Mr. Speaker, does the Prime Minister or the Deputy Prime Minister intend to demand forthwith the resignation of the Minister of Regional Industrial Expansion? Yes or no?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No.

REQUEST FOR INVESTIGATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister as well and deals with the problems of the Minister of Regional Industrial Expansion. Just a short while ago the Deputy Prime Minister asked Canadians to believe that there was full compliance with the code, even though there was no investigation at all. Would the Deputy Prime Minister not agree that a full and thorough investigation ought to be held to verify that in fact there is no conflict of interest?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the code of conduct for public officials is in place for the purpose of dealing with conflict of interest questions. All Ministers of the Crown are required to comply with that code of conduct. Through the office of the Assistant Deputy Registrar General I have satisfied myself that there has been compliance. I have so reported to the Prime Minister. I have said repeatedly, yesterday and today, that that compliance exists. If the Member has not done so, I invite him to confirm with the Assistant Deputy Registrar General that there has in fact been compliance with the code of conduct by the Minister concerned.

INQUIRY OF THE MINISTRY

Mr. John R. Rodriguez (Nickel Belt): Is the Deputy Prime Minister saying: "Trust us"? Canadians have heard that before.

MEMBER'S CONVERSATION WITH ASSISTANT DEPUTY REGISTRAR GENERAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Deputy Prime Minister as well. Yesterday we heard from the Assistant Deputy Registrar General's office that it was absolutely not their policy to reveal information about any inquiries from any Members of Parliament. How was the Deputy Prime Minister able to intercept a private telephone conversation from my office, or was he simply passing by an open window?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have no problem with that. In my own experience, when I was the Minister of Public Works in 1979, and in each office that I have held in this Government, one of my first instructions to my officials was that when any Member of Parliament calls them I want to know about it because I want to assist those Members of Parliament in doing their jobs.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

DEPUTY PRIME MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, how does the Deputy Prime Minister expect Canadians to believe his statement that there was no conflict of interest when, quite clearly by his own conduct not only this week but also in the past, he has shown Canadians that he does not understand the meaning of the word "integrity"?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Andre: Withdraw.

Mr. Speaker: Order, please.

Some Hon. Members: Withdraw.

Mr. Speaker: Order! The Hon. Member will withdraw that.

Mr. Clark (Yellowhead): Throw her out.

Mr. Ouellet: It's a question.

Ms. Copps: I asked a question.

Mr. Speaker: Order! It is not a question. The first part was a question. The last part was a statement which the Hon. Member will withdraw.

Ms. Copps: No.

Mr. Clark (Yellowhead): A martyr.

Some Hon. Members: Withdraw!

Ms. Copps: Mr. Speaker, I am looking for guidance. I asked a question.

Mr. Speaker: May I ask the Hon. Member simply to withdraw the allegation.

Mr. Nystrom: It's not unparliamentary.

Some Hon. Members: Out, out.

Ms. Copps: A question, Mr. Speaker, should be—

Mr. Speaker: Order, order!

Mr. Benjamin: It's not unparliamentary.

Mr. Speaker: May I ask the Hon. Member, out of her respect for Parliament, simply to withdraw what she just said.

Ms. Copps: The question is withdrawn.

Mr. Clark (Yellowhead): Oh, no.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, order! The Hon. Member believes she asked a question. I believe she made a statement. She told the House that she has withdrawn what she said. That is good enough for the Chair. I will recognize the Hon. Member for Winnipeg—Birds Hill.

* * *

NUCLEAR ENERGY

CANADIAN NUCLEAR POWER STATIONS—SAFETY PRECAUTIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of National Health and Welfare. Without making any uncritical analogies between Soviet nuclear technology and Canadian nuclear technology, could the Minister tell us whether he takes at face value the assurances of AECL and Ontario Hydro that that sort of thing could not happen here, or does the Government of Canada have contingency plans for evacuation and other emergency measures in the event that something like that did happen here?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, more and more information is coming to our attention from the U.S.S.R. about the tragic accident. It behooves us as Canadians and as citizens of the world to put in whatever precautions we can, keeping in mind that in the Canadian system every attempt has been made humanly possible to build in every safety precaution that technology, that the best advice we have, the best social responsibility people in the field take, suggest should be incorporated in that system. I can assure the Hon. Member, as I am sure the Parliamentary Secretary to the Minister of Energy, Mines and Resources and others close to that industry would want to assure him and all Canadians, that that safety precaution is being taken. I assure him that we will use whatever methods we have to, and any up-date of them that we should consider after the very tragic accident in the U.S.S.R., to make sure that we have everything in place should an emergency occur.

EMERGENCY PLANNING MEASURES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, apart from the safety measures which are being taken to ensure that there is not an accident, could the Minister explain what plans are in place, or are being put in place, in the event that our technology turns out to be as imperfect as any other technology and there is an accident? As well, could he tell us whether the Government is now considering living up to a promise, made by an earlier Conservative Government and his Party on numerous occasions, to have a full public inquiry into the role of nuclear energy in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with regard to the second part of the question, I cannot make a Government statement and I think the Member understands why.

With regard to the first part of the question, in view of what has happened in the U.S.S.R. we immediately set up the federal Nuclear Emergency Response Plan. In an effort to be helpful to Canadians we have also set up a hot-line number: 998-3624. Any Canadian can use that number to receive further reassurance. Any long-term plans should be made with consideration of these events and others.

* * *

[*Translation*]

CONFLICT OF INTEREST

INQUIRY WHETHER IT IS PROPER FOR MINISTER OF REGIONAL INDUSTRIAL EXPANSION TO REMAIN IN CHARGE OF CANADAIR PRIVATIZATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I want to ask the Deputy Prime Minister whether he thinks the Minister of Regional Industrial Expansion should still be responsible for the privatization of Canadair, when we know—since the cat is out of the bag—that the Minister is obligated to the President of Magna International Inc., a potential buyer, who saved him from bankruptcy by helping him to obtain an interest-free loan.

Mr. Speaker, the conflict of interest here is as plain as the nose on your face. I would therefore like to know whether the Deputy Prime Minister could inform the House whether he thinks the Minister should still be responsible for this dossier?

• (1440)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman not only distorts in his preamble but he does not understand the privatization process. It is carried out under a ministerial task force established under the chairmanship of the President of the Treasury Board. It is, in turn, subject to Cabinet review and approval. Canadair is no different from any other company which has gone through that process, including the measure passed just the other day by the House involving Canadian Arsenals Limited.

[*Translation*]

PUBLIC PERCEPTION—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. Public perception demands more than that.

My question to the Deputy Prime Minister is: When a competitor like Bombardier wants to acquire Canadair, what kind of present should he give the Minister's wife to be sure of being treated on an equal footing?

Some Hon. Members: Oh! Oh!

Mr. Bissonnette: Go outside the House and charge him, if you have any guts!

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if the hon. gentleman will refer to the press release of April 3, 1986, the fact is that the CDIC Board has identified the five groups interested in acquiring Canadair. They are Bombardier Limited of Montreal; Canadian Aerospace, Montreal; Fleet Consortium led by Fleet Aerospace of Fort Erie, Ontario; the IMP Group of Halifax; and Magna International of Toronto, all of this under the review of Burns Fry Investment Dealers, which is a firm, among others, retained by the Board of Canadair to conduct that review.

* * *

IMMIGRATION

ADMISSION OF LIBYAN STUDENTS

Mr. John Reimer (Kitchener): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given reports that Canada is considering the admission of some 330 Libyan student mechanics and pilots recently expelled from England, will the Minister assure Canadians that none of these individuals will be allowed to enter Canada until Libya ceases all involvement in world terrorism?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada has no intention of weakening in any way at all actions which might have been taken by other friendly Governments regarding the Libyan regime. Our position regarding Libyan students has been clear for some time. There is a policy restricting the total number and the areas in which they can study. They cannot study in areas related to military matters or those which are technically sensitive. We are maintaining close vigilance on Libyan students in Canada, and the Hon. Member and the House should not be alarmed by the report in *The Globe and Mail* this morning.

HEALTH

DALKON SHIELD CONTRACEPTION DEVICE—DEADLINE FOR FILING COMPENSATION CLAIMS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As he knows, today is the deadline for women to file a claim for damages they may have suffered from use of the Dalkon shield contraception device. A U.S. court has agreed to hear further argument on this matter on May 22. Is the Minister aware of that, and will he advise the House whether he is prepared to join with women's organizations across Canada to make representations to that court to have the deadline extended?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am aware of the deadline. As to whether there should be an extension, both the health and legal implications still have to be assessed. I will take his question as a representation and examine it in more detail.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, Canada allowed this device to be used for some 11 years after it was taken off the U.S. market. Therefore, will he not agree that any Canadian woman in the future who discovers that she suffered damages as a result of using that device will be allowed to pick up the cost of those damages from the Government on any claims filed in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member understands that since 1981 the Health Protection Branch of my Department has advised users of the Dalkon shield to stop its use. My answer to his suggestion can only be the same as it was to his first question. I can give no commitments on compensation or any position the Government will take on it.

* * *

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—PRIME MINISTER'S PRESS CONFERENCE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. He knows that the Minister of Regional Industrial Expansion did not have a blind trust if his spouse was part of its management. He had *de facto* the ability to run his own business affairs. If the Prime Minister refused to say, when questioned this morning, that he believed the Minister did not discuss his business affairs with his spouse, why should Canadians believe it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman tries to afix me with a position which I reject in its entirety. He knows, or should

know, that the code of conduct for Ministers has been complied with by the Minister. He in fact divested himself entirely of his assets which are in a blind trust. If the Hon. Member makes that simple inquiry of the Assistant Deputy Registrar General, he will discover that for himself.

With respect to the details of that blind trust, he will not get that information for very obvious and explainable reasons.

Mr. Kaplan: What about appearances?

MANAGEMENT OF BLIND TRUSTS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, how blind can a trust be when your spouse is managing it? How many other members of Cabinet have so-called blind trusts being managed by their spouses?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that assertion is totally false.

Mr. Broadbent: It is a question.

Mr. Tobin: How many others?

Mr. Speaker: Order!

Mr. Nielsen: The information as to the identity of the trustee of the blind trust is in the public domain. If the Hon. Member wishes to examine the facts carefully, he will find it is Victoria and Grey, I believe, the successor to the National Bank.

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ENVIRONMENTAL AFFAIRS

OFFSHORE OIL AND GAS EXPLORATION—REQUEST FOR EXTENSION OF MORATORIUM

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. The joint Canada-B.C. report on offshore oil and gas exploration was released last night. The overwhelming body of evidence given to the panel revealed the dangers of offshore oil and gas exploration and the widespread opposition to the drilling. Therefore, will the Minister give his assurances that the 1972 moratorium will remain in place?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I will take the time to study more fully than has been possible until now the report to which the Hon. Member refers. I am very predisposed toward some of the concerns he has continually expressed on this subject and I will take them fully into account when I read the report.

OIL TANKER TRAFFIC

Mr. Jim Fulton (Skeena): Mr. Speaker, that answer doesn't mean diddly to people in British Columbia. The Minister has been studying the report for the last two years. He is aware that the lifting of the moratorium will allow oil tankers to ply those internal waters. Therefore, will he assure this House that he will study the implications of both oil tanker traffic and exploration and production before even considering lifting that moratorium?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I will take all relevant factors into account and I will be guided primarily by environmental considerations.

ACID RAIN—UNITED STATES FUNDING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the same Minister. Recent dispatches from Washington indicate that the U.S. administration has no budget proposals for spending the $5 billion recommended by the acid rain envoys. To make things worse, the administration opposes congressional action on acid rain control legislation. What on earth is happening to the promises that were made in March at the summit meeting in Washington?

• (1450)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, clearly the Hon. Member is basing his question on one or two newspaper reports that appeared this morning and perhaps last night. I think we should beware the man who reads only one or two news reports and so bases his queries. The fact is that Energy Secretary Herrington said before a high level congressional committee as follows:

By late summer appropriate mechanisms for the full implementation of the—

Canada-U.S.:

—envoys' report will be in place and our continuing research and regulatory programs will have been reviewed for increasing opportunities for innovation and for consistency with the envoys' report objectives.

CONGRESSMAN'S COMMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what are the Minister's comments, then, about Congressman Henry Waxman, who wryly commented about these developments: "We really fooled those Canadians"?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I defer to the Hon. Member on all matters relating to foolishness. I think the Hon. Member would be well advised to read the transcript of what was actually said in the relevant congressional committee. The Energy Secretary went on to say:

Technology transfer—

In other words, for the purpose of acid rain control:

—can be promoted by resolving present regulatory constraints that may work against innovation. This is under way and the acceptance of the envoys' report—

by the U.S. administration:

—has given new impetus to this process—

Mr. Speaker: Order, please.

Mr. McMillan: It is clear in black and white. The Hon. Member only needs to read it.

FORESTRY

BUDWORM INFESTATION

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, my question is directed to the Minister of State for Forestry. Many of my constituents are concerned about the serious insect infestation by the spruce and jackpine budworm. I know I am speaking for many of my colleagues from across Canada and from all Parties who are concerned with the same devastating problem. Will the Minister indicate to the House what the federal Government is doing to control this infestation and to protect our forests?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, first, the Canadian Forestry Service supplies the advice, support, and research in that particular matter. The decision about what pesticide to use is absolutely in the hands of the provinces. We try to advise them but they make the final decision and issue the permits.

* * *

INDUSTRY

CLOSURE OF THUNDER BAY WAFER BOARD PLANT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of State for Forestry. He will be aware that Great Lakes Forest Products Limited in Thunder Bay is closing its wafer board plant tomorrow. Will the Minister personally intervene with that company to seek a one year delay that would allow the workers in the community to put together a package that would be designed to save the 150 jobs in question?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, that question should properly be directed to the Minister of Regional Industrial Expansion. However, I will take it as a representation from the Hon. Member and contact the company.

DEFERRED TAXES INQUIRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is directed to the Minister of Finance. The Minister will know that this company has, in the past, owed as much as $130 million in deferred taxes. Will he join with his colleague in contacting the company and suggest very strongly that the wise use of that taxpayers' money would be to keep the company operating?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member misunderstands the meaning of deferred taxes. They are a bookkeeping entry, not taxes that are owed to the Government of Canada. These companies pay their taxes that are owing to the Government of Canada as they are due. Deferred tax is a bookkeeping treatment to keep the amount of tax payable, in a bookkeeping sense, on a fairly level basis. It does not represent at all taxes that are owing to the Government of Canada.

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AGRICULTURE

INITIAL PRICE OF WHEAT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. This morning the Prime Minister announced that he will give back the 2.5 cents per litre that he has imposed on farming since last September. When will the Government reinstate the 1985 initial price for wheat? How does he expect Canadian farmers to survive on $3 a bushel for wheat when American farmers are getting over $6 a bushel?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am glad that someone rose in the House to ask a question about some important economic issues that the Prime Minister addressed this morning in a press conference.

Some Hon. Members: Hear, hear!

Mr. Mayer: The Hon. Member should be getting up to congratulate the Prime Minister for making an announcement concerning agriculture and energy issues that affect the whole country. He should be congratulating him for taking the opportunity to sit down with farm leaders from across the country before going to the summit at Tokyo in order to take their concerns directly to the summit meeting. That is what he should be doing, instead of getting up and bad mouthing—

Mr. Speaker: Order.

Mr. Mayer: —a situation that he realizes is very difficult.

Some Hon. Members: Hear, hear!

Mr. Foster: It is obvious that the Hon. Minister does not want to answer the question.

FREIGHT RATE FREEZE

Mr. Maurice Foster (Algoma): Mr. Speaker, this morning the Prime Minister claimed that he would freeze freight rates. Will the Minister admit now that all that has been done by the Government is to pressure the grain transportation agency to revise its estimates on grain deliveries? The Government is not bringing in any legislation to do this; it is strictly a smoke and mirrors show.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member's own Province of Ontario is the third largest grain producer. He should know that what the Prime Minister announced this morning will benefit not only the west, but Ontario farmers and other farmers across the country. The measures announced by the

Prime Minister this morning will save Canadian farmers about $200 million. The $40 million that he is talking about, which is a freeze on the freight rates for the WGTA, will save Canadian farmers $40 million in the coming year. That is what is important.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

STATUS OF NEGOTIATIONS WITH QUEBEC AND NORANDA COMPANY ON CONSTRUCTION OF ACID MANUFACTURING PLANT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister is no doubt aware that industrial pollution is a serious problem in my area, and I would like to ask him whether there has been any progress in negotiations with Quebec and Noranda on building an acid manufacturing plant, a $110 million project that would remove 50 per cent of the 500,000 tons of sulphur dioxide emitted yearly in my region by Noranda mines.

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member knows, Quebec produces about one million tonnes of acid rain-causing emissions a year. Half of those emissions originate from one company alone, Noranda. In accordance with a federal-provincial agreement signed in February, 1985, the Quebec Government is now negotiating with Noranda on a control program. For our part the federal Government has committed itself to a fair and equitable contribution to the cost of a control program affecting Noranda, especially in connection with the acid plant to which the Hon. Member made reference. We expect those negotiations to be completed very soon and to be able to sign an agreement with Quebec and the company concerned shortly thereafter.

Mr. Speaker: Order.

* * *

[*Translation*]

TRADE

REQUEST FOR CLARIFICATION CONCERNING STANDARDS REQUIRED OF JAPANESE AND KOREAN CAR MANUFACTURERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister for International Trade. Since General Motors has threatened to close down its plant at Sainte-Thérèse and the Americans are not particularly anxious to invest in Quebec because of the preferential treatment granted the Korean car manufacturer Hyundai, does the Government intend to apply to Korean and Japanese manufacturers the same criteria it applies to the Americans with respect to Canadian content and assembly done in Canada?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am sure the Hon. Member is aware that as of January 1, 1987, a 6 per cent duty is being put on cars imported from Korea. Furthermore, my colleague, the Minister of Regional Industrial Expansion, is presently carrying on discussions with both the Japanese and Korean car manufacturers to see what can be done to alleviate the concerns that he has so ably expressed.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER WILL ANNOUNCE RESTRICTIONS ON IMPORTATION OF FOREIGN CARS DURING VISIT TO KOREA AND JAPAN

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a supplementary.

Since these imports are a threat to thousands of jobs in the automobile industry in Quebec, does the Minister intend to ask the Prime Minister to announce restrictions on imports of foreign cars during his visit to Korea and Japan?

• (1500)

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that I am aware of the briefings that the Prime Minister has received with respect to trade issues. As the Hon. Member knows, he is visiting both Japan and Korea. I believe there will be some discussions during that visit.

Mr. Speaker: One question, the Hon. Member for Saint-Henri—Westmount.

Mr. Johnston: Did Your Honour say one short question?

Mr. Speaker: Yes.

Mr. Crosbie: Yes, one short question.

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THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—PRIME MINISTER'S PRESS CONFERENCE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I will ask my question, then, of the Deputy Prime Minister. In a press conference this morning the Prime Minister said that he was prepared to give his Minister the benefit of the doubt. If there was no perceived conflict of

interest would the Deputy Prime Minister tell us to what doubt the Prime Minister was referring?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what the hon. gentleman was watching. However, I carefully watched that press conference throughout. I heard no such words used by the Prime Minister. Since that time I have had the opportunity of going over the transcript very briefly. I have seen no such words attributed to the Prime Minister in the written copy.

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PRIVILEGE

SUBMISSIONS BY MEMBER

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) has sent me a letter outlining a desire to raise a question of privilege arising out of yesterday's question of privilege. I cannot allow that. She knows that yesterday I invited her, if she wished, to submit further precedents to me. She may do that, in writing, if she wishes.

I must say that I was ready to rule on the question. Since she has not sent me a further letter I am prepared to wait one more day, if she wishes to submit precedents to me.

Ms. Copps: Mr. Speaker—

Mr. Speaker: Order, please. A question of privilege can be raised only once. It cannot be raised a second day.

Mr. Gray (Windsor West): Mr. Speaker, the Hon. Member was responding to Your Honour's request to provide precedents. She is prepared to provide them orally on the floor of the House of Commons. If Your Honour would prefer to have them submitted—

Mr. Speaker: I will accept that this is a misunderstanding.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member would be placing the Chair in a position of creating a precedent whereby a question of privilege could be raised one day after another. The Chair cannot allow that. The Hon. Member has misunderstood what I was saying yesterday, perhaps it is my fault, and that is fine. What I meant is that if the Hon. Member has anything more to submit to me, then she should do so. I invite her to do so. However, since the Hon. Member is an experienced Member of two Houses she should know that that should be submitted to the Speaker.

Committee Reports

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Governement's response to the following fourteen petitions: 331-52, 331-53, 331-79, 331-87, 331-119, 331-123, 331-125, 331-126, 331-129, 331-140, 331-142, 331-166, 331-183 and 331-184.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADIAN DELEGATION TO SEVENTY-FIFTH INTERPARLIAMENTARY CONFERENCE IN MEXICO

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the official parliamentary delegation which represented Canada at the 75th Interparliamentary Conference held in Mexico City from April 7 to 12, 1986.

I would like to emphasize the major role played by the Canadian delegation in connection with a unanimous resolution by conference members on international terrorism.

* * *

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF TENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the tenth report of the Standing Committee on Public Accounts. Pursuant to Standing Order 99(2) the committee requests a government response to the recommendation in paragraph 15(b).

This report addresses a number of concerns relating to the Public Service Commission. First, the staffing system in the Public Service is cumbersome. The average time to fill a staff vacancy ranges from 136 days to 160 days. This can be reduced significantly while maintaining employees' rights of appeal.

Second, the monitoring of staffing activities delegated to government departments, such as affirmative action programs, is inadequate.

Third, the Commission's claim that the reverse order of merit is applied when there are lay-offs is of concern, since guidelines do not exist for its application.

Finally, the problems of the division of responsibilities between the Commission and the Treasury Board Secretariat, first reported on in 1982 by the committee, should be resolved without further delay.

[Editor's Note: See today's Votes and Proceedings.]

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PETITIONS

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I have the honour to present a duly certified petition signed by 34 of my constituents who request that the House require the Government of Ontario to remove all restrictions placed on the Metropolitan Police Force in regard to laying charges under Section 251 of the Criminal Code against the operators of the Morgentaler Clinic.

[*Translation*]

OPPOSITION TO LEGALIZATION OF PORNOGRAPHY IN CANADA

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I have here in this box a certified petition signed by more than 3,500 of my constituents—3,500, Mr. Speaker—from the riding of Timmins—Chapleau. They are strongly opposed to the portion of the Fraser study which advocates that pornography be legalized in Canada.

Mr. Speaker, their views are more fully expressed in this 3,500-signature petition which I am presenting to you.

[*English*]

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my duty and privilege to present a petition on behalf of a number of constituents from the City of Kamloops in British Columbia who remind us that the Minister of Employment and Immigration (Miss MacDonald) has announced that workers laid off after December 31, 1985 will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the benefit to the workers of the pension package. It calls upon the Government to renew the previous position which would enable people to keep their entire unemployment insurance benefits without the deduction of pension income.

ASSESSMENT OF CN MAINTENANCE FACILITIES

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is my privilege as Member of Parliament for Moncton to present to the House a petition signed by a number of constituents of southeastern New Brunswick. It has been duly certified by the Clerk of Petitions. They outline in their petition the importance of Canadian National and its shop facilities to the economy of the greater Moncton area. They indicate their concern with regard to the current assessment being conducted by Canadian National and the effect that assessment may have upon our economy.

Mr. Ouellet: Talk to your Minister!

[*Translation*]

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I am duty bound to present a petition signed by my constituents of Rexton, Richibouctou and the surrounding region who deeply regret the consequences of amendments to the Unemployment Insurance Act which deny full unemployment insurance benefits to early retirees.

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[*English*]

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISON REFORMATORIES ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Solicitor General of Canada) moved for leave to introduce Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act.

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

Some Hon. Members: Agreed.

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

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 539 and 540.

[*Text*]

CHEESE IMPORT QUOTA SYSTEM

Question No. 539—**Mr. McKinnon:**

1. In 1985, how many kilograms of cheese were imported under the 1985 allocated cheese import quota system?

2. In 1985, what was the amount in kilograms of the largest single annual quota allocated to any firm or individual?

Right Hon. Joe Clark (Secretary of State for External Affairs): 1. Statistics Canada reported 20,693,000 kg. of imported cheese in 1985. Permit issuance for imported cheese totalled 20,393,420 kg. for 1985.

2. Information with respect to the allocations each firm or individual has received is deemed, under current government policy, to be confidential and, accordingly, cannot be divulged. That policy, however, is under review at this time.

ESQUIMALT GRAVING DOCK

Question No. 540—**Mr. McKinnon:**

Does the government briefing document given to possible purchasers of the Graving Dock at Esquimalt, B.C., list among the development opportunities the construction of icebreakers for Soviet bloc countries and, if so (*a*) is this the same Graving Dock which is barred to Polish fishing vessels because of a possible security risk (*b*) how many requests for construction of Soviet bloc icebreakers have been sought or received?

Hon. Stewart McInnes (Acting Minister of Public Works): The briefing document provided to potential purchasers of the Esquimalt Graving Dock did not list among possible development opportunities the construction of icebreakers for Soviet bloc countries.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Tuesday, April 29, consideration of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motions Nos. 5, 6 and 11 (Mr. Angus, p. 12764).

Mr. Speaker: There seemed to be a little uncertainty about the end of the ruling I gave yesterday. I thought we had heard arguments. I said I would hear arguments today, but other Hon. Members indicated they wanted to put arguments yesterday. I gather there has been some interpretation of the ruling I gave yesterday that I would allow further argument now. Therefore, I am now prepared to allow further procedural argument if there are those who wish to do so.

Mr. Ouellet: Mr. Speaker, I appreciate being allowed to make representation on an amendment presented by my colleague, the Hon. Member for Westmorland-Kent (Mr. Robichaud). In suggesting yesterday that the amendment may be out of order, the Chair made reference to two citations; first, Citation 773(7) of Beauchesne's Fifth Edition and, second, Citation 246(3) of Beauchesne's Fourth Edition.

The problem we have is that both of these citatations are based upon procedures that are no longer followed by the House. Beauchesne's Fourth Edition was written at a time when all spending Bills were based upon detailed resolutions that were debated and open to amendment in a Committee of the Whole before the actual Bill was given first reading. In December, 1968, the rules of the House were changed and the resolution stage was eliminated. It was replaced by a Message from the Governor General recommending the purposes of the Bill and printed on the Order Paper and Notices and on the Bill itself.

Beauchesne's Fifth Edition, Citation 773(7), was written after the adoption of the new rules but it refers to a Bill that was introduced very shortly after these rules were adopted when it was the practice to make the Royal Recommendation very detailed, almost as detailed, indeed, as the old resoltuion. Under our present practices, however, the Royal Recommendation is not at all detailed. It merely states that Her Excellency recommends to the House a Bill entitled, and so on.

The purpose of the Recommendation procedure is to preserve the financial initiative of the Crown, that is, to give effect to the constitutional provision that the House cannot spend any more money than recommended by the Government. That is the only purpose of the Recommendation.

The amendment of the Hon. Member for Westmorland—Kent does not create an additional new expenditure. It does not impose a new charge upon the Treasury and therefore does not go beyond the purposes of the Bill as recommended by the Governor General.

The citations mentioned by the Chair have been over-taken by time. If they are to be taken literally, they preclude any amendment to the Bill at all, because the form of the Royal Recommendation is that the Governor General recommends, not just certain provisions of the Bill, but the whole Bill. That

is what the Recommendation says. Such an interpretation is not what is intended by the rules. Amendments not creating a new expenditure should not be ruled out of order if they are otherwise relevant to the Bill. This amendment is relevant to the Bill and it does not create a new expenditure.

Mr. Speaker: Is there any further procedural argument? I thank the Hon. Member for Papineau (Mr. Ouellet) for, if I am allowed to say it, one of the more interesting procedural arguments the Chair has heard.

With respect to the case made by the Hon. Member, I think he knows that whatever the desirability of arriving at a new procedure, notwithstanding his argument that the Beauchesne's Fifth Edition citation arises shortly after the adoption of the new rules, it has been confirmed many times by rulings from the Chair since that time.

Whatever the quality of the argument the Hon. Member is making, and without entering into, I hope, an *obiter dicta*, may I say to the Hon. Member that the Chair has already admitted as admissible amendments to the Bill, including in this particular case, amendments to Clause 4.

I believe the Hon. Member would expect me to understand the latter part of his submission as argument, let me put it that way. I think I am going to find, having looked at the matter, as he knows, at some length in advance, that Motions Nos. 1, 2, 3 and 4 have to be ruled out on the basis of our precedents and their relationship to the Royal Recommendation, as I indicated yesterday.

I believe I might want to pursue that matter further with the Hon. Member on a more general basis. Perhaps that is the best way to deal with it. Therefore, resuming debate.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is my pleasure today to rise in support of the amendment of my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), with respect to Clause 4. The effect of the three motions put forward by my colleague would essentially be to bring Clause 4 under some sort of public review and parliamentary control; some sort of reporting and review regime which is not provided for in the present structure of the Act.

My concern and the concern of my colleague is, of course, the virtually limitless taxing powers this gives to the Canadian Coast Guard. We know it is essentially that the bureaucrats at the operating level will be making the decisions. What concerns me is that Clause 4 says nothing of the cost accounting structure of the Canadian Coast Guard. It says nothing as to target recovery percentages or target fee levy percentages. It simply places the power in the hands of, supposedly the Minister, but more realistically his officials, to recover costs, however those might be defined, with a view to relieving the public purse and with no consideration provided for of any form of assessment of the impact on users of canals, waterways, seaways and, of course, the Great St. Lawrence Seaway about which my colleague is so rightly and responsibly concerned.

I am sorry we have not had any participation as yet from Hon. Members on the other side of the House concerning the amendments put forward by my colleague. If these amendments are in any way deficient, if they overly circumscribe the powers and responsibilities of the Government, or if they would impose impossible operating burdens on the Ministry, let the Progressive Conservative Members say so. Let them stand up and put on the record their criticisms of these amendments. But just to let the amendments get voted down and the Bill to pass in its current form is not the way those concerned with the exercise of democracy should be conducting themselves in this House. What it essentially represents is a "hear no evil, see no evil, do not evil" type of philosophy where it is the apparent belief of Government that, after all, the Minister, being the Minister, cannot do any wrong with this legislation. That, as we know from prior experience, particularly with the Liberal Government, is far from being the truth.

• (1520)

We know after all that when Ministers are given virtually unlimited freedom to set rates of charges or recovery there is a tendency, or temptation if you like, to rule arbitrarily by legislative fiat. I think the amendments proposed by my hon. colleague are very worthy of attention and incorporation in the final form of this legislation.

Under the Bill as it is now written, the only public review provision is that a regulation is to be published in *The Canada Gazette* at least 90 days before the proposed date with a reasonable opportunity afforded within those 90 days to make representations to the Minister. That really is a pretty loose, limp and eminently disregardable form of public review and input.

On the other hand, the measures proposed by my colleague are reasonable. They would not overly constraint the Government. I believe any Government should be able to live with them. They do not provide for lengthy hearings, for legal contestatory processes or for expensive review boards. In fact, they do not provide for any patronage appointments; that may be one reason why they are perceived as being deficient.

The amendments do provide that a committee of the House would, on the written request of 20 Members, review the regulation, and that would be the public forum. I think that is an excellent idea. Let us face it; with the necessity of getting the written request of 20 Members it would not be a rubber stamp. It should not be the sort of thing that one Member, however diligently she or he might ply his or her own parish pump, could put through willy-nilly. Presumably, it would depend on a degree of common understanding and acceptance that there was something worth questioning and, of course, it would depend on a degree of commitment on the part of Members of the House who wish to examine the regulation and hold hearings on it.

Motion No. 6 provides for the automatic review of Clause 4 by the Transport Committee every two years. Again, I think

this is an excellent idea. It is not an over-imposition on the Government. Presumably, the Government of the day will still have a working majority on the Transport Committee. Presumably an automatic review would be an opportunity to air concerns, to propose alternatives, to discuss the experience and to analyse the degree to which the objectives have been accomplished. It will not be merely a bi-annual bear-pit such as what might come about if there was a sort of tribunal process. Again, that is something a Government that is truly interested in the exercise of democracy could easily incorporate.

Motion No. 11 provides that the clause not come into effect before January 1, 1988. I think this shows how carefully the Hon. Member for Thunder Bay—Atikokan has thought out the amendments. He is not seeking to establish a process that would immediately bring down complaints on the Government. Under this sort of provision, there would have to be a working-out period in which the users, the exporters and the Government itself would have a chance to look at the experience and, indeed, would be forced to do so if they were to come before the parliamentary committee and cogently reason the case for the changes they might propose.

I think it is worth while to review some of the opposition there has been to Bill C-75, and particularly to Clause 4. We know, of course, that boaters everywhere in Canada, as represented by the Council of Boating Organizations of Canada and through their own personal submissions, have stated their concern about the way Clause 4 might be used. The whole principle of Government by laws and not Government by men is to protect the citizen from the arbitrary exercise of power. I am afraid that by setting up Clause 4 in the way it is, the Government is in fact permitting, and may well be encouraging, the exercise of arbitrary power over the boaters of Canada, although, after all, boating may not be a momentous area of human endeavour.

The St. Lawrence Shipowners Association has said the following about the Bill:

—we do not agree that we should give the government a blank cheque, which would allow it to set up a fee system about which we know nothing at the present time.

I recall to Members of Parliament the title of the recent discussion paper issued by the Ministry of External Affairs. One of the key words in that title was "competitiveness". I think that is something that has been generally ignored in the framing of Bill C-75. By allowing the Government an unrestrained taxing power restricted only by the total cost—but as I pointed out, that cost is susceptible to many different ways of determination—the Government has set up the users of maritime transportation routes for a possible beating that could very drastically affect their competitive position.

The Seafarers' International Union has said the following:

We cannot have full cost recovery if our Canadian marine industry is to survive. On certain cargoes, the lake companies will just not be able to compete—Therefore we will not have these cargoes.

Algoma Steel, Stelco and Dofasco have said the following:

—Our big over-all concern is to do with the seaway system itself, upon which we depend, and its lessened competitiveness.

They also mention the chronic over-supply of their commodity, steel, in the present world market.

The International Association of Great Lakes Ports has said:

The Great Lakes-St. Lawrence Seaway system is a shared asset of Canada and the U.S. For the first time in the history of the seaway, each country is moving unilaterally on matters involving the seaway—

That is a warning of which the House should take very careful notice.

The Dominion Marine Association has said the following:

—this could amount to an additional $1.65 per tonne for every tonne that moved through the Seaway last year. Given the fact that traffic was down 20 per cent from 1984, this cost could have a dramatic impact on future traffic patterns.

Many other organizations have had something to say about this Bill including the Montreal Chamber of Commerce, the Montreal Board of Trade, Canada Steamships Ltd., the Canadian Shippers' Council, the Inuit Tapirisat of Canada and the Prince Edward Island Potato Marketing Board. From the number of submissions that were heard in committee, it should be very apparent to the Government that it is establishing a measure which could come back to haunt the Government, a measure which could impair Canada's international competitiveness and could influence and, generally, harmfully modify possible decisions taken by shippers.

My colleague, the Hon. Member for Skeena (Mr. Fulton), has referred to this Bill as a Trojan horse document. He said that vessel owners and operators do not know what the cost is going to be. That, I believe, violates a fundamental principle of fairness and equity. I believe it violates a very normal commercial principle, which is that when a good or service is demanded or ordered, it is done so on certain assumptions and with at least a very approximate knowledge of price. That approximate knowledge will now be gone because users will be subject to whatever levy the Government decides to demand, and there is little provision for the modulation of those levies within the frame of reference of what the market can afford.

I would again call on my colleagues on the opposite side to rise to tell us what is wrong with these amendments that they are not going to accept. I think these are reasonable changes which would enshrine a number of key commercial and, indeed, moral principles in this Bill, principles that are sadly lacking at the present time.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to take this opportunity this afternoon during the debate on Bill C-75, to announce that the Liberal Party, the Official Opposition in the House, deplores the Government's decision to maintain Clause 4 in Bill C-75.

My colleague, the previous speaker, moved an amendment to have this clause struck out of the Bill. Unfortunately, after being voted down in Committee, the amendment was rejected by the Speaker in the House on procedural grounds.

I must say that if we cannot have Clause 4 struck out of Bill C-75, at least we will not object to the amendments presented by our colleague—the amendment before the House today.

But why should we agree to an amendment that is not as good as we would like it to be? It is because a bird in hand is better than no bird at all. What Clause 4 of the Bill gives the Government is the kind of absolute authority which in this day and age is unthinkable and unacceptable.

The Minister of Transport (Mr. Mazankowski) has taken advantage of a Bill that amends the Canada Shipping Act, and the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act. Here we have a series of non-controversial measures, measures that are acceptable and praiseworthy and which could have been debated very quickly in the House and could have obtained the unanimous approval of all Members on both sides of the House.

But the Government saw in Bill C-75 a unique opportunity to create a new authority which I find quite unacceptable, the authority to impose a Canadian Coast Guard maritime service cost recovery program.

Clause 4 of Bill C-75 is the one we find so unacceptable and so reprehensible. We denounce it and we simply cannot understand why the Government chose to ignore all representations made in that respect.

The previous speaker listed a series of associations and organizations which have found fault with Clause 4 and urged the Government not to proceed with this part of the Bill.

Why do we share the views of all those who appeared before the committee to denounce this part of the Bill? Because the percentage of recovery, the charges imposed, the way they will be collected and, in short, who will pick up the tab are all matters left to the full discretion of the Governor in Council—the Minister of Transport, of course, but also his colleagues the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret) who, as we know, are one-track-minded when it comes to finding new sources of revenues to reduce the Government's deficit.

Although some people do have confidence in the Minister of Transport, most of those who gave evidence before the Committee on Transport and the committee which considered Bill C-75, have strong reservations about the Minister of Finance and the President of the Treasury Board.

Nevertheless, we cannot agree with leaving the assessment of these costs to the entire discretion of Cabinet. In fact, that is what the Minister of Transport wanted when he presented the Bill and asked the Committee to vote in favour of the principle of service charges and give him and his Cabinet colleagues *carte blanche* to do as they see fit.

The Coast Guard services referred to in Clause 4 are aids to navigation, dredging, vessel traffic services, ice breaking services, vessel escort services and sounding. Since the Bill fails to define exact perimeters, there may be a host of other services, as yet undefined, which may also be affected and may become a financial burden for people in the shipping industry, who because of the economic situation are having considerable problems at this time.

If we stick to a rigid interpretation of Clause 4, service charges would apply only to navigation services and not necessarily to the entire Marine Transportation Program. Now it is interesting to note, Mr. Speaker, that total expenditures for the Marine Transportation Program in 1985-86 were set at $824 million. The cost recovery now being requested for the same Coast Guard services represents about 3 per cent of total expenditures or $24.7 million.

When the Minister appeared before the Committee, he wanted to re-assure Members present, saying that his Department was not aiming at more than a 7 per cent cost recovery—in other words, 4 per cent more than the present recovery rate. He added that this would represent an increase in revenue of about $20 million.

• (1530)

Mr. Speaker, what worries me, and that is why I raise this point this afternoon, is that the users of these services, who have a vested interest in what is happening, are the ones who expressed their concern and made the most strenuous objections to this part of Bill C-75. And I must say they are right to be concerned, because this formula is not laid down in the Bill. I am quite prepared to believe what the Minister says, but I wonder why he failed to put it in writing in the Bill. Without wishing to doubt the Minister's word, it is obvious that he has full authority to increase the recovery percentage as and when he sees fit.

I see that the Parliamentary Secretary is doing his job—he gets paid to defend the Minister—and waxing indignant in the House. He may resent what I am saying here, but all I am doing is echoing the hundreds and hundreds of representations made to the committee Members who studied this Bill and who are saying in no uncertain terms that such absolute ministerial discretion is unacceptable. The Parliamentary Secretary's attack is not levelled against me but against all these associations and individuals who aired their grievances before the committee.

To some extent the amendment moved by the New Democratic Party clarifies the executory regulations from which would flow the Minister's absolute power. I am therefore prepared to accept the amendment because, at the very least, it does limit the extent of the power of the Minister of Transport (Mr. Mazankowski) and his Cabinet colleagues.

I am glad to see that the President of the Treasury Board (Mr. de Cotret) has just entered the House, because he should give more consideration to the concerns that have been expressed about Clause 4 of Bill C-75 more specifically by the Montreal Chamber of Commerce and the Montreal Board of Trade. Hopefully the President of the Treasury Board will make personal representations to the Minister of Transport

and urge his colleague to respond to the very legitimate requests of the Montreal Chamber of Commerce, and convince him to change his mind and not resort to Clause 4, at least not until the situation has been straightened out. Clause 4 should not have been included in Bill C-75 to begin with, but at least I hope the Government will accept the amendment now before the House under which the authority of the Minister would be restricted to some extent.

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I remind the distinguished former Minister of his comments at second reading on October 17, 1985 as reported at page 7743 of *Hansard*. In responding to the Minister of Transport (Mr. Mazankowski) he said:

> In answer to the Hon. Minister, I want to tell him that in some cases I would agree with some charges, but in other cases I think it is totally irresponsible—

• (1540)

That is the point of the observation which the former Minister has made. Might I ask the Hon. Member broadly and generally whether or not he totally disagrees with the Auditor General and whether or not he totally agrees?

Mr. Deputy Speaker: Order, please.

[*Translation*]

Mr. Robichaud: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Hon. Member for Westmorland—Kent (Mr. Robichaud) on a point of order.

Mr. Robichaud: Mr. Speaker, I simply want to know whether there should have been a question and comment period after the remarks of my colleague. Is that normal procedure?

[*English*]

Mr. Deputy Speaker: Unfortunately not. There is no period for questions and comments after the speech of the Parliamentary Secretary. The Parliamentary Secretary has the floor on debate.

Mr. Forrestall: Mr. Speaker, that may come as some surprise to the distinguished Member, who I might say has made extraordinarily interesting interventions on a number of occasions in committee and has brought forward what can only be considered as some very reasonable suggestions, as indeed did his colleague, the Hon. Member for Humer—Port au Port—St. Barbe (Mr. Tobin), in the Liberal Party, as did the New Democratic Party.

These amendments were intended to strengthen the Bill and were amendments which reflect clearly the intention of the Government to listen and respond to the comments and observations not only of opposition Parties but of the Canadian Council of Boating Associations, the Seafarers International Union, and I could go on. The list is almost without end. We did listen and we did respond. The Bill is strengthened in all areas, there is no doubt about that.

Of all of the representations from the over 60 witnesses representing some 28 associations, which were heard by the legislative committee, only one brief disagreed with the fundamental principle of recovering some of the costs incurred by the Canadian Coast Guard in providing services to marine and maritime users in Canada. There was only one single disagreement. Everybody else agreed. I fail to understand what the Opposition's concern is, other than obstruction. I hesitate to say that because we are just now moving into report stage.

An Hon. Member: It is provocation.

Mr. Forrestall: I would ask the Hon. Member whether he is prepared to rise in his place and give unanimous consent, say tomorrow, to move to third reading. Of course he is not prepared to do that.

From the Great Lakes Seaway Corporation through to the boat users, from canoeists through to ship owners, the Dominion Marime Association, everybody agrees with the principle. To meet the very legitimate concerns and a legitimate question raised by the Hon. Member for Papineau (Mr. Ouellet), the Minister has agreed not to move with this Bill in the proclamation of Clause 4 which amends Section 3.1 of the Canada Shipping Act until, at the earliest, January, 1987, or to move with the implementation of any charges until, at the latest, January 1, 1988.

I understand the arguments that have been put so far in opposition to us opening up an Act and including matters which have not as yet had the benefit of consultation. Let me respond to that. Historically we seldom open up a major piece of legislation. Here we have opened up a major piece of legislation in Canadian life, namely, the Canada Shipping Act. I think it was incumbent upon us, as we opened it, to deal with the six international conventions and five international codes, primarily dealing with safety at sea, safety of the lives of seamen, construction standards, operational standards and certification of these people in one broad category and in another broad category, the enhancement from present levels of national compensation capacity to international standards of compensation for those affected by oil pollution and spills. The movement toward that, which is 95 per cent of the Bill, is essential, urgent and must be dealt with. To raise the specious argument that nobody agrees with the right to impose certain charges for partial recovery of costs of the provision of services is bewildering, unless you consider it purely in the political context.

I repeat again, every single witness who appeared before the legislative committee, and I might add, with one exception every single witness who appeared on the freedom to move question in the Standing Committee on Transport, agreed that it is right and proper that the taxpayer recover some of the costs—not all, by any stretch of the imagination, but some of the costs of providing Coast Guard services. That is all that is contemplated. If you want to do the definitive arithmetic now

and preclude or prejudge the work of the consultative process, that is up to the Opposition, but we are not going to do that.

The Hon. Member for Papineau has said his piece and long since left the Chamber. He hits and misses on questions of transport, and although he is the Official Opposition's critic he rarely stays around to enter into debate or to respond to legitimate concerns and questions. Let me tell him that the Bill should stand. The proposed amendments have the effect of changing substantively the intention of the Bill. They will not serve the best interests of the Maritime community and I would urge Members to get on with the next grouping of amendments. I urge them to be careful and concerned. Every day of delay delays the imposition of international standards for the safety of the life of seamen. Any delay in that area is somewhat intolerable.

• (1550)

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I rise this afternoon to speak to amendments to Bill C-75 to amend the Canada Shipping Act. We have no objection to most of the contents of this Bill. Most of the contents concern modernization and other essential changes which are not subject to partisan debate. However, Clause 4 is an area of very grave concern and we have moved amendments to it which we to have supported.

Through Clause 4 the Minister is given inordinate powers to raise charges for the use of The Seaway. Clause 4.3.1 (1) presently reads:

> For the purpose of defraying the cost of services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, sounding and dredging, vessel traffic services, icebreaking services and marine aid.
>
> (2) Charges may be imposed pursuant to subsection (1) in relation to any ship, regardless of whether the Canadian Coast Guard actually provides a service to that particular ship, but—

There are then some qualifications.

The principle of user-pay is a very reasonable one. No one is objecting to the principle and that is not the issue. It is, rather, how the charges are set, what kind of appeal procedure there is, and what the effect of the charges will be. We certainly want to have reasonable payment for services which are provided, but it must be fair payment which is genuinely "user-pay". There are certainly arguments that people may be charged for services which they themselves do not use. As well, we must look at the general impact on the economy.

Shipping ultimately affects the producers of the products which are being shipped. Charges imposed on transportation are ultimately charges on the consumer or the producer. Someone must pay them. The notion that we can simply impose new charges without thinking about the impact on producers and consumers is very short-sighted. As the provision exists, it would give dictatorial powers to the Minister to decide what these charges are to be. That is objectionable. The Government has agreed to an amendment to permit publication of proposed charges and to allow for a 90-day period during which representations can be made to the Minister. The same Minister who decided the charges in the first place would decide whether to proceed with them or change them. That is the old situation of the same person acting as prosecutor, judge, and jury in his own case. That is objectionable.

In committee we recommended a regulatory process which would provide for input in the determination of the charges by the public and the industries concerned. That was not accepted. Since that procedure was not accepted my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) has proposed three other amendments. The first motion, Motion No. 5, provides that there be an amendment to Clause 4 substituting the following:

> (3) A copy of each regulation that the Governor in Council proposes to make under subsection (1) shall be laid before either House of Parliament.
>
> (4) Where, within twenty sitting days after a proposed regulation is laid before either House of Parliament under subsection (3), fifteen Senators or twenty Members of the House of Commons, as the case may be, by notice in writing addressed to the Speaker, request that the proposed regulation be referred to a committee, the proposed regulation shall stand referred to the standing committee of the Senate or House of Commons, as the case may be, that deals with transportation matters, or to such other committee as the Senate or House of Commons may order.
>
> (5) A committee to which a proposed regulation is referred under subsection (4) shall forthwith consider the proposed regulation and report thereon to the Senate or House of Commons, as the case may be, within thirty sitting days after the referral is made.

One could go into other details of the amendment, but its purpose is clearly to provide for a parliamentary review and, through the committee system, for users and the industries concerned to make representations. There will have to be some public accountability, not just a letter to the Minister—

Mr. Forrestall: Do you not understand the role of the Standing Committee on Transport? It can call such questions at any time it wants.

Mr. Angus: Hold it, Mike. You'll get another shot.

Mr. Forrestall: I'll give her a shot. Obviously she doesn't understand the process.

Ms. McDonald: The provision would make it possible for Members of Parliament to have this referral made. That is not possible under the existing Clause 4. It is important that this provision be in place. The committee is dominated by Government Members who may, by majority, decide not to hear it. They could hear it if they wished to, but if a majority of the Government Members decided they did not want to hear the matter, there would be no hearing. This would give Parliamentarians who do not belong to the Party in power, and who may have concerns about this, an opportunity which they do not have under the existing clause to ensure that there is public accountability on this matter. Motion No. 6 reads as follows:

> (10) Two years after the coming into force of section 3.1 and every two years thereafter, the Minister shall refer section 3.1 to the Standing Committee on Transport for the purpose of reviewing its economic impact on

users of services provided by the Canadian Coast Guard and the committee shall report not later than the sixtieth sitting day of the House, following the request for review.

This is a very simple amendment. Its purpose is to ensure that there is a review of the economic impact of the charges. Transportation is enormously important. Charges which are too high could certainly cause enormous harm. This would ensure that there is a review before a deteriorating situation has too long to develop.

Our third motion, No. 11, reads very simply:

by proclamation, with the exception of section 4 which shall come into force on or after January 1, 1988.

This is to permit some period of adjustment before the imposition of these charges. They should not come into effect immediately, which the Minister has said he would not agree with in any event. Its purpose is to clarify within the legislation that there will not be an immediate impact and to specify a time when the impact of these charges would be felt.

Let us consider the amount of money involved. The current estimate for Coast Guard services is $800 million, and costs usually go up. The present legislation would permit full recovery of these charges. The Minister said there would only be recovery of a small portion of that amount, but that could be changed. There is no reason why the Minister could not recover any amount he wished. That is a very substantial amount of money.

In conclusion, Mr. Speaker, I would like to point out, particularly to the Hon. Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), that a vast number of witnesses appeared before the committee raising their concerns. They included representatives of the industries, producers, farmers, unions, workers, and recreational users. They saw major problems with Clause 4 and called for review and adjustments. They called for the kinds of changes which we are recommending through these three amendments.

Mr. Forrestall: They supported it in principle, didn't they?

Ms. McDonald: We support it in principle, but we very much want these important changes to allow for public input. We do not want to allow the Minister the dictatorial powers to impose charges which may be harmful to the industry. That is what industry and union representatives have said and that is what we are very much supporting here. Principle is fine but not at any cost. The economic impact has to be a part of that review.

• (1600)

Mr. George Henderson (Egmont): Mr. Speaker, I, too, want to say a few words on Bill C-75 and on the motion before us today. Right from the beginning, when this legislation was brought to the House by the Minister of Transport (Mr. Mazankowski), I very quickly noticed Clause 4 as it affects my part of the country and certainly my province. I spoke about how important the potato industry is to Prince Edward Island. We ship about 80 per cent of our potatoes to international markets. Most of those shipments are through three ports, Summerside, Charlottetown and Georgetown. This legislation has a very detrimental effect on that industry. I realize that during the committee stage the Minister went some distance in saying that Clause 4 will not be proclaimed until January 1, 1987. It also may be that the actual charges would not be imposed until January 1, 1988. However, that is little consolation to the people I represent.

I looked over some of the briefs presented to the committee. I have one here from the Potato Marketing Board on behalf of the Prince Edward Island potato industry. This may be the brief that the Parliamentary Secretary spoke about. They spelled the situation out in real terms. Their studies indicate that the cost of icebreaking services alone is roughly $1,000 an hour. They indicated in their brief that in the winter ships generally need icebreaking assistance for about 30 hours in each direction in and out of Summerside. That is where most of the potatoes are shipped from. That would mean a total recovery, and we are not expecting that, of $60,000 a vessel if they were to recover all of the operating costs. Even if you go down to only 15 per cent of that figure, we are still talking about $9,000. They point out very explicitly that that is enough to kill the industry, and certainly customer orders in the export market.

I do not believe the Parliamentary Secretary, the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), and other Members of Parliament not from the potato belt, really realize how thin the margin is in that industry. The President of the Treasury Board (Mr. de Cotret) is here, and he knows full well that his Government put $6 million toward subsidizing the potato industry and as a diversion program in order to get crops off the market. Our competitors have large crops and there was just no market for potatoes. Prince Edward Islanders appreciated that $6 million of aid, but I must say, as far as the diversion aspect is concerned, it was far too little and too late. Had the money been put in when it was needed, it would probably would have taken enough potatoes off the market to enable farmers to get a better price for their product.

When the Standing Committee on Fisheries and Oceans travelled to Atlantic Canada, almost every person who presented briefs was against Bill C-75.

Mr. Skelly: Some 150 groups.

Mr. Henderson: Yes, they were totally opposed. I cannot understand why the Parliamentary Secretary says there was no one against it.

Once this legislation is enacted it will never come back to this House for review during this Government's term. The Government talks about consultation. It is easy to consult when, as my colleague from Humber-Port au Port-St. Barbe (Mr. Tobin) said yesterday, the Minister has a loaded gun and if you do not go along with it he will pull the trigger.

Let us look at other briefs which were presented to the committee. I talked to the National Farmers' Union in Prince

Edward Island. They are a representative group of producers. In their brief they in no way agree to Bill C-75, specifically Clause 4.

Mr. Forrestall: But they do not disagree with the principle of recovery of some charges. Respond to that.

Mr. Henderson: I look at another group, Women in Support of Agriculture. I will put this on the record so the Parliamentary Secretary will know the correspondence his Minister is getting. I am sure his Minister does not tell him what is going on. This is a copy of a letter to the Minister of Transport (Mr. Mazankowski). It says:

Re: BILL C-75 CLAUSE 4

Dear Sir: Women in Support of Agriculture express our gravest concern that you may be charging user fees on dredging, vessel traffic services, icebreaking services and escorting services.

This added cost would be very detrimental to our primary industries here on Prince Edward Island.

During the fall and winter months, many of our seed potatoes are moved by boat to offshore markets. We have worked for years to establish our seed markets and with the competitiveness of the potato industry and the low prices we have been receiving for our product, our farmers cannot afford this added cost.

We therefore urge you to delete Clause 4 from Bill C-75.

Yours truly,
Wanda MacMurdo
Provincial President
Women in Support of
Agriculture

Carbon copies of that letter went to the Minister of the Environment (Mr. McMillan), the Hon. Member for Malpeque (Mr. Gass) and the Hon. Member for Cardigan (Mr. Binns). If they had been listening to and expressing the concerns of Prince Edward Islanders the Conservatives would not have fared quite so badly in the provincial election. The Parliamentary Secretary must look at some of this. I do not care how many groups came forward and said they support something in principle. I can tell you that the people hurt by this legislation, the ordinary primary producer, is not supporting it in principle or in any other way.

Mr. Forrestall: Do you want free transportation in Canada? Is that what you are in favour of? No charges at all?

Mr. Henderson: The Parliamentary Secretary and his Minister and Government will find that out. The Parliamentary Secretary will not only have a hard time getting his nomination, as he did the last time in his own riding, he will have a hard time getting elected. When I point the finger at him, he is gone.

Mr. Forrestall: I am what?

Mr. Skelly: That is harsh talk.

Mr. Forrestall: Are you opposed to any cost recovery?

Mr. Henderson: The Parliamentary Secretary wants to go back home now and again, and come over to Prince Edward Island, up through New Brunswick and in the areas hurting—

Mr. Forrestall: I probably spend as much time in Prince Edward Island as you do.

Mr. Henderson: He has been sitting around the corridors of Ottawa for far too long. He is in this sort of greenhouse environment where everything is fine. When he gets out and actually hears what people are saying, then I think he will take a different view. I expect that after this little talk I have been able to give for the benefit of the Parliamentary Secretary, he will get up and support those of us in the Opposition. I know he has a heart behind that sort of—

Mr. Tobin: Cold facade.

Mr. Henderson: Yes, cold facade. He does have a heart. He would not try to do that to the good people of Prince Edward Island. He will talk to the President of the Treasury Board and his other colleagues who have influence in the Government and suggest that this clause should be deleted because it will affect them when they go back to the polls in the next election. He will warn them that not only will he not return, the Government will not be re-elected.

• (1610)

In conclusion, anyone who is involved in the primary industries in Atlantic Canada does not support Clause 4 in Bill C-75. I hope the Government listens to what the Opposition and other people are saying. While we on this side agree with much of Bill C-75, we certainly do not support Clause 4. I hope those Members on the Government side will come to their senses, delete that clause, and allow the rest of the Bill to proceed as expeditiously as possible.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I am pleased to have an opportunity to participate in this debate. At the outset, let me make it perfectly clear that we believe the Parliamentary Secretary and the Minister of Transport (Mr. Mazankowski) are not proposing these measures of their own free will. Both those individuals are very well versed in the transportation needs of this country, and we believe that the Prime Minister (Mr. Mulroney) and the top level of the Cabinet are forcing them to bring in this legislation. They are being told that they must grind this money out of Canadians.

We direct our criticism at the Government as a whole, on the basis of principle. We are opposed to the Government's principle on cost recovery. The people who live and work on the coast of British Columbia live in one of the most dangerous and expensive environments in this country.

Other Canadians benefit from the Trans-Canada Highway, for which there are no tolls. Those people who live in Bella Bella, Bella Coola and the northern ends and the west coast of Vancouver Island paid for that highway out of their tax dollars. While they shared that cost with other Canadians, they are being asked to pick up the tab for their version of the Trans-Canada Highway, the safety and search and rescue aspect at sea. They are being asked to foot the bill for marine aids to navigation and for the harbours that are really the

highways and receiving ports of their communities. Those costs are being imposed on these people when the cost for other forms of transportation, such as the Trans-Canada Highway, are provided to others for nothing. It is interesting to note that the Trans-Canada Highway does not go to most areas on Vancouver Island or the coast of British Columbia. In fact, there are no highways.

This wrong-headed policy of the Government has taken effect in other areas as well. It is also incorporated in the Aeronautics Act. The Government's unique approach to user fees is punitive on certain areas of the country.

The question we are dealing with is an $800 million bill for Coast Guard services. When the Minister first appeared before the committee he said that the Government would get back 15 per cent. That means $120 million will be loaded on the backs of Canadians who live in those areas of this country where they cannot get any benefit from the major transportation system. Those people must depend on air and marine travel. The economies of their communities depend on that transportation.

I am talking about people in the fishing industry. They will be charged user fees by the Department of Fisheries and Oceans in the form of higher licences. They will be charged a finnage tax on their catch. They will be charged for the use of aids in navigation. In the past, many fishermen on the West Coast have had trouble at sea. When that occurs in the future they will have to pay for the search and rescue service.

The time has come to stop this foolishness of imposing these costs in an unco-ordinated fashion. Unfortunately, the Parliamentary Secretary is leaving. I hope he will return to hear the rest of my story about how other Canadians are being affected by this legislation. Tourism is very important to this depressed area of British Columbia that has experienced enormous problems as a result of the recession. Although that area depends on tourism, the Government has done very little in this area.

The British Columbia ferry system is already a high priced ticket for the people who live in those communities. They will experience even higher rates because the Government will impose user fees. That is absolutely wrong. It will impaire the growth of the economy of those communities.

The forest industry in British Columbia is tremendously dependent on the marine transportation system. The imposition of higher costs and user fees for the marine transportation system will make it even more difficult for that industry to survive in the face of tremendous American pressure and the lack of appropriate support from the Government of Canada.

Let us make no mistake that this policy is wrong-headed. It is punitive and discriminatory and should be stopped immediately. Many Canadians live in those small out ports and smaller coastal communities. They pay an enormous price to live and work in those areas. Their food costs are extremely high and the cost for other products which they buy, if they are available, are a third to double the price of what is paid in the major centres. Yet the Government is advocating the imposition of the additional cost of user fees.

That will not severely affect the people in Toronto, Winnipeg or Montreal, but it will certainly have a massive impact in areas such as Port Hardy, Campbell River, Port Alberni, Prince Rupert and other smaller communities up and down the coast of British Columbia. It will have a massive impact on the coast of Labrador and Newfoundland and in the Atlantic Provinces. I am surprised that the Parliamentary Secretary would be so diligent in defending the Government for a policy that would have such a devastating effect in his own province.

This policy is another indication that the Government's left hand does not know what its right hand is doing. My colleague indicates that the Government only has a right hand in terms of its philosophy and approach.

It was clear from questioning in the committee that no one in the Government is keeping track of the enormous burden that these charges are placing on Canadians. The Aeronautics Act imposes charges the marine act imposes charges, and the Fisheries Act imposes charges. The Government cannot get enough of user fees.

I suggest it might be useful for an official in the Department of Transport to study the net impact of all the charges that come under the ports legislation, the Canada Shipping Act, and the charges being contemplated for small craft harbours and finnage taxes, because that has not been taken into consideration. The Government will clean out the wallets of fishermen and the people who depend on the forest industry.

Mr. Forrestall: Nonsense.

Mr. Skelly: The Parliamentary Secretary hollers "nonsense". He can make some sound comments on this, if he wishes.

Let me dispel an argument which he made in the House. The Hon. Member for Egmont (Mr. Henderson) stated that some 150 groups appeared before the Fisheries Committee when we travelled throughout the West Coast and East Coast. A major topic of discussion was Bill C-75, to which they were absolutely opposed. They predicted that it would have an extremely negative effect on their personal livelihoods, the livelihoods of their communities and indeed on that whole sector of the industry.

I urge the Parliamentary Secretary to reconsider this Bill and take a stand against the Prime Minister and the narrow minded people in that caucus who are suggesting that we clean out the wallets of Canadians in such an unjustified fashion. This is an extremely serious matter and I thought I saw a certain recognition of the truth by the Parliamentary Secretary. It was my hope he was going to move forward and see this horrendous section of the legislation cut out so that we could all support the good aspects of the Bill. But user-pay is wrong. It is punitive and extremely discriminatory.

• (1620)

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, Bill C-75, as has been pointed out, makes some important contributions and changes for the future. However, that part of the legislation of particular concern to the Official Opposition has to do with Clause 4 which is in great need of amendment. We tried as a Party to see it properly amended in committee. Again today we are trying to persuade the Government to consider our amendments.

The reason Clause 4 is so unacceptable is that it gives sweeping powers to the Minister of Transport (Mr. Mazankowski) without considering what this could mean, not just for now but in the long run.

My constituency is in the centre of Toronto. Many people might wonder, since my constituency is in Toronto, why I am concerned about this Bill. Perhaps it should concern only those people on the East Coast or the West Coast. But the shipping industry around the Great Lakes is a very major part of our economy. The Great Lakes represent not only pleasure boating but a great deal of commercial boating. When one considers the importance of the shipping of wheat and ore and understands the economy of Ontario, one realizes that the port of Toronto is of vital importance to the well being of that industry. Tens of thousands of people in Ontario own boats, either commercially or for pleasure. Therefore, this Bill is of concern to them. It is of concern to the province of Ontario because we face on to Lake Superior, Lake Erie, Lake Huron and Lake Ontario. In fact, we are a province which has an unusual amount of shipping, so we have reason for concern about the arbitrary powers which are being put into the hands of the Minister of Transport. It is in effect, one might say, a kind of loaded gun.

Clause 4 states in part:

—the Governor in Council may make regulations respecting charges relating to those services—

It then goes on to talk about all kinds of services including the dredging of harbours, navigational aids, escorting, lighthouses and all kinds of matters relating to ice breaking, search and rescue, and the like. This is of concern to Ontario and it also of concern to those who are struggling to make a living on the coasts of this country.

Having served on the Committee on Regulations and Other Statutory Instruments, I can tell you, Mr. Speaker, we are appalled by this kind of legislation, this *carte blanche* given into the hands of the Governor General in Council and the Minister, these incredibly unlimited powers to lay on the backs of people additional taxes and charges. That is why our Party is concerned. This clause has the potential to give into the hands of the Minister unlimited and arbitrary powers without any description as to how those powers should be limited.

Anyone who sat on the Committee on Regulations and Other Statutory Instruments knows how dangerous it is to pass this kind of legislation. Unless it is amended, the Government is making a grave mistake. It is not only for this year and next, or whenever it comes into effect, it is for the years and decades to come. Legislation like this can be misused and produce a misdirected form of taxation.

The Government seems to have no memory of the promises it made to the taxpayers that it would not seek more taxation and that it would try to cut spending. All the Government has done since coming to power has been to lay burden upon burden on the backs of the taxpayer. The middle class is now the favourite target of the Government. The Prime Minister (Mr. Mulroney) promised before the election that taxes were not going to be his way of solving economic problems. The Minister of Finance (Mr. Wilson) promised in 1985 that taxation was not one of the areas he would look to in trying to solve the problems of the deficit. Yet in situation after situation we find taxes laid on. There are hidden taxes and seen taxes in terms of surtaxes. The poor as well as the rich have to pay these extra hidden taxes. Now there is a user tax which is going to be given in the form of *carte blanche* to the Minister to apply to the shipping industry and to those who use shipping as their way of life, as if the fishermen were not already assailed by enough taxes. We have seen federal taxes put on them an additional burden by the Government which promised no more taxes, and by the provinces because the federal Government is cutting back on its transfer payments and they have no recourse but to turn to their own forms of taxation to provide health and education to their people. This Government is copping out on its promises.

Mr. Forrestall: What has that to do with Clause 4?

Mr. de Corneille: The provinces now have to add more taxes in order to provide health care because this Government is taking away in Bill C-96 the money which should be transferred to those provinces.

Mr. Forrestall: Come on.

Mr. de Corneille: The fishermen and people in the eastern regions, for example, and in the far west, have to pay municipal taxes as well. These taxes will have to go up again because moneys which should have transferred to the provinces have been withdrawn by the federal Government. We have federal taxes and income taxes, provincial income taxes, municipal taxes on property and now we have users fees. The Government is withdrawing money from the provinces with the result that they have to tax more, and now we have users fees.

Mr. Forrestall: Mr. Speaker, I rise on a point of order. We are addressing a motion which would replace a provision in Clause 4. We are not dealing with municipal taxes. We are discussing a motion which is very relevant to Section 3.1 of the Canada Shipping Act. I am afraid my dear friend, the Hon. Member for Eglinton—Lawrence (Mr. de Corneille), has decided that he would import provincial and municipal politics along with municipal taxation. We are not debating any of those things. We are talking about a mechanism which would provide one form of appeal as opposed to the form of appeal set out in the Act.

Mr. Deputy Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) on the same point of order.

Mr. Tobin: Mr. Speaker, the Parliamentary Secretary is obviously practicing the classic defence when an articulate, powerful and succinct statement is being made, and that is to interrupt. The reality is, as the Hon. Member so properly pointed out, that when the Government of Canada is cutting off the arms and limbs of Canada—

• (1630)

Mr. Deputy Speaker: Order, please. Obviously, the points of order are with respect to the matter of relevance. I believe the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) made an analogy to some other point, which the Chair allows. The Chair reminds the Hon. Member that he has two minutes left in which to conclude his speech.

Mr. de Corneille: Mr. Speaker, the point I would like to explain to my hon. friend is that this is the heart of the matter. What is wrong with this clause is that, for the first time in the history of the country, a Minister is asking for arbitrary and undefined powers.

Mr. Tobin: A loaded gun.

Mr. de Corneille: Yes, as my colleague says, the Minister is asking for a loaded gun. He is asking for undefined powers to be able to add to the burden of taxation of what are already hard-pressed people—the fishermen of Canada. This is the group, in particular, about which I was trying to speak. As I have already pointed out, there are people in my province who will be affected by this measure. We see that the Government has slammed it to the people in the Maritimes in particular. Recently, I visited Newfoundland to speak to young people and to listen to their concerns. I saw what was going on.

Mr. Forrestall: Welcome to eastern Canada!

Mr. de Corneille: I saw what was going on in that province. As a Canadian I am concerned not only about my constituency but about that part of the country which has been adversely damaged by the Government. At the present time in the United States we are trying to work out a free trade package which will, in the meantime, allow Americans to slap additional burdens on our fishing industry. This is just the latest twist.

Why are we adding still more burdens through the arbitrary powers of the Minister of Transport to yet one more level of taxation, yet one more area upon all the others which have already been slapped on fishermen? I have reason to be concerned that the wording of the clause does not take into account these factors. User fees must be defined. There is no schedule put forward in the Bill. If Hon. Members consider the experience we have had in the Standing Joint Committee on Regulations and Other Statutory Instruments they will see that this will allow for the passage of this measure without any type of schedule or limitation. It is simply a blank cheque to the Minister of Transport to be able to level still new user fees. Added to the other user fees which are levied on other areas of the fishing industry, this means that we might as well tell our fishermen to pack it up. We might as well say that as a Government we do not want them to function any more, that we want to let the Americans and other countries take over the fishing industry on our coasts. This is just one more burden which is being placed on to their backs.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am at pains to understand why the Government will not accept the amendments which have been put forward by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) who, I might say, is very knowledgeable on this subject. He has done a great deal of work in this area in committee.

The first motion we are debating provides for any regulation made under this clause to be referred to a committee of the House or the Senate for review on the written request of 20 Members. I would like to ask Members on the government side in particular to think about the types of concerns that so many of them had when they were in opposition. One of the matters about which they were concerned was the scrutiny of regulations. They were concerned about arbitrary powers being given to the bureaucracy. They were concerned about powers being taken away from Parliament and the fact that Parliament, either in Committee of the Whole House or in its standing commiitees, did not have the type of power that it ought to have once legislation has reached the regulatory stage. They believed that things were then beyond the reach of democracy, so to speak. I have listened to many a Conservative criticize that fact concerning our Government.

Yet what are we suggesting here? We are suggesting that the regulations made under this clause be subject to some type of recall, some type of mechanism for having the matter brought before a committee built right into the Bill.

Mr. Forrestall: Why would you want the committee to have that power?

Mr. Blaikie: Mr. Speaker, I wish the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) would start acting like a Parliamentary Secretary instead of acting like some sort of second-rate heckler who cannot keep his mouth shut while other people are participating in debate.

Mr. Forrestall: You don't know what you're talking about!

Mr. Tobin: I rise on a point of order, Mr. Speaker. The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), who has just taken his seat, is in the process of making one of the finest speeches the House has heard on as important a matter as is Clause 4 of this Bill. The deliberate tactic of the Parliamentary Secretary to interrupt this type of persuasive argument when I think Members opposite are changing their minds with regard to this Bill is, indeed, unhelpful, unkind and not very polite. Would Your Honour ask him to control himself?

Mr. Deputy Speaker: I would ask all Members to listen carefully to the speech of the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie).

Mr. Forrestall: I rise on the same point of order, Mr. Speaker. I apologize to the distinguished Maritimer from Winnipeg—Birds Hill. I wish to remind my colleagues that we are dealing with a motion which, in effect, will replace the right of direct appeal through an established process.

Mr. Tobin: That is debate!

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Unfortunately, he is raising a matter for debate. The Hon. Member for Winnipeg—Birds Hill has the floor on debate.

Mr. Blaikie: The Parliamentary Secretary had his opportunity to say why he did not think this was a good amendment. He has made his argument. We did not heckle him while he was making his argument. We would like to make our arguments. I make no apologies for being able to comment on matters of process with respect to the relationship between legislation, regulation and standing committees of the House just because I do not come from the Maritimes. If there is anything more sickeningly parochial than the type of attitude that the Parliamentary Secretary has taken, I cannot imagine it.

Mr. Forrestall: Why comment on my parochialism? You are contradicting yourself.

Mr. Blaikie: Many members of the Conservative Party while in opposition expressed a concern about ministerial power. They expressed a concern about power which was beyond the reach of the House of Commons. Yet in this Bill we have power being given to the Minister. I contend that had this Bill been a Liberal one, members of the Conservative Party would rise and talk about unwarranted ministerial power. Thus I ask members of the governing Party, who are capable of reflection, unlike the Parliamentary Secretary, to reflect on this matter.

The second point is that Motion No. 6, which provides for an automatic review of Clause 4 by the Transport Committee every two years, is analogous to what Conservatives have called for in other areas. It is called a sunset regulation. Once something is established it does not continue forever.

Mr. Forrestall: You don't care for reform?

Mr. Blaikie: There is some opportunity for automatic review. This is something which should at least have been considered by the Government, since it is in keeping with the type of review mechanisms which it advocated while members of the Conservative Party sat in opposition.

With respect to the question of authority and authority which goes beyond the scope of Parliament, I am reminded of the old days when we used to hear Conservatives talk about the dictatorial nature of the Liberals concerning the passage of Orders in Council.

Mr. Tobin: That's right!

Mr. Blaikie: When the Liberals dealt with issues by Order in Council members of the Conservative Party said that this was evidence of a conspiracy of tyranny to deprive Canadians of their democratic rights. Whatever Your Honour may have thought of those arguments, the Conservatives were obviously not taking their own arguments seriously. I recently read that since they have been in Government they have put through just as many Orders in Council. In fact, they have put through even more within a given timeframe, if I remember the article correctly. So before us we see just another example of how insincere were a great many of the criticisms offered by the Conservatives while in opposition.

In the designing of this legislation, by accepting, in this case NDP amendments, they had the opportunity to build in more scrutiny of regulations, to build in more checks on ministerial power and to build in more automatic review of certain laws. They have not done that. They have refused to do that against the wishes of so many people involved in the sector with which this legislation deals.

• (1640)

I have 10 or 12 pages filled with quotes from various groups that have indicated concern about Clause 4. I do not have the time to read them all into the record. The organizations that have indicated concern about Clause 4 include the Great Lakes Waterways Development Association, the St. Lawrence Shipowners Association, Seafarers' International Union, Algoma Steel, Stelco, Dofasco, Canadian Harbour Commission Ports, the Interntional Association of Great Lakes Ports, the Dominion Marine Association, the Port of Indiana, the Montreal Chamber of Commerce, the Montreal Board of Trade, the Canadian Merchant Service Guild, the Canadian Shippers' Council, the Canadian Pulp and Paper Association, the Canadian Amateur Rowing Association, the Inuit Tapirisat of Canada, the Prince Edward Island Potato Marketing Board, the Great Lakes Commission, the Economic Development Corporation of the St. Lawrence, the National Farmers' Union, and the Minister of Transportation and Highways of the Province of Manitoba. The list goes on and on and even includes the Council of B.C. Yacht Clubs and the Labrador Inuit Association.

I do not normally quote yacht clubs, but my intent is to point out that there is a vast coalition of people of various descriptions who are concerned about the effect of Clause 4. It would seem to me to be in the best interests of the Government to respond to their concerns. The Government can do that by accepting the amendments proposed by the Hon. Member for Thunder Bay—Atikokan.

Mr. Sergio Marchi (York West): Mr. Speaker, I have been listening with great interest and attention to the debate on Bill C-75. The members of my Party led by a number of my

colleagues have certainly articulated at committee stage and during second reading our concerns about Clause 4.

Clause 4 gives the Minister the ability to impose user fees with respect to the Canadian Coast Guard services. Not only is the very issue repugnant and sets a very dangerous precedent indicating where the Government wishes to go, but the way in which it is being done is equally repugnant. The substance of what Clause 4 imposes is wrong and the process leading up to that determination was equally wrong.

When talking about the process, I am talking about the lack of consultation that has taken place between the Government and the various interest groups affected by Bill C-75. The Prime Minister (Mr. Mulroney) and Government Members have risen repeatedly to talk about a Government for the people by the people. In legislation after legislation, we have seen evidence that that is simply rhetoric. It is simply a public relations façade that is not to be found in the legislation that this national forum discusses day in and day out.

Once again, we are discussing a piece of legislation which purports to help the people affected by the Shipping Act, but what do we see? Group after group has come before us to say: "For God's sake, please do something about Clause 4". We in this Party moved amendments to lift Clause 4 because it is harmful to the communities that this Bill purports to help.

This Bill affects not only the recreational boaters but also the shipping industry which is in very serious trouble. Members of Parliament who represent shipping communities have, during Statements Pursuant to Standing Order 21 and Question Period, tried to bring some sense of the importance of enhancing our shipping industry to the attention of the Cabinet. The Government has the audacity to put Clause 4 in the legislation, a clause that would give the Minister the power to charge user fees to these very constituencies.

Shipping concerns in this country calculate their shipping tonnages in cents, not dollars, and this would tend to communicate to us that their cost benefit analyses are so close that they are calculating pennies. Here the Government has an $8-million envelope the costs of which it is thinking of passing on to those shipping firms.

Mr. Tobin: Whether they get the services or not.

Mr. Marchi: Whether they get the services or not, they make their calculations on the basis of pennies. They are coming to their Members of Parliament to say that their industry is in a crisis.

Mr. Forrestall: Mr. Speaker, I rise on a point of order. If my distinguished colleague had bothered to read the Bill, he would have known that charges will not be imposed upon those users for whom the services are not normally available. I think he has some responsibility to the Bill to stay somewhat in order and to be aware of that of which he is speaking.

Mr. Deputy Speaker: That is not a point of order, it is a matter for debate.

Mr. Marchi: Not only is it not a point of honour—of order, rather, because there is no honour—

Mr. Forrestall: It is a point of honour.

Mr. Marchi: The Hon. Member has been here longer than I have so I am somewhat surprised at him. Second, we have not yet seen a schedule of fees. If the Hon. Member has a schedule of fees, I would ask him to have the courage and conviction to table it and ask us to discuss it. Before he does that, I do not think he should rise, something which he is about to do once again.

Mr. Forrestall: Would you please give him even a cursory briefing as to what this is all about, Brian?

Mr. Marchi: I would like to bring to the attention of the House the fact that the Hon. Member has made suggestions before about the responsibilities of Hon. Members from Toronto and from the Province of Ontario to rise to speak on this issue. It behooves the Hon. Member to make those suggestions because in addition to representing the constituents we were elected to represent, it is an obligation for every Member of the House to rise to make contributions.

In this particular instance, we are talking about the definition of Canada. While this Bill will affect those in and around Toronto and the Province of Ontario, and particularly recreational boaters, we are really talking about the perverse Conservative definition of regional development. This Bill more than any other will affect the smaller communities of this country, particularly the East and West Coast communities that rely day in and day out on fishing and other commercial activities for a livelihood.

It is fine to say that this Bill will affect weekend boaters but this Bill will really hurt those individual communities that are already hard pressed to survive under the Conservative Government. Representatives of those very communities expect people like the Hon. Parliamentary Secretary and his colleagues to rise in their places and make representations that will defend their constituents rather than simply defend the indefensible legislation put forward by the Government. That is why we on this side of the House have no embarrassment and make no apology for once again pleading with the Government to hear the cries of our hinterlands.

• (1650)

We plead with Government Members to place this clause in abeyance until they have had a chance to speak to the groups who have been calling us, writing us, and saying that the Government is moving in the wrong direction. If we in the House are prepared to introduce legislation to amend the Canada Shipping Act to improve the lot of various constituencies, they should at least have the courage and respect to listen to the interest groups they are purporting to help.

This Bill is analagous to other pieces of legislation which we have seen, such as Bill C-62. The Government is claiming that

it is doing something about employment equity for four target groups—natives, disabled persons, women, and visible minorities. However, each of those target groups has appeared before the committee and has said: "We would rather have nothing at all than have Bill C-62". Why should legislation be introduced which is purported to be advancing the causes of those four target groups when those groups are saying that it is simply a sham? Here again we have the same philosophy.

Mr. Redway: Mr. Speaker, I rise on a point of order. I draw to your attention the fact that we are debating Bill C-75, an Act to amend the Canada Shipping Act, not Bill C-62 which in fact has been passed into law. I ask the Hon. Member to make sure that his remarks remain relevant.

Mr. Tobin: Mr. Speaker, I rise on that point of order. If the Hon. Member who just rose had paid attention to the debate and had followed the history of the Bill, he would know that my colleague is speaking on Bill C-75 for the second time. He would also know that my colleague is very much interested in it and has been very well briefed. Bill C-62 is not on our minds in the slightest. The Hon. Member has raised a nefarious and time-wasting point of order in the middle of my colleague's contribution to the debate on this nonsensical, cruel, harsh, and inhumane piece of legislation.

Mr. Deputy Speaker: Could we please return to debate.

Mr. Redway: Mr. Speaker, obviously the Hon. Member did not listen to my point of order. I referred to the need for relevancy in this debate. We are dealing with Bill C-75, not with the employment equity Act which has now been passed into law. I ask you, Mr. Speaker, to ensure that the Hon. Member maintains relevance in this debate and directs his remarks strictly to Bill C-75.

Mr. Nunziata: On a point of order—

Mr. Deputy Speaker: Is the Hon. Member for York South—Weston (Mr. Nunziata) seeking the floor on the same point of order? If it is just the matter of relevancy, could we please give the floor to the Hon. Member for York West (Mr. Marchi)?

Mr. Nunziata: Mr. Speaker, on a separate point of order—

Mr. Deputy Speaker: I am trying to get rid of the point of order dealing with relevance. The Hon. Member is seeking the floor on a separate point of order.

Mr. Nunziata: Mr. Speaker, it would appear that the Hon. Member for York East (Mr. Redway) is not sitting in his seat. It is my understanding that he sits to our right, and he is sitting to our far left now. Could I have some direction from the Chair on whether his permanent place in the House has been moved to the left?

Mr. Deputy Speaker: I do not know if the Hon. Member has moved to the left, but in fact there have been changes in the seating arrangements on the government side. The Hon. Member for York East (Mr. Redway) is in fact sitting in his correct seat. We will return to debate with the Hon. Member for York West.

Mr. Tobin: Mr. Speaker, I rise on a point of order. Because I believe that the Government is trying to talk out this Bill and is trying to waste the time of the House, I ask you, Mr. Speaker, to rule more quickly on nefarious points of order, not allow Hon. Members to carry on and on with nefarious points of order and waste the time of the House.

Mr. Deputy Speaker: The Hon. Member for York West on debate, with two minutes remaining.

Mr. Marchi: Mr. Speaker, I hope the non-point of order raised by the Hon. Member for York East (Mr. Redway) will not be deducted from my time. It is obvious from the tenor of the reaction which we solicit on the Government side that we are lifting a very sensitive nerve. It was correct that I raised Bill C-62 in connection with this Bill. It was perfectly in order because it depicted very clearly the malaise which has beset the Government and will certainly be eradicated in the next election. There is a difference between what it purports to do and what the legislation will actually do. Government Members cannot sit on both sides of the fence. They cannot simply say that they are in favour of helping fishing communities in this case and then live with Bill C-75 and its Clause 4.

Mr. Forrestall: Sit down.

Mr. Marchi: That clause imposes user fees for safety, navigation and ice-breaking.

Mr. Forrestall: You are filibustering.

Mr. Marchi: If the Parliamentary Secretary wishes to add his two cents to this debate, let him have the courage to stand on his feet. Let him have the conviction to rise in his place where careers are made and broken. Let him defend those communities of which he is a part rather than defend the indefensible—his Minister. He should not act in the same way as other Parliamentary Secretaries or lackeys who rise in their places and support something which they know is incorrect and wrong. If he has a genuine interest in the communities which will be directly affected, if he is interested in the representations the organizations are making and will continue to make, he should follow his conscience and his gut feelings by rising in his place and using any suasion he may have with the Minister in an attempt to bring some sensitivity, fairness and justice into the matter.

The clauses in Bill C-75—and we are flagging Clause No. 4—are insensitive and play into the hands of departmental officials rather than admit what the country is about. The country is about more than Ontario and Quebec. It is about regions and communities in our hinterlands. It is about regional development. It is about trying to make everyone an equal partner in the country regardless of where a region is

situated. Bill C-75 ignores our regional history, and Atlantic Canada will not forget.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise to speak on the amendments to Clause 4 of Bill C-75, an Act to amend the Canada Shipping Act and other Acts in relation thereto.

I suppose one could ask why we in the New Democratic Party are concerned about Bill C-75. Motions Nos. 5, 6 and 11, standing in the name of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), are an attempt to put some sense and some stability into a particular clause. Much of the Act is worth while; it is a needed Act. However, Clause 4 is anything but needed and the three motions attempt to improve it.

Perhaps one would wonder how an Hon. Member from the Prairies would have an interest in a Bill to amend the Canada Shipping Act. As far as we are concerned, it is an important Act. As the Port of Halifax increases the charges it has to levy against goods going through that port, those levies are transferred sometimes twofold or threefold to farmers, manufacturers, or producers in Saskatchewan and on the Prairies.

I should like to refer to the kinds of concerns which were expressed during the fairly long and drawn out committee stage of this particular Bill. I will refer to the concerns of groups such as the National Farmers Union which indicated very specifically that it was against Clause 4, as it is presently before us, and that it required certain changes. Let me quote:

> In its preoccupation to trim the federal deficit, the Government is in effect telling farmers through this Bill that the national interest can best be served by still further increasing farm costs at a time when farmers are in very serious financial straits.

• (1700)

Somewhat over two weeks ago the initial price for grain was announced in this House. The initial price for grain is established on the basis of the projected world price for the coming year. That price dropped by a considerable amount, which has put the western farmer and the Ontario farmer, who produces wheat or grain, in a very precarious position.

What this Bill suggests in this particular clause is an increase again of still further costs on freight, particularly on the cost of movement through the St. Lawrence Seaway. If the cost of moving freight is increased it means the price the farmer receives for wheat will be further pushed down.

The National Farmers' Union goes on to say:

> We regard the St. Lawrence Seaway as a national asset that should be maintained in the national interest. It does not make good economic sense to raise rates in the face of declining demand.
>
> There is no question an additional charge in any way placed on transportation at this time will in fact mean disaster to more producers. It will mean producers going broke.

As I have indicated before, by the time a user-pay philosophy is established in the ports or in any part of the freight system, these user pay costs will be transferred to the producer in the resource area. Sometimes costs are added on twofold or threefold to the costs of the local producer in Saskatchewan.

In addition to those who appeared as witnesses before the committee, there were many others who felt it was important that something be done about Clause 4. Letters were written indicating that people did not believe that Clause 4 should be left as it is. For instance, the Minister of Highways and Transportation in the Province of Saskatchewan, a good Conservative Government in Saskatchewan which is looking after the welfare of the farmers said:

> Any increase in costs to users of the Great Lakes/St. Lawrence Seaway system will result in producers looking for transport services which are cheaper. As a result, some traffic may be diverted to the U.S. transportation system causing loss of Canadian jobs.
>
> I have recently written to the Hon. Don Mazankowski—and advised him that the imposition of charges to defray the costs of the Coast Guard are ill-advised—

The user pay concept in this Bill will have a devastating effect, not necessarily on the area where the charges are actually made but on the economic development and survival of other parts of Canada. It seems that the Government is less concerned than it should be about those areas that are farther away from the market. Instead of increasing the cost of transporting products from outside areas, such as Saskatchewan or the North, to the market, costs of freight should be decreased so that products are more competitive in the world markets. Transportation is key to our country. User pay has the effect of making remote areas more remote. Farmers will produce fewer products to be shipped. When you are getting very close to the line in a cash flow position, a small increase is sometimes the straw that breaks the camel's back.

The Western Regional Advisory Council, Alberta Economic Development, also wrote to the committee saying:

> The introduction of any regulation which will create an additional cost to the port and port users must not militate against the use of Canadian Ports. We are most concerned that Clause 4 of the act which deals with cost recovery will impact negatively on Canada's international competitive position, by forcing business away.

This is the Western Regional Advisory Council from Alberta making a plea to the Government not to put a user pay status on the ports and seaways because if it does it will force people who use the seaways to look for other routes. The Western Canadian Wheat Growers Association made the same kind of plea as follows:

> We do not feel commercial grain traffic should bear the burden of services provided for the public at large, such as defence, search and rescue, and research.
>
> We warn that excessive Seaway charges may result in cargo diversion in both Canada, and in the United States, placing an even heavier burden on remaining captive users.

That point came up quite often on the Prairies. A great number of farmers in Saskatchewan are beginning to look at the Missouri and Mississippi Seaway as a route to ship their grain. A lot of Duluth, Montana farmers are suggesting that rather than send their grain through the Seaway they should send it down the Mississippi and ship it out through New Orleans because that route will be cheaper. These added costs

to the operation of the Seaway may force that kind of an action.

The Manitoba Pulse Growers Association Inc. suggested:

> Since the Government has expressed a desire to increase exports by this nation, it appears contradictory to that desire to increase freight costs for the exporters.
>
> Increased freight costs on the St. Lawrence will see more U.S. grain being directed down the Mississippi, with the predictable results being lower over-all St. Lawrence freight handle and even higher part-time costs to Canadian producers.

It is important that Canadian seaways, particularly the St. Lawrence Seaway, be used to the maximum. The more people we can get to use it, the lower the costs will be. But we have a situation where the Government is putting in a user-pay philosophy which will increase freight costs and force the users to look for alternative cheaper routes, such as using trucks or sending their goods to the West Coast or down the Mississippi.

I recommend that the Government support at least these minor changes in Clause 4 so that we will have some control over the possibility of increased freight on the Seaway if the Minister uses the powers he is given in this clause.

• (1710)

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to make submissions with respect to Bill C-75. Bill C-75 has 111 pages and is a rather extensive piece of legislation. When it was referred to the legislative committee, the preoccupation of the committee was Clause 4. In fact, I am advised that the bulk of the discussion in the legislative committee dealt with that clause and its controversial nature. For the record, Clause 4, subsection 3.1 (1) reads:

> For the purpose of defraying the cost of services provided by the Canadian Coast Guard, the Governor in Council may make regulations respecting charges relating to those services, including, without limiting the generality of the foregoing, aids to navigation, sounding and dredging, vessel traffic services, icebreaking services and marine aid.

That means that the Government of Canada now intends to impose a user fee system with respect to the services provided by the Canadian Coast Guard. Until today the operational costs involved in providing all the necessary services provided by the Canadian Coast Guard have been borne by the taxpayers of Canada generally. The Government now intends to introduce a system whereby those who own boats in Canada will pay for the cost of the Canadian Coast Guard.

The Liberal Opposition has objected on a number of grounds and I would like to reiterate those objections. However, before doing so, I would like to take a moment to analyse why the Conservative Government is changing the system which is now in place. We need not analyse it too deeply to understand the philosophy behind this particular amendment to the Canada Shipping Act. Given the record of the Conservative Government over the last 20 months, we know that it is paranoid about the federal deficit. It is equally obvious that the Conservative Government is prepared to do anything to reduce that deficit.

During the last 20 months we found that the Government of Canada was prepared to reduce the deficit on the backs of the disadvantaged in society. In one case the Government attempted to deindex the pensions of senior citizens in the name of deficit reduction. There have been numerous other examples of the Government of Canada targeting specific groups in society to participate in deficit reduction. The Government of Canada is now targeting the ship and vessel owners in Canada to help reduce the deficit.

In the last fiscal year the cost of the Canadian Coast Guard was approximately $825 million. The Government now wants the authority to defray the cost of administering the Canadian Coast Guard services. It would like the opportunity to charge ship owners a particular fee. It is, as well, asking for the authority to charge recreational boat owners a user fee. Anyone paddling a canoe down the Humber River or the Don River in Toronto, or on Lake Ontario would be subject to a charge if the Government is given the authority which it seeks through Clause 4. That is quite clear from the legislation.

We ask whether that is appropriate and fair. Do Canadians agree in principle with the concept of user pay? It is my submission that Canadians do not support the principle of user pay in a general sense. If one were to extend that principle, only motorists would pay the costs of road repair.

Mr. Forrestall: Mr. Speaker, I rise on a point of order. I address myself to the question of relevancy. It is the tradition, under the new parliamentary rules, to insist on some degree of relevancy at report stage. I do not ask the Hon. Member to apologize for his inability to inform himself with respect to the content of the amendment before us, but I do ask you, who are aware, to insist on some reasonable degree of relevancy.

Mr. Marchi: Mr. Speaker, I rise on that point of order. I would like to apologize for the Hon. Parliamentary Secretary, Mr. Speaker, because he has risen to interrupt the debate and to interrupt Members of the House. I would ask you to impose some sort of discipline upon the Member, who is not raising a point of order.

Mr. Deputy Speaker: There is no need to hear from the Hon. Member for York West (Mr. Marchi) on a point of order. I will recognize the Hon. Member for York South—Weston (Mr. Nunziata) on the point of order.

Mr. Nunziata: Mr. Speaker, in my submission I was attempting to assess the philosophy behind Clause 4 of Bill C-75. This is extremely important in order to understand the motivation behind the Government's intention to implement a user-pay system for the owners of vessels and ships using the waters in Canada.

Mr. Forrestall: We are talking about the amendment. Address yourself to the amendment.

Mr. Nunziata: The Parliamentary Secretary does not appear to have the common courtesy to listen to other Members of Parliament who are attempting to make submissions. He will

be given the opportunity to stand up and try to defend this piece of legislation. I would ask him to extend the courtesy to other Members in the House of listening and sobering up.

Some Hon. Members: Oh, oh!

Mr. Forrestall: Mr. Speaker, I rise on a point of order. I invite the Hon. Member to withdraw that remark.

Mr. Deputy Speaker: I also ask the Hon. Member to withdraw his last words.

Mr. Nunziata: Yes, I will withdraw the reference I made. It is regrettable that the Member provoked me into making that comment, but I will withdraw it. I ask that the Member withdraw his continual interruptions with points of order which, in effect, are not points of order.

As I was saying, one should question the philosophy behind this particular amendment with regard to user pay. If that philosophy were extended throughout the Government in general, various sectors of society would be asked to pay for the services which are provided for the exclusive use of that sector of society. It is tantamount to asking motorists to pay for all costs associated with the construction and maintenance of roadways. It is tantamount to requiring senior citizens alone to pay for the cost of services for them. It is tantamount to making young people solely responsible for the cost of education. That is not the basis of our society today. We have developed to the point where it is recognized that taxpayers in general should pay for certain important services which affect the national interest. I submit that the Canadian Coast Guard serves the national interest. It is there to provide a certain level of safety to the boating public.

• (1720)

You have indicated that I have a few minutes to go, Mr. Speaker, so I would like to make one or two other points with respect to Clause 4. I would like to ask the Government rhetorically whether it considered the economic impact of Clause 4. It would appear from the committee minutes and the language used in the drafting of the legislation that it has not. I am speaking specifically of communities in Atlantic Canada, British Columbia and elsewhere which rely very heavily on the Canadian Coast Guard. It appears that the Government has not considered the impact on these communities of being forced to bear the cost of the Canadian Coast Guard which is currently some $824 million annually. I ask that the Government reconsider the disservice this clause will do to those communities.

An amendment has been suggested by the NDP. The Liberal Party in general opposes the philosophy and principle of user fees.

Mr. Althouse: Oh, oh!

Mr. Forrestall: Tell that to Otto Lang.

Mr. Nunziata: The amendment put forward by the NDP would require that the effect of Clause 4 be reviewed every two years. We, of course, would prefer the clause not to exist at all, and the *status quo* maintained concerning the Canadian Coast Guard. However, if the Government recognizes the wisdom of this amendment, it will reduce the harsh effect of Clause 4 and give parliamentarians the opportunity to assess that harmful effect. I thank you, Mr. Speaker, for the opportunity to speak to this amendment.

Mr. Forrestall: You can review it regularly in the standing committee right now.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, I would like to speak very briefly regarding this amendment to Clause 4. I think it is totally unnecessary. With the implementation of parliamentary reform and the setting up of legislative committees, I thought each Member had the opportunity to express his or her views on a given Bill and its amendments. That is certainly true in this case. Government and opposition Members voiced their concerns about Clause 4. The reason we did so is the uncertainty over what Clause 4 will mean concerning charges applied to ship owners and shipping companies. However, when he appeared before the committee, the Minister agreed that no charges would be imposed for at least a year, and that public notice of any charges to be imposed would be given 90 days prior to their taking effect. In that way, those people opposed to the charges would have an opportunity to voice their concerns.

This motion would have no serious effect on the Department. The Standing Committee on Transport can now review this matter at any time during normal program review or on the special request of some of its members. Therefore, I do not see the point in this amendment at all. I do not believe there is any serious objection to a review by the standing committee two years after the Bill comes into effect. However, a routine review every two years thereafter is completely unnecessary. The committee could review the Coast Guard cost recovery program whenever it deemed it prudent to do so. If this amendment is adopted, it would in fact remove the legislative requirement to re-publish regulations revising charges under this clause of the Bill.

I believe the Hon. Member who introduced this amendment did so in order to have a forum from which to attack the Government on other issues. Most of the debate I have heard today on this issue is not so much on the proposed amendment but on Clause 4 itself. Everyone in the legislative committee had an opportunity to express his or her views on Clause 4. I thought the legislative committee did a very good job in getting various changes agreed to during the clause by clause study. While it is perhaps not perfect, it is a heck of a lot better than what we have had for a good many years. It has been a long, long time coming.

Having been involved in shipping all my life prior to coming to this Chamber in 1984, I am quite aware of what the Canada Shipping Act means. I certainly have sympathy for the people

who have to pay for services, but it is my understanding, and I stand to be corrected, that charges will not apply to vessels which do not use the services of icebreakers. If memory serves me correctly, that is already in the Bill as it stands. Like other Members I would certainly like to see the charges set out in the Bill, but if the Minister is not prepared to do that at this time, then I am sure that the ship owners and shipping companies are quite capable, given the 90-day notice they will receive, of preparing something to give some guidance to the Minister and his staff as to what exactly the charges should be.

Mr. Tobin: It is a terrible Bill.

Mr. Johnson: I am sure the Hon. Member for Humber—Port au Port St. Barbe (Mr. Tobin) is saying that in jest. He knows that it is long overdue. He is simply envious of the Progressive Conservative Government because it had the initiative to bring the long needed amendments to the Canada Shipping Act in place.

• (1730)

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to support the series of motions that have been grouped for debate on Bill C-75. Motion Nos. 4, 6 and 11 deal with Clause 4 of the Bill which has been particularly controversial. Many of the witnesses who appeared before the committee asked that that clause be deleted from the Bill.

Members of the committee were ruled out of order when they attempted to delete that clause from the Bill. Consequently, the motion which most of the witnesses preferred cannot be introduced again in the House, having already been tested in the committee.

My colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), is left with no choice but to attempt to amend what is essentially a bad piece of legislation in order to make it as palatable as possible. My colleague's motion attempts to give more parliamentary oversight to the imposition of fees for a variety of shipping services. One of the motions calls for the referral of the matter to a committee upon the written recommendation of 20 Members of the House. The second motion provides for an automatic review before the Transport Committee every two years so that the affected parties who are being charged these rates could presumably appear before the committee to give their opinion on the policy behind the rates.

Motion No. 11 would require that Clause 4 of the Shipping Act not come into effect until January 1, 1988. This is in keeping with the representations made by a wide variety of individuals who appeared before that legislative committee, asking that proper time be given. While their arguments varied, essentially they were saying that they are not certain there has been proper consideration given to the impact of this policy on various ports. For example, some ports would have higher charges due to the requirements of dredging, pilotage services, ice-breaking services and so on. Other ports might be deeper or be situated in warm water areas.

Previous to the 1960s, Canada had a transportation policy which looked upon transportation as one of the vital services required by all Canadians. When we considered the vast expanse of this country, we realized that the great distances involved meant that we must use some seaports and waterways that might not be competitive on a world-wide basis but would provide services for the people who live in those parts of Canada. Consequently, the Port of Churchill remains open. It is an Arctic port that needs much dredging because the shipping that is available today draws more water than ships which sailed there 20 years ago. While it was felt that the port was very competitive—

Mr. Forrestall: What does that have to do with the amendment?

Mr. Althouse: —20 years ago, it is having difficulty remaining competitive now. I remind the Hon. Member from Halifax, who keeps saying that we are not relevant, that these amendments give those ports an opportunity to be heard every two years and allows them two years to prepare their case. It would give future Members in the House of Commons an opportunity to appeal the actions of the Department on behalf of those ports.

The philosophy which regarded transportation as an essential service to all Canadians has been abandoned by the present Government and the previous Liberal Government and replaced by an attempt to invoke user pay. Such a measure will put ports like Churchill at a disadvantage. Consequently, a vast region of the country will find it even more expensive to obtain services and shipping because of the additional charges levied directly on the users of that port, for the dredging and the use of ice-breakers which accompany the shipping into Churchill during its shipping season, as short as it is. Such charges make it very difficult to maintain equal services to Canadians, regardless of where they live.

Sometimes I think the older policy makers in this country had a greater understanding of what makes society and economic activity work well than some of the new intelligencia who are coming out of our schools of management at the present time.

Let me illustrate the kind of problem that arises by telling a true story about a person from my riding. He attended agricultural college and specialized in farm management and efficiency. His older sister, who preceded him in university, had been a plant scientist and in fact was a plant reader for the Department of Agriculture in Ottawa until her retirement approximately a year ago.

During her time on the farm she and her father had established a small orchard. When the younger brother finished his education he immediately began to apply all his management techniques that he learned in college. He got rid of the remaining horses and horse equipment. He mechanized everything with state of the art equipment. He checked his books, his figures and production costs and pared everything to the bone. At the end of the year, when he had finished his

harvest, he found that he had produced more grain, at lower cost, than had ever been the case before on that farm.

One wet afternoon, he was taking stock of the rest of the farm. He noted that only 11 of the plum trees in the orchard had borne fruit. One did not have any fruit. He immediately utilized his extensive knowledge from the school of economics and ripped out that one plum tree. Thereafter, he had no more plums because he had pulled out the male tree.

I think the planners in the Department of Transport and some of the policy makers in the previous Liberal Government and this Government are doing the same thing by looking at the bottom line and trying to instigate a user-pay philosophy. They are missing the whole point of why we have a transportation system. That is why we are attempting to have recourse to Parliament where the whole intention and feelings of the people of Canada can be heard, so that 20 parliamentarians can intervene if the rates at Churchill or the rates through the Seaway—which is also a very real possibility—become too high for people to use these waterways. We have a lot of wheat and iron ore going through the Seaway. That traffic has been tapering off because of economic conditions and demands. Now is not the time to impose another 50 cents per tonne in charges against those commodities shipped through the Seaway. Now is the time to realize that transportation is a necessary function for all Canadians, and that is why we think we should receive support for these motions before us.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I am pleased to speak to Bill C-75 this afternoon. I am somewhat familiar with this measure because I sat on the legislative committee to which it was referred. As a Member of the committee I was privileged to listen to a number of very interesting briefs presented by groups of people who are going to be affected by this Bill. In a nutshell, Mr. Speaker, there is absolutely no doubt that some of the proposed changes are long overdue, and time has come for Canada to overhaul the Canada Shipping Act which ensures navigation safety, safeguards human lives offshore, and protects marine wildlife in Canadian waters and fishing zones.

A number of these changes are urgently needed, such as allowing Canada to deal more readily with cases of marine pollution, to improve shipping safety and to adopt a number of important international maritime conventions. I can agree with this part of the Bill, Mr. Speaker, but I cannot agree with Clause 4, which is aimed at giving the Government, and more specifically the Minister, the authority to impose charges for a number of services. I certainly do not agree with letting the Minister impose charges on navigation aids, sounding, dredging, vessel traffic services, ice breaking services and marine aid.

As I was saying, Mr. Speaker, I had an opportunity to listen to several submissions, and the Parliamentary Secretary was saying earlier that most of these submissions agreed with the principle of service charges, of user fees. Now I would like to ask the Parliamentary Secretary to name a single intervenor who agreed with the way the Government intends to impose these charges. I do not think there was a single group, Mr. Speaker, that agreed with the procedure. There were a number of comments regarding the other clauses, and it seems there had even been some consultations with these groups, but none of the groups had been consulted about the changes being proposed in Clause 4, and that is where the groups objected to giving the Minister authority to impose user fees. Mr. Speaker, after listening to all these submissions, some Hon. Members, if we are to believe the articles we saw in the press, agreed and felt that Clause 4 should not be implemented as proposed, and with your permission, I will read a short article:

• (1740)

[*English*]

"Service charge plan likely to be dropped."

[*Translation*]

This was from Halifax.

[*English*]

"'The federal Government probably will change its mind and not start charging people for Coast Guard services such as ice breaking, tows, rescues and dredging', Mike Forrestall, Parliamentary Secretary to the Minister of Transport, said yesterday. The cost recovery plan has evoked steady criticism."

[*Translation*]

Today, Mr. Speaker, I see the Parliamentary Secretary has changed his mind, since he now supports Clause 4. I realized recently that Government Members could change their minds without being too worried about the consequences, and this clause proves it.

Mr. Speaker, we are talking about Clause 4 and service charges. Neither the Minister nor anyone on the Government side has been able to tell us how much these charges would be and how they would be implemented. The groups appearing before the Committee asked us: How are you going to collect this money and how much will the charges be?

Some representatives, some of the people who made submissions told us that the marine shipping industry was very competitive. They were talking about cents, not dollars per ton, which could make all the difference in whether or not you obtained a shipping contract. The competition is so fierce they were talking about cents per ton.

Mr. Speaker, with your permission, I would like to present some of the arguments we heard from these groups. These are in fact the reasons why I support the amendments proposed by my colleague from Thunder Bay—Atikokan (Mr. Angus). If these changes were adopted, we would at least be informed of any change in the regulations. We would also have the assurance that Clause 4 would not become effective until January 1988. Even though the Minister has said he will not put it into effect before January 1988, it would be a good thing to have the Bill say so.

Now as I was saying, I want to inform the House of some comments we heard from groups that appeared before our Committee. I can mention the Fédération des pilotes du Saint-Laurent et des Grands Lacs who said in their brief: We submit that before adopting Clause 4, a thorough impact study be made of this user fee cost recovery plan.

The National Farmers' Union also submitted a substantial brief concerning Clause 4 and its possible impact on farmers, and I quote:

[*English*]

Farmers face in Section 4 a proposal for further indirect taxation of their income. Section 4 will only further impoverish farmers and it should be removed from the Bill in its entirety. It is ill-timed and unjustified if measured against the weak farm income position currently evident in Canada.

• (1750)

The P.E.I. potato industry which is now in a very difficult economic position said in its submission that it is vigorously opposed to the introduction of charges relating to navigational services.

[*Translation*]

Mr. Speaker, you are saying I have just one minute left to speak, and I have yet to deal with the impact the implementation of Clause 4 will have on Atlantic fishermen. However, I am sure I will have another opportunity to criticize this Clause, especially as it affects the Atlantic region.

Mr. Speaker, in concluding, I want to say that Clause 4 will have a devastating effect on the Atlantic region.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to take part again in this debate. I know that my friend, the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), is anxious to hear me again.

I have listened to the debate with care this afternoon. I found it most interesting, amusing and ironic.

An Hon. Member: And irrelevant!

Mr. Benjamin: I cannot understand why Government Members do not have the courtesy to blush.

I have sat in the House since 1968. There was no mention made which I can recall from 1968 until 1974 of the concept of user pay. Following the 1974 election, the Liberals returned to power with a majority. The ink was hardly dry on the ballots when the former Minister of Transport, from the riding formerly known as Saskatoon—Humboldt, the Hon. Otto Lang, of late repute, and some repute, made speeches in 1974 and 1975 saying such things as: "It's time for the Crow's Nest Pass rate to be reviewed". I doubt that after its review the Government planned to reduce it. He also said it was time to start implementing the concept of user pay. That became the policy of the Government of the day and it continued right through until this day. User charges imposed by previous Liberal administrations were not cancelled in the short life of the Conservative Government in 1979. However, from 1974 on Conservative Members of Parliament who still sit in the House—

Mr. Forrestall: This is obviously your speech on third reading.

Mr. Benjamin: —including the present Minister of Transport (Mr. Mazankowski), ranted, raved and railed against the terrible Liberals and that terrible Minister of Transport who imposed user pay.

I am glad to see that members of the Liberal Party have come around to some type of deathbed repentance. They now agree that they were wrong. They admit that. They have changed their minds and are now opposed to user pay. However, I have noticed that this feeling is expressed mostly by Liberals who were not here between the years 1974 and 1979. It is younger members of the Party who sit on the back benches who have seen the errors of the ways of their own Party.

I listened to Conservatives condemning Liberals on the subject of user pay. I have now listened to Liberals condemning Conservatives on the subject of user pay. Yet neither side has the courtesy to blush.

I am glad that the President of the Treasury Board (Mr. de Cotret) is here. I am sure that he is the main culprit in this whole operation because of his desperation for more money. He has a majority in Cabinet which will shoot down the Minister of Transport, who I do not think is particularly happy with user pay. In any case, there is little problem with user pay if it is only a modest cost recovery that is collected. However, when we get into the area of one-half, three-quarters and full cost recovery, user pay is self-defeating. I say this because the Bill allows the Minister to charge up to 100 per cent of cost recovery. The Bill allows him to do this at his discretion. This makes the President of the Treasury Board happy; but it does not make grain farmers, fishermen, shippers of iron ore or the Seaway Authority very happy. It does not make 12 U.S. Senators very happy. It is interesting that members of the Conservative Party are helping kill themselves with respect to the free trade negotiations. How dumb can they get?

Mr. de Cotret: You must know.

Mr. Benjamin: It will be self-defeating when shippers and receivers quit using the St. Lawrence Seaway. It will be cheaper to ship grain through New Orleans.

Mr. Crosby: This is all being recorded, you know.

Mr. Benjamin: Yes, I hope so.

Members of the Government accepted some amendments to the Bill in the legislative committee. That was big of them. This means that, for example, the Government has agreed that there will be no cost recovery for ice-breaking on the West Coast. I do not know why Hawaii and Fiji were not included as well. The folks on the St. Lawrence Seaway, those on the East

Coast and those up North will have to pay the cost of ice-breaking. Therefore, if one follows the logic of the Government, we will have to charge those on the West Coast for the use of their warm water. I really do not think that move is imaginative or logical. It was big-hearted of the Government to say that it will not charge for ice-breaking on the West Coast. That is fantastic. I wonder how much was paid to a consultant to dream up that idea.

The move is self-defeating. I mentioned this at a conference on risk management and handling of dangerous goods at the University of Waterloo yesterday. There were some people out there who were talking about user pay. In terms of risk management, to be logical and to take this concept to the proper conclusion, when someone calls the police department to stop a bank robbery then the police department should send a bill to the bank for the cost of recovery of the policeman's time, the patrol cars, the stopping of all the traffic and all the other costs involved. Alternatively, if someone's house is on fire and he happens to call the fire department, then the fire department should bill him for the cost of putting out the fire. The fire department can also bill the neighbours surrounding the home which was on fire for a portion of the costs, since putting out fires will prevent them from spreading. Thus those homeowners who get some use out of fire departments should pay for some of the cost recovery.

These concepts are as logical as cost recovery is in terms of a public utility. We do not oppose some modest utility fees. We all pay taxes for our sewer and water systems. We also pay modest utility fees. However, our taxes for the system come to a heck of a lot more even though we all pay modest monthly fees. The St. Lawrence Seaway, the Coast Guard, navigational aids and dredging, all form part of public utilities for which everyone in Canada receives some benefit. Therefore, the nation as a whole shares in the cost of these utilities. To suggest that we be charged for navigational aids, ice-breaking and so on is simply self-defeating. It harms our economy. It harms dozens and dozens of communities. I hope that the Government will look at this matter, reconsider it and be prepared to accept these three excellent amendments by eleven o'clock tomorrow morning.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 1, 1986

The House met at 11.00 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to the following fourteen petitions: 331-249, 331-250, 331-251, 331-253, 331-284, 331-285, 331-287, 331-336, 331-357, 331-358, 331-359, 331-385, 331-390 and 331-427.

* * *

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in accordance with established practice, I wish to deposit with you, on behalf of the Prime Minister (Mr. Mulroney), summaries of the Orders in Council passed from April to December, 1985.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENERGY, MINES AND RESOURCES—FIRST REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present, in both official languages, the First Report of the Standing Committee on Energy, Mines and Resources.

Pursuant to Standing Order 99(2), the Committee requests a comprehensive response to this report. Mr. Speaker, the report *Alcohol Additives* concludes that the use of methanol and ethanol as octane enhancers would be of considerable benefit to Canada.

STRIKING—THIRTY-SECOND AND THIRTY-THIRD REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present, in both official languages, the Thirty-Second and Thirty-Third Reports of the Striking Committee.

If the House gives its consent, I intend to move concurrence in this report later this day.

[*Editor's Note: See today's* Votes and Proceedings.]

* * *

[*English*]

PETITIONS

ADMINISTRATION OF SECTION 251 OF CRIMINAL CODE—ABORTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have been asked to present a petition signed by some citizens from the City of Toronto who are concerned about the administration of Section 251 of the Criminal Code.

[*Translation*]

REQUEST THAT THE GOVERNMENT ENCOURAGE THE UTILIZATION OF ASBESTOS

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I also have the honour to present two petitions signed by several dozen people living in the asbestos mining area. These petitioners, Mr. Speaker, sincerely believe that the efforts being made to upgrade asbestos may prove to have no effect at all, if the Government fails to encourage broader and more intensive use of this natural resource across Canada.

[*English*]

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, I am pleased to present a petition signed by 48 citizens from my riding of Etobicoke—Lakeshore. The petitioners state their belief that capital punishment should be reinstated in Canada for first degree murder. They pray and call upon Parliament to vote at the earliest possible date to reinstate capital punishment for first degree murder. This petition has been certified in order, pursuant to the Standing Orders.

Petitions

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the honour to present a petition from a large number of people who live on the coast of British Columbia. It concerns the Government's decision to decommission lighthouses. They point out in their petition that this will cause serious problems with safety and will diminish the ability for accurate weather reporting and communications in an area where it is dangerous to travel. They pray that the Government will abandon its efforts to decommission those lighthouses and leave the safety system intact on the coast of British Columbia.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have the honour to present a petition signed by some 350 young people from Windsor and Winnipeg who continue to express their concern about the cancellation of Katimavik and the general policy of the Government concerning the needs of youth.

• (1110)

ACCESS TO CBC TELEVISION SERVICES—ATHABASCA BASIN

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I have the honour and duty to present to this House a petition signed by citizens of the Athabasca Basin in northern Saskatchewan within my constituency of The Battlefords—Meadow Lake. The petition details their many difficulties in obtaining access to CBC television service. The petitioners represent the communities of Fond du Lac, Uranium City, Camsell Portage and Stony Rapids. The petitioners pray and call upon Parliament to provide assistance for a suitable resolution of the difficulty with CBC programming in the Athabasca region.

ASSESSMENT OF CN MAINTENANCE FACILITIES—MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I am sure you cannot imagine what this petition is about. On behalf of the constituents residing in the federal riding of Westmorland—Kent and Moncton, I am pleased to present this petition to the House of Commons. The petition has been duly certified by the Clerk of Petitions. It relates to the current assessment being conducted by Canadian National on the shop capacity in Canada. It points out the concerns which are rampant in the greater Moncton area and urges Members of Parliament to do everything possible to prevent the downgrading of that facility.

[*Translation*]

UNITED NATIONS FOREIGN ARBITRAL AWARDS CONVENTION ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-107, an Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

STRIKING

CONCURRENCE IN THIRTY-THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House gives its consent, I move, seconded by Mr. Lewis, that the Thirty-Third Report of the Striking Committee presented earlier today be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 543.

[*Text*]

SEASONALLY EMPLOYED PERSONS

Question No. 543—**Mr. Henderson:**

In (*a*) 1983 (*b*) 1984 (*c*) 1985 how many seasonally employed persons had a net income of over (i) $20,000 (ii) $35,080 (iii) $50,000?

Hon. Elmer M. MacKay (Minister of National Revenue): The Department of National Revenue does not collect the information necessary to determine whether a person is seasonally employed.

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining question stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

POWERS OF COMMITTEE UNDER STANDING ORDER—GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to raise a very brief point of order with respect to the Tenth Report of the Standing Committee on Public Accounts which was tabled yesterday. You will appreciate, Mr. Speaker, that this is the first opportunity I have had to raise this point of order. It is not a long one. I would just seek some direction from the Chair.

The Committee has asked for a Government response to a recommendation on page 3 of its report pursuant to Standing Order 99(2). We have reviewed the Standing Order and it would be our thinking and feeling that the Committee only has the power to ask for a response to the Committee Report in total. The Government side is actually just seeking direction from the Chair as to whether or not it is in order for a committee to ask for a Government response to a portion of a report rather than the entire report.

Perhaps the Table and yourself can take this under advisement and give us some direction at a later date. It is certainly not an urgent point at this time.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a few comments. We are dealing with two distinct legal persons; one is an agent of Parliament, the reference of this Commission, which has been the witness before the commmittee and which has been asked to table reports in writing by September 30; the other is the Government's response to the cut-backs in the Public Service and an update every three months of how we are doing with the cut-backs. Standing Order 99(2) applies to the Government's action, that is, Treasury Board's implementation of the policy of the Government. The other one applies to an agent of Parliament which, through the Secretary of State, answers to us in the House.

I would ask Your Honour to possibly see the difference between a report of a committee reporting on an agent of Parliament, that is, the Public Service Commission, and the same report requesting the Government to tell us what is happening on one of its Department's actions in regard to its program of cut-backs in the Public Service. There is a distinction.

I understand the point which is being made. However, I do think the Committee was right in asking the Government for its response as separate from the other request made of the Commission for it to table in writing with the Committee by September 30, if I remember correctly, some of the update on its appointment methods and how it is going to improve the auditing of those appointments. I think there is a request here that is possibly *bona fide* and in order.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wonder if I might make an unusual request, that an opportunity be given at a later time to make submissions on this point of order, given that it could well have far reaching consequences? It appears to take on some technical questions which really require some research before any intelligent intervention could be made. I would seek from you, Sir, that perhaps no ruling be made at the moment and an opportunity be provided later for an intervention, at least by myself, after I have had an opportunity to review the matter in its entirety.

Mr. Lewis: Mr. Speaker, I think the comments of my hon. collegue make a good deal of sense. Our point was not as to substance but as to form. Standing Order 99(2) states:

> Within 120 days of the presentation of a report from a standing or special committee, the government shall, upon the request of the committee, table a comprehensive response thereto.

We are simply seeking direction so we know exactly what we are being asked to respond to in the future. As my colleague states, this the first time we have had this particular situation arise and I think we would all like to set a good precedent which could be followed with ease by all Members of the House in the future.

Mr. Speaker: Obviously, I will reserve. Perhaps I might ask Hon. Members who would like to make further submissions would Monday be suitable?

Mr. Deans: Yes.

Mr. Speaker: Is Monday at eleven o'clock a good time?

Mr. Deans: That would be excellent.

Mr. Speaker: I am happy to reserve. May I ask those who are going to intervene to consider a matter which the Chair will have to consider, that is, would the effect of what the Hon. Parliamentary Secretary is saying be that committees would in effect be required to submit reports clause by clause? I would like that point addressed, if that is possible.

• (1120)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Wednesday, April 30, consideration of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motions Nos. 5, 6 and 11 (Mr. Angus, p. 12764).

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, yesterday we were debating motions put forward by my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), motions Nos. 5, 6 and 11. These are proposed amendments to Clause 4 of the Canada Shipping Act.

Hon. Members must realize that Clause 4 of the Bill will provide the Government with the authority to recover the cost of providing Coast Guard services. This is certainly a departure from the prior practice. In the past, these services were not charged for. There was no user fee for Coast Guard services. In Clause 4 the Government proposes to impose such charges. Indeed, under the legislation the Minister will have the authority to set the fee, not only for Coast Guard services, but fees for ice-breaking, navigational aids, dredging services, soundings and search and rescue. I ask you, Mr. Speaker, can you imagine what such a move will do to the East Coast, not only to fishermen but to farmers? Can Your Honour imagine what it will do to the economy of the East Coast of Canada? Do Members opposite from Atlantic Canada not realize the drastic affect this measure will have on the livelihoods of their constituents, since all these charges will have to be passed on down the line to the consumer?

We all know the statistics with respect to Atlantic Canada today. There are enough Tory Members sitting in the back benches, silent Tory Members—

Mr. Tremblay (Lotbinière): Some of them.

Mr. Rodriguez: I do not want to tangle with the Hon. Member for Lotbinière (Mr. Tremblay). He is the middleweight champion of the House of Commons, and I do not want to tangle with him. He has a wicked left hook. He is a tough customer, just ask his riding association president. I don't want to fuss with that guy.

[*Translation*]

Mr. Deputy Speaker: Order, please. The Hon. Member for Lotbinière (Mr. Tremblay) on a point of order.

Mr. Tremblay (Lotbinière): Mr. Speaker, certain lapses may be acceptable, but I would suggest that personal remarks concerning an individual are out of order in the House.

Admittedly, Hon. Members do enjoy immunity in the House, but I respectfully submit that ethical standards should prevail.

In my opinion, the comments of my colleague from Nickel Belt (Mr. Rodriguez) were clearly related to the private life of a Member. For this reason, Mr. Speaker, I would urge him to apologize.

[*English*]

Mr. Tobin: I rise on the same point of order, Mr. Speaker. I wish to submit to the Speaker that there is no point of order whatsoever. The Hon. Member has referred to none of the rules of the House of Commons. He simply pointed out that the Hon. Member for Nickel Belt (Mr. Rodriguez) in his usual oratorical flare has indicated some measure of respect for the Parliamentary Secretary. I think that the Parliamentary Secretary is delighted to be called a tough customer, judging by the grin on his face. Can we proceed with the excellent speech of the Hon. Member?

[*Translation*]

Mr. Deputy Speaker: I fully appreciate the representations of the Hon. Member for Lotbinière (Mr. Tremblay)—

[*English*]

However, the Chair does not believe that there has been a breach of order or unparliamentary language used by the Hon. Member for Nickel Belt. I would ask the Hon. Member to get to the point of the debate.

Mr. Rodriguez: Mr. Speaker, I think that I should at least have the right to respond to what was said by the Hon. Member for Lotbinière.

Some Hon. Members: No!

Mr. Crosby: Tell us about your defeat in 1980.

Mr. Rodriguez: Mr. Speaker, I did not cast any reflection on the Hon. Member. All I did was repeat what was in the press and what is on the public record. I paid him a compliment. I said that he was a tough customer. I said that he was the middleweight champion of the House of Commons.

[*Translation*]

Mr. Tremblay (Lotbinière): Point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Lotbinière (Mr. Tremblay) on a point of order.

Mr. Tremblay (Lotbinière): Mr. Speaker, I did not rise a moment ago when the Liberal Member of the Official Opposition—

An Hon. Member: The only one in the House.

Mr. Tremblay (Lotbinière): Again, indeed. I repeat, Mr. Speaker, we heard certain insinuations and innuendos which, to my mind, are a serious breach of ethical conduct in the House.

Mr. Speaker, I have to rise because the comments were made voluntarily and, I suggest, maliciously by the Hon. Member for Nickel Belt (Mr. Rodriguez) who referred to various press reports to attack the private lives of individuals or Members of the House.

Mr. Speaker, I think we are entitled to a minimum of decorum, and it is a shame that I should be forced to rise to denounce these attempts to make people laugh at others.

That being said, Mr. Speaker—

[*English*]

Mr. Deputy Speaker: Could we have some order, please? I would ask the Hon. Member for Nickel Belt to please get back to either one of the Motions Nos. 5, 6 or 11, whichever one he chooses to debate.

Mr. Tobin: I rise on a point of order, Mr. Speaker. I would much prefer to hear debate on the amendments; but if the Speaker is going to allow a long speech on a non-point of order which bears no relevance to the Standing Orders of the House then the Speaker should at least rule that it is or is not a point of order.

Mr. Deputy Speaker: None of the three points I have heard thus far fall into the category of a point of order.

Mr. Tobin: Thank you.

Mr. Deputy Speaker: The Hon. Member for Nickel Belt on debate.

Mr. Rodriguez: Mr. Speaker, I would always want to conform with what Your Honour suggests I should do. Just like Tommy Douglas, who was a former featherweight champion when he was in the House, I wish to make sure that I fulfil what Your Honour has requested.

I was saying: Where are the back-bench Conservative Members from Atlantic Canada? Clause 4 will have very drastic effects on fishermen, farmers and consumers in Atlantic Canada. Surely those back-bench Members from Atlantic Canada know that the area suffers from one of the highest unemployment rates in the country. We know that economically the area does not enjoy the same level of activity as does central Canada and some parts of western Canada. I am aggrieved that Conservative back-benchers who talk big when they are in their ridings about how they will fight the Government and how they will be tough on issues are just tabby cats when they come here to the House of Commons. They just sit in their places and say absolutely nothing when measures such as those envisioned in Clause 4 are put on the record.

My colleague from Thunder Bay—Atikokan has proposed three very reasonable amendments. Recognizing that the Government will use force to push through Clause 4, he says, first, that if the Minister is to be given the authority to implement fees for Coast Guard and all sorts of other services on the East Coast then there ought to be a review process. The review process being recommended is that on the written request of 20 Members of Parliament the matter could be referred to the Transport Committee. It seems to me to be important that that kind of safeguard be attached to that clause. In other measures which are before the House, we can have other references on the request of 20 Members. I think it makes eminent sense that we should be able to do that.

• (1130)

In Motion No. 6, the Member has suggested that there be an automatic review of the charges by the Transport Committee every two years. This review would be to look at the economic impact of those charges on the East Coast economy. I would hope that the Government would accept that. I see the Parliamentary Secretary nodding. Is that a yes or is he just bobbing and weaving?

Mr. Forrestall: Bobbing and weaving to the tremendous blows.

Mr. Rodriguez: I know we are landing them. If I can get a nod—

Mr. Forrestall: You got a nod.

Mr. Rodriguez: We got a nod.

Motion No. 11 suggests that this clause not come into effect before January 1, 1988. We understand that it will come into effect on January 1, 1987. We proposed Motion No. 11 because we think there should be a phasing-in period. People have to get ready for this.

Mr. Forrestall: We have already provided for that.

Mr. Rodriguez: I see another nod. Is that more bobbing and weaving or is the Parliamentary Secretary just punchy? I know we are making some very logical arguments and I see that we are convincing the Parliamentary Secretary. We are getting another nod from him.

Mr. Forrestall: What you have to do is get your fist off that piece of paper, stop reading and come out swinging.

Mr. Rodriguez: Now that we have a nod from the Parliamentary Secretary, that amendment could very well be put into effect.

I would now like to turn to the matter of Government Members who come from Atlantic Canada. It seems to me that when this Bill was being drafted, it must have gone at some point to the Atlantic caucus. It is unfortunate that Government Members from Atlantic Canada did not see fit to indicate their concern about the ill effects of Clause 4 of the Bill.

The Transport Committee held extensive hearings on this particular Bill. Opposition to Clause 4 was overwhelming. The opposition came from labour unions, Inuit groups, grain exporters, farmers, fishermen, pleasure boat operators, vessel

owners and shipping companies. For example, the St. Lawrence Shipowners Association objected to cost recovery. Representatives of that association are quoted as saying the following in committee:

—we do not agree that we should give the government a blank cheque, which would allow it to set up a fee system about which we know nothing at the present time.

The Dominion Marine Association said the following:

—this could amount to an additional $1.65 per tonne for every tonne that moved through the Seaway last year. Given the fact that traffic was down 20 per cent from 1984, this cost could have a dramatic impact on future traffic patterns.

The Prince Edward Island Potato Marketing Board also objected to the clause. That was one of the reasons given for the fall of the Conservative Government in Prince Edward Island. It is Clause 4, this plot by the federal Conservative Government to implement user fees, that will adversely affect Atlantic Canada.

Mr. Angus: They got the message.

Mr. Rodriguez: The message was delivered to them. The Conservatives only got 11 seats in the whole province.

The Prince Edward Island Potato Marketing Board had this to say about the clause:

All of the moneys expended for upgrading this shipping port (Summerside) over the years will be lost if dredging costs are passed on to the user because there just will not be any shipping.

Finally, the former Minister of Fisheries of the Province of Prince Edward Island, a Tory, said the following:

Fishermen, through the Fisheries Act pay for right of access to the common property resource which they harvest through personal and vessel licence fees. It is my view that it is the responsibility of the licensing authority, namely, the Government of Canada, to provide access to the resources for which fishermen are licensed.

He said that before his defeat and the Conservatives got the message. They were defeated.

I say to Conservative Hon. Members who represent Atlantic Canada that now is the time to repent. Now is the time to do it. If they do not back off on Clause 4, they will all go down the tubes at the next federal election. Let this be a message to them.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak to these motions in order to ask for common sense in the deliberation of Bills that are supposed to be in the best interests of all the citizens of Canada, and, in particular, in this case, the citizens who live in the Province of Quebec where the Great St. Lawerence Seaway is found. That Seaway is a very vital link to the lives and the economy of our province. I think it would be irresponsible, to say the least, and even unfair to increase the costs to fishermen in this way.

As we all know, the fishing industry is a depressed industry at this time. Fishermen have asked for a degree of relief. There have been some serious problems in that industry. I would suggest that we are making a very reasonable request. We are asking for a delay. Rather than simply opposing for the sake of opposing, we are recommending a delay so that we can study from an intelligent perspective the potential negative impact of Clause 4 of Bill C-75.

I think that the Minister would be most disconcerted if we were to allow this Bill to go ahead. I think we are saving him a great deal of heartache. The Minister of Employment and Immigration would have been quite thrilled if we had asked for a delay until the report of the Forget Commission came in. If we had, she would not have found herself so embarrassed today with respect to the reaction to unemployment insurance benefits and severance pay.

In a sense, Clause 4 gives the Minister the authority to charge but does not tell people what they are being charged for. It gives the Minister the authority to determine what he is going to do with the lives of people without letting those people know what he is going to do with their lives. How will that impact on the quality of their lives? I would like to recommend that we take cognizance of the growing discomfort of many groups in society and give heed to what they have to say.

The Government prides itself on having developed a very good rapport with our good neighbour to the South and has been negotiating for an open ear and an open mind. If this is to be the case, I would strongly recommend that the Government listen to our American friends and neighbours and that the Prime Minister (Mr. Mulroney) take heed of a letter he received on April 14 so that American-Canadian relations may improve all along the way. The Seaway does not belong only to Canada; it is a shared waterway. What we do here has an impact upon the American side of the border.

• (1140)

I should like to refer to a letter signed by a number of American Senators and dated April 14, 1986. It was directed to the Right Hon. Prime Minister from the Executive Director of the Great Lakes Commission. It reads:

Dear Mr. Prime Minister:

The Great Lakes Commission is deeply concerned about proposed Bill C-75, which would authorize the imposition of cost recovery for Canadian Coast Guard services.

The Commission respects Canada's need to raise additional revenues. The Commission also accepts Canada's choice of user fees as one vehicle to accomplish that end. However, the Commission, as the only co-ordinating and advocacy agency established by the States and approved by Congress to provide a collective voice for the eight Great Lakes states on water resource and related issues, would be remiss if it did not express opposition to the current language of Bill C-75.

The Commission has monitored the progress of C-75 in Parliament and participated in regional discussions about potential impacts of the Coast Guard cost recovery provision, Clause 4. Commission testimony was presented to the legislative committee in Ottawa on February 13, 1986.

It is too bad it was not listened to. The letter continues:

The Commission emphasized four points believed to be necessary before navigation cost recovery legislation can be successfully implemented:

This is one of the reasons we are asking for the delay. It continues:

1. Federal user fees should be uniform in application from seaport to seaport and from coastal range to coastal range. (Uniformity maintains the current competitive relationship among ports.)

2. There must be a clear determination of the purposes for which fees are to be collected and the activities to which they are to be applied. (This is critical to the ultimate acceptability of any system adopted.)

If they do not know what it is for, why apply it? The letter continues:

3. Any fee system, as it may affect the Great Lakes-St. Lawrence system, should be co-ordinated with United States' cost recovery programs and should give due consideration to total elimination of existing St. Lawrence Seaway system tolls.

4. Any user fee proposal should involve thorough public consultations with all user groups which should take place before initial application of fees and before any subsequent changes in levels of fees.

Ambassador Gotlieb's presence at the Commission's semi-annual meeting in Washington, D.C. March 12 was sincerely appreciated. In his remarks about Bill C-75 to the Commission, the Ambassador stated: "There is no doubt that your interests as a vitally affected party will not be ignored in the development of any user fee program." These are positive words, but final language from the legislative committee virtually mandates a segment charge (unequal between ports and port ranges) which could be devastating to Canadian and U.S. Great Lakes maritime and water transport dependent industries, leading to loss of maritime, industrial and agricultural jobs.

The Great Lakes Commission's views with respect to Clause 4 in Bill C-75 are supported by the Great Lakes Congressional delegation and regional maritime interests. A March 25 letter to Transport Minister Mazankowski from several Great Lakes Congressmen and a March 7 letter from Great Lakes Senators to Ambassador Gotlieb are attached for your reference.

The Commission believes that binational co-ordination regarding the future of the Great Lakes-St. Lawrence transportation system is imperative now, more than ever before. The Great Lakes Commission along with the Great Lakes Senators and Representatives, is ready and willing to work with Canadian federal, provincial and private sector interests to see that our unique and shared Great Lakes-St. Lawrence River resource is maintained and improved for the benefit of our two countries and the world.

Sincerely,
James Fish
Executive Director

In light of the very serious implications of the Bill, in light of the loss of confidence we have already suffered in the St. Lawrence Seaway system as a result of unfortunate damage resulting in diminished traffic, and in light of the changes which are being suggested, I wonder what the Province of Quebec would have to say. As a last measure to plead for the delay we have proposed, I should like to read a letter which was directed to our Washington Ambassador, and I think our word should be honoured. It reads:

Dear Mr. Ambassador:

We wish to thank you for your recent letter concerning legislative action on Clause 4 of Bill C-75 currently pending before the Canadian Parliament. It was reassuring to us to learn that Bill C-75 was before a special legislative committee of Parliament for detailed analysis and that the Minister of Transport would be establishing a committee to consider the views of all affected parties prior to any decision to implement Coast Guard user fees.

The Executive Director of the Great Lakes Commission, Mr. James Fish, has informed us of his testimony on this issue before the legislative committee on February 13, 1986. We commend the Canadian Government for sponsoring hearings on this important legislation and view such hearings as a most constructive process. However, we, along with Mr. Fish, remain concerned about the potential damage to Canadian and U.S. shipping and related activities stemming from imposition of a Coast Guard user fee in addition to the current seaway tolls.

These tolls have already been increased. It continues:

While the United States Government is currently considering user fee legislation for navigation projects, proposed parallel provisions in this legislation would provide for a rebate of or credit toward seaway tolls paid by shippers to the St. Lawrence Seaway Development Corporation. Such complementary provisions are important in preserving and preferably increasing the use of the Great Lakes-St. Lawrence Seaway navigation system.

This communication is signed by U.S. Senators Alan J. Dixon; John H. Glenn, Jr.; Carl M. Levin; Rudy Boschwitz; Dan Quayle; William Proxmire; David Durenberger; Richard G. Lugar; Donald W. Riegle, Jr.; Bob Kasten, Jr.; Howard M. Metzenbaum; and Paul Simon. It is crucial that we maintain the confidence and goodwill of these important Senators, respect our word as a government if we are to move into the area of suicidal free trade rather than negotiate for freer trade by sector.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties, and I think Your Honour would find unanimous consent to revert to the introduction of Bills so that we can take care of a piece of housekeeping at this time.

Mr. Deans: Mr. Speaker, in fact a discussion took place, but I simply want to say that I hope the Minister will attempt to organize his affairs a little better in the future and not impose upon the House in this way all the time.

Mr. Deputy Speaker: Is there unanimous consent to revert to the introduction of Bills?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMERCIAL ARBITRATION ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-108, an Act relating to commercial arbitration.

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

Some Hon. Members: Agreed.

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

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motions Nos. 5, 6 and 11 (Mr. Angus, p.12764).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to take a moment or two to talk about the whole concept of user fees, particularly as they apply to the Coast Guard. I do so with the benefit of some knowledge of matters such as this. I do a bit of sailing and I have a certain amount of knowledge—I do not pretend to be an expert by any means—of what happens, the way people view the Coast Guard, and the way in which it is used out of necessity by small craft owners.

Let us take a look at the Coast Guard and what it is. Basically it performs two functions. One function is the policing of boundaries, which it does in an exemplary way. The other function is a safety one. It performs a safety function for people who require assistance from time to time when they are on the water. I want to address myself to that aspect for a few moments.

I should like to draw an analogy between persons travelling by automobile down a highway who have problems with their automobiles. They are able to call for the Ontario Provincial Police, the RCMP, or the local constabulary and obtain assistance. There is no charge. The assistance is offered and given; whatever is required to be done is done. That person is able to go on his way and continue to operate as he anticipated he would. The same basic service must be available on the water, and the same principle must prevail. A person, whether or not he can afford to dig into his pocket and pay, must be able to call for and get help from the Coast Guard if that person deems it necessary in the circumstances.

• (1150)

The difficulty in the user fee concept, and this is where we have a problem, is that no one knows at this point whether it is the intention of the Government to establish a user fee for such an event. What you will have happening, I think, having watched boaters for a number of years, is that people will be reluctant to call for the assistance they need when they need it if there is a fee attached to getting that assistance.

Let me give an example. You are in a narrows where the water is a little rough but it is protected reasonably well from wind. You have trouble with the motor of your boat. You can get it going but it won't keep going. At this point what you do is radio ship to shore and seek the assistance of the Coast Guard. The Coast Guard comes out and will do one of a number of things. They will either give you assistance in the form of gasoline if that is your problem, they may arrange to have you towed to a safe harbour or they may arrange to simply watch over you while you do the work to make sure that nothing untoward occurs, either by virtue of you being in a shipping lane and unable to get out of it or perhaps by virtue of the tide itself taking you into danger.

I have seen many boaters who have temporary problems with motors of their boats. I have seen them on many occasions call for assistance, but between the time they make the call and the assistance arrives they are able to correct the problem. They wait to notify the Coast Guard when they arrive, but then the boaters move on under their own power. If the person out on the boat knows there is going to be a charge levied against him for asking for that service, there will be a delay, I predict, in requesting the assistance needed. Boaters will spend more time monkeying around trying to solve the problem before making the call. As a result, rather than a safer system on the water, we will have a less safe system on the water. I suggest that it does not take a genius to see this.

I invite any Member of the House of Commons to spend a few days this coming summer on the St. Lawrence River, which is close by, or even on the Ottawa River, and I don't personally boat there—it doesn't happen on the Ottawa River as it turns out—and see the numbers of times on the St. Lawrence River that the Coast Guard is requested to provide assistance. If people are reluctant to seek that assistance by virtue of the cost attendant upon getting it, potential dangers will result. For the tiny financial benefit to the coffers of the Government of Canada by virtue of the imposition of a user fee in situations such as that, the risks of delays will far outweigh them.

I am pleading, I suppose, for some understanding of human nature. That is all. If your car is coughing and sputtering on the highway, all you need to do is pull over, walk and get assistance. You can if you wish, if you have the means, get assistance from local police forces. On the water, however, it is an entirely different and much more difficult situation. There should be no impediment put in the way of a person on the water being able to call for and get assistance. I suggest small though the user fee may be, it will become an impediment and, therefore, will in itself create a more hazardous situation than previously existed, and I consider that to be folly on the part of Government.

I can well appreciate the Government's concern over finances. I can well understand that the Government wants to find ways to levy the cost out a little more equitably—I am not sure that is the right term in this circumstance—but in this particular instance safety is far more important than the minimal dollar return. Since we are encouraging people to utilize the waters surrounding Canada, and we are encouraging people to vacation and use those facilities in Canada, we should be prepared to provide the necessary policing force required to meet the potential dangers that will exist.

I listened yesterday to one of my colleagues who made a point, perhaps a little facetiously but nevertheless a valid one. The imposition of a user fee for Coast Guard use is a little bit like imposing the user fee for calling the police or the fire department. If you stop to think about it, it is ludicrous. It would be outrageous if we were to start now to impose user fees if you happen to need the assistance of the police. What if you made the call and they came, stood at your door and said: "We will give you a hand but there is a user fee". That would be ridiculous. I do not think anyone would contemplate it.

Mr. Rodriguez: What happens if you say you can't afford it?

Mr. Deans: As my colleague suggests, if you say you can't afford it, they won't give you help. I do not know whether that would be the case or not, but no one would ever contemplate such a stupid thing, not even Conservatives. Yet that is what is being suggested. We are suggesting that the police on the water can charge you for calling for their assistance while the police on the land in similar circumstances do not, and would never consider it.

I suggest that, if for no other reason than the reason I mentioned, this particular part of this Bill should be withdrawn. We should try to get some sanity into the debate and some understanding of the potential consequences. This is not a big item, this is not an item that requires a great deal of deliberation or something the Government requires to keep the coffers full. This will not make substantial difference to the over-all fiscal or financial affairs of the country, but it will make a difference in my judgment, and my judgment is based on experience of what the likely consequences will be with regard to safety on the waters of Canada that are currently under the jurisdiction of the Coast Guard. I ask that the Government withdraw this part of the Bill, show some common sense and recognize the potential hazard it is about to create.

[*Translation*]

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I also welcome this opportunity to take part in the debate on Bill C-75.

I may say, Mr. Speaker, that although this is a subject that does not directly concern my riding, I have been listening to the debate in the House for some time, and I think a few comments are in order.

Bill C-75 bears the following title: "An Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof."

Mr. Speaker, upon reading this Bill, I think we cannot but agree, and support most if not all of the provisions of this legislation. When it is a matter of improving safety and protecting the environment, and when provision is made to update the Canada Shipping Act, and finally, the reference to implementing a whole series of international conventions within a reasonable timeframe, I think it stands to reason that we should agree with the objectives and goals and in fact with everything provided under Bill C-75.

However, Mr. Speaker, there is Clause 4, and I think this is the basic and main reason why so many Members have reacted to this Bill. Whether or not we are affected by the consequences or impact of this Bill, I feel that after a careful look at the provisions of Clause 4, we have a duty to rise and protest most emphatically against a provision that I see as an insult to democracy, as a totally undemocratic gesture, as a weapon the Minister wants to keep in reserve in order to have absolute control over this very important sector. I think the amendments could have been approved so that this institution, so that we as Members of Parliament, in our democratic system, would be involved in a review or any future changes concerning the fee schedule.

When I decided to speak on this matter, Mr. Speaker, I tried to get hold of some testimony, some briefs that were presented when the Bill was considered in Committee, and in my humble opinion, the one I have here, that was presented by the *Association des opérateurs de navires du Saint-Laurent* clearly and succinctly identifies the problem and the dramatic and extremely tragic consequences of the provisions of Clause 4. For instance, we can read the following on page 2 of the brief presented by the *Association des opérateurs de navires du Saint-Laurent* on January 29, 1986: We reached the following conclusion. We agree with most of the provisions of this Bill—and that is exactly what my colleagues have been saying in the House—but there is one major objection concerning Clause 4: it should be the subject of legislation after due consultation with the interested parties, not before as is the case now.

Still at the bottom of page 2, they go on to say this: However, we think that Clause 4 should not have been smuggled in with the Bill, and such a radical change in the operations of the Coast Guard should not have been made without first discussing the matter with the interested parties. What stands out most in this exercise is the antidemocratic approach, so these people went to the trouble of raising a series of questions about Clause 4.

Just to show that my remarks are relevant, Mr. Speaker, with your permission I should like to mention some of the questions raised about Clause 4. For example, they ask: Which services will have to be paid for? Will it be navigational aids? Will it be environmental protection, dredging, de-icing, training schools, search and rescue operations, or all such services as a whole? On what criteria will operations be based? Will it be tonnage, the value of the goods, the size of the ship, the number of times a ship crosses imaginary lines in the Great Lakes, the St. Lawrence River, or the Arctic gulf? When he was queried about this, the Minister of Transport (Mr. Mazankowski) said that his department planned to recover 15 per cent of the costs. Does that mean costs across Canada? In other words, will each area have to cover a specified percentage

of the expenditures incurred in regionalizing the Canadian Coast Guard?

• (1200)

Mr. Speaker, I could go on like this for a good ten minutes merely listing the issues raised by Clause 4. But in conclusion, I will give you a final instance in which it seems extremely complex and disquieting, even shocking to leave such an important matter to the discretion of the minister, with no way for this House, for us, Members of Parliament, to participate and defend the interests they are representing. The following example is given: Admittedly, a major part of winter expenses of the Canadian Coast Guard on the St. Lawrence River goes to environment protection—opening up the channel for the water to flow faster and without ice jams. Certainly, the movement of large container and other ships also makes a major contribution to de-icing the St. Lawrence River. The daily traffic of large ships contributes to and is in itself a de-icing operation. Will they be refunded that part for which they contributed to that vital work, or will the Canadian Coast Guard benefit from the work that is in effect done by the large carriers?

All those questions remain unanswered, Mr. Speaker. All are concerns for those interested in transportation, all are also matters that are very disquieting for fishermen and a large part of our population, for those men and women living in Northern Canada, Northern Quebec, who depend on water transportation for food supplies. Clearly, if the charge is to be increased to the point where it becomes a major component, this will lead to substantial increases in the price of goods that are transported along the Seaway, and accordingly Canadian men and women in those areas will have to pay the greater part of the costs.

Another matter that seems important to me is that in the area of shipping, as in transportation in general, operators usually run on one-, two-, three-, or five-year contracts. Here is the situation. Once a company has obtained a two-, or three-year contract for shipping goods from one point to another, His Highness the minister suddenly decides from high above that he will increase the rates, after consulting a few officials who know nothing about the problem. Have you thought for a minute of the various consequences? In my view, this might very well disrupt an industry which is already very much affected and which does not need such confusion and complexity.

In conclusion, Mr. Speaker, I submit it is really sad that a significant number of good aspects of Bill C-75 are spoiled by such provisions that are both unreasonable and unacceptable as far as elementary democracy is concerned.

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I listened attentively, as I always do, to the Hon. Member for Hamilton Mountain (Mr. Deans). He made some good points but he did not carry his analogies far enough. He said that a person involved in an automobile accident might expect the police to provide certain emergency or safety services without charge. If you were in a car accident, the car was on fire and you were trapped inside, the police might be expected to extinguish the fire and extricate you from the vehicle. They might be expected to provide traffic directions around the scene of the accident. They do all all this at public expense and no expense to the person involved in the accident.

• (1210)

There are certain things that might be undertaken for which you would expect to pay. You would expect to pay, for example, the ambulance charges if you had to go to a hospital. You would not expect the police or some public body to pay for the towing charge of your car to be taken to the garage. You certainly would not expect any repairs on the car to be done at public expense.

We have the same types of concepts involved in what we are debating with respect to Coast Guard services here today. The Government obviously has no intention of levying a charge for those immediate emergency and safety services. What the Government might want to make a charge for is certain commercial types of services rendered by the Coast Guard. This is where the Opposition fails to make that distinction.

Charges for ice-breaking, towing, sounding, in many cases make eminent good sense. I have had occasion in the past to contract with a navigation company to go into areas that were not sounded. They have to sound the channel and they make an extra charge for that. The vessels have to slow down to get into that area and they have to take soundings as they go along. It makes sense that they should charge extra for that service. It would not make sense for me to be able to call up the Coast Guard and say, "Go and sound that channel", and the public is going to pay for it, as it is a commercial undertaking on my part. I am the one that is going to benefit from the shipping that takes place and nobody else. It would make eminent sense in that circumstance if the Coast Guard were to provide that service that I should have to pay for it.

The same can be said for certain ice-breaking services. If you accidently get stuck in an ice-pack, you want to be able to call the Coast Guard to come to break the ice and get you out of there. That is an emergency type of undertaking. If you know that you want to ship out a cargo of goods, or get some merchandise out of a location that is ice-bound and you know of this in advance you can either contract with a privately-owned ice-breaker to go in and escort your cargo-carrying vessel, or maybe you can get the Coast Guard to do it. If the Coast Guard does it, why should it be done at public expense? Of course it should not. It should be paid for by the person who reaps the commercial advantage. That is all that has been said in the provisions that have been presented here by the Government. In circumstances like that where it is a commercial-type service that has been rendered by the Coast Guard then there ought to be a schedule of fees. It ought not to be done at the expense of the taxpayer. The person who receives

the commercial advantages ought to pay a user fee for that service.

All the arguments that have been presented today by the Opposition when speaking of commercial-type services does not make sense. I will certainly vote against the proposed amendment.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it gives me pleasure to take part in the debate on the motion presented by the Hon. Member to amend Clause 4 of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

Naturally, Mr. Speaker, the people in Ottawa—Vanier might wonder what argument their Member of Parliament can make about this Bill and why he is interested in this matter.

[*English*]

Mr. Angus: Point of order, Mr. Speaker.

Mr. Deputy Speaker: On a point of order the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Angus: Just on a point of order, I wonder if the Hon. Member would give permission for my colleague to speak. He has another function he must attend.

Mr. Deputy Speaker: The Hon. Member for Gander—Twillingate (Mr. Baker) on the same point of order.

Mr. Baker: A Liberal spoke and then a Conservative spoke and I thought it would have gone back to the NDP.

Mr. Deputy Speaker: The Hon. Member for Gander—Twillingate is correct. It was my mistake. I should have recognized the Hon. Member for Winnipeg North (Mr. Orlikow). I did not, I recognized the Hon. Member for Ottawa—Vanier (Mr. Gauthier). It is up to the Member for Ottawa—Vanier now.

Mr. Gauthier: In a spirit of co-operation with my friend from Winnipeg North, and also recognizing that you will reserve my position to debate later, I will give the Hon. Member from Winnipeg North the floor.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, let me begin by saying I listened with consternation and amazement to the comments by the Hon. Member for Western Arctic (Mr. Nickerson). If there are any area, because of their geographic position and isolation, which get hit in the worst possible way by this concept of user-pay, they are those isolated areas like the Northwest Territories. Whether you look at transportation or anything else, the costs to the people who live there are much higher than everybody else. They would have to pay for the things that they get, which is what user-pay principle means I cannot understand how a Member who represents an area like that could take the very narrow, "business is the only thing that counts", attitude he took. He seems to be living in an era of 50 years ago. If we applied the user-pay principle to the person who got sick and had to see a doctor, or a person who had to go to hospital, or a person who had to depend on his own ability to provide for a pension after she or he retires, those people would be in a terrible situation.

I want to say a few words about this Bill and the concept of user-pay for transportation and shipping in the St. Lawrence Seaway. I want to put on the record that the opposition to that principle is not just opposition by our political Party. Let me put on the record the views expressed by the Minister of Highways and Transportation for the Province of Saskatchewan. I am sure the Hon. Member from Western Arctic knows that they have a Conservative Government. He said the following:

> Any increase in costs to users of the Great Lakes/St. Lawrence Seaway system will result in producers looking for transport services which are cheaper. As a result, some traffic may be diverted to the U.S. transportation system causing loss of Canadian jobs.
>
> I have recently written to the Hon. Don Mazankowski—and advised him that the imposition of charges to defray the costs of the Coast Guard are ill advised—

We have the Western Regional Advisory Council, Alberta Economic Development, another Conservative province. They say the following:

> The introduction of any regulation which will create an additional cost to the port and port users must not militate against the use of Canadian ports. We are most concerned that Clause 4 of the act which deals with cost recovery will impact negatively on Canada's international competitive position, by forcing business away.

Let me quote from the Minister of Highways and Transportation of my own province, who says the following:

> If this clause in the Bill is allowed to remain, it will lead to efforts towards full cost recovery which is beyond the limited financial capabilities of grain producers and other shippers and consumers.
>
> The continued pursuit of the "user pay" philosophy without regard for the ability of shippers and consumers to pay will inevitably cripple the flow of the nation's commerce.

The National Farmers' Union said:

> In its preoccupation to trim the federal deficit, the Government is in effect telling farmers through this bill that the national interest can best be served by still further increasing farm costs at a time when farmers are in very serious financial straits.
>
> We regard the St. Lawrence Seaway as a national asset that should be maintained in the national interest. It does not make good economic sense to raise rates in the face of declining demand.
>
> There is no question an additional charge in any way placed on transportation at this time will in fact mean disaster to more producers. It will mean producers going broke.

● (1220)

I represent an urban constituency which has a very small number of farmers. However, I do represent many railway workers. There have been major lay-offs at CPR and CNR, the likes of which we have not seen since the 1930s. The prime reason for these lay-offs is that the shipment of grain has decreased dramatically.

Canadian wheat producers are facing very unfair competition from the United States and the European community,

both of which are subsidizing their grain farmers to a tremendous extent. These factors make it more difficult for farmers to sell their grain, which means that less grain will be shipped. As a result, the railway workers in my constituency will have a more difficult time holding their jobs with CNR and CPR, where there have already been too many lay-offs.

The policies of the Government as outlined in this Bill will inevitably lead to more lay-offs and that is why I oppose it and support the amendment.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to thank my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who consented to my intervention at this time. He recognizes that while this matter is of great importance to him, as a Member from Atlantic Canada it is indeed of greater importance to me.

That is why I am rather amazed that Members opposite, particularly Members from Atlantic Canada such as the Hon. Member for Halifax West (Mr. Crosby), support the thrust of this legislation which will cause additional costs. The Minister of Justice (Mr. Crosbie) supports the Government in its attempt to add additional costs to fishermen for navigational aids, sounding, dredging, vessel traffic services, ice-breaking services and marine aid. I am very appalled that those Members would want to promote user fees for those types of services used by our primary producers.

It is likely that this legislation will be proclaimed by the Government of Canada and become the law with which people in my Province of Nova Scotia and other provinces will have to comply. It will be a great impediment to those who seek to make their living from the sea and by other means. For instance, this legislation will have a traumatic effect on the Prince Edward Island potato industry. That industry submitted a brief to the legislative committee that was studying Bill C-75 and the various amendments to the Canada Shipping Act. Given the recent events in Prince Edward Island, I would have thought that Members opposite who have a short time left to represent that province in the Parliament of Canada, would take heed of the message given by the people of Prince Edward Island to the provincial Conservative Party that they do not like this sort of action by the Government of Canada. User fees for these very important services will affect them in a very dramatic way.

The Prince Edward Island potato industry states in their brief that they are vigorously opposed to the introduction of charges relating to navigational services until an impact study on the potato industry's export business has been conducted. That industry knows that these user fees will have an extremely negative impact on their industry. Has the Government or have the Conservative Members of Parliament from Prince Edward Island provided that impact study? Have they provided the information that would address that issue? No. They support the Bill as it stands. One could conclude as a result of their lack of action and concern on behalf of the people whom they represent that they want to see that particular industry decline even further than it has. I would hope that the message given to former Premier Lee of Prince Edward Island would be sufficient to make Members opposite cognizant that this legislation is discriminatory and unfair to the primary producers in Canada so much so that they would stand in their places and reject this legislation.

Not only do potato farmers find this legislation destructive to their industry, that sentiment is shared by the primary producers in the fishing industry. I am talking about those individuals who must rise early in the morning, set out to catch the fish and return to have their catch processed. There seems to be a myth that these primary producers are making large sums of money. However, we are not talking about National Sea, we are referring to that small independent fisherman who must go out on his boat on a daily basis to try to make sufficient money to earn a livelihood for his family. The Government is telling those fishermen that they may continue to do that, but they will not only pay personal income taxes, there will now be a charge for dredging services and navigational services. If that is not enough, the Government will charge for ice-breaking services and any marine aid that may be necessary.

The Government has singled out those small individual primary producers in our country and introduced discriminatory legislation that will affect them in a very negative way. That is very unlike what the Government has done for other sectors of the economy. I suggest that Members of Parliament from Atlantic Canada visit the wharfs and bays of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick to explain to the people there how the Government can provide $500,000 in capital gains tax provisions, provide millions of dollars in bail-outs to banks in western Canada, or provide special unrestricted income to the oil and gas industry in this country, yet the small independent primary producers in this country must pay more. Where is the fairness? Where is the equality of opportunity?

Unfortunately, the Prince Edward Island election has not come home true to the Cabinet or Members opposite. However, it will come true in the succeeding elections, both provincially and federally. The Conservative Party will be thrown out of the Province of New Brunswick and the Government will learn directly what these measures mean to the people of Atlantic Canada. I cannot believe that Members of Parliament with fishing ports and villages in their constituencies in Atlantic Canada could support such regressive measures. Of course, Hon. Members opposite will say: "We have to have user fees". That is like saying that if one drives on the highway one ought to be paying for the snowplough—

• (1230)

Some Hon. Members: Yes.

Mr. Dingwall: —and there should be a toll gate. Hon. Members from Ontario would agree with that one. But our Party does not agree with charging fishermen additional expense because what they are paying now is too much.

Mr. Crosbie: What did you do when you were in power? You socked it to them.

Mr. Dingwall: The Minister of Justice is the biggest hypocrite when it comes to support for the inshore fishermen. That has been demonstrated time and time again in his support for the factory freezer trawlers. It has been demonstrated here with his support for Bill C-75 which includes discriminatory charges against the inshore fishermen. The paragon of the little guy, the Minister of Justice, has walked away from them all. He does not want anything to do with them because his career, which was in blossom years ago, is now starting to wind down. It is fading before our eyes.

Mr. Crosbie: No judicial appointment for you.

Mr. Dingwall: As reported in *Atlantic Insight*, his credibility and importance in the Mulroney Government and Cabinet have never been lower.

Mr. Tobin: It is melting like the snow in spring.

Mr. Dingwall: Shame on the Minister of Justice to suggest for one moment that we on this side are against the inshore fishermen. We stand solidly behind them. We appeal to the fairness and goodness of all Hon. Members to stand in their place and reject these user fees which affect the small primary producers in Atlantic Canada.

Let me say in conclusion that I challenge the Minister of Justice to go into the ports of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick and say to the fishermen: "You have to pay for navigational aids and dredging but at the same time we're going to give a $500,000 capital gains tax exemption to the rich people". He should try to explain that one. Perhaps he can in his own constituency at the Board of Trade, but he will never be able to do it at the ports in Atlantic Canada where the fishermen earn their living.

Mr. Pat Binns (Cardigan): Mr. Speaker, it gives me a great deal of pleasure to rise and participate in this debate today. I believe this Bill is an important Bill which certainly affects producers in Atlantic Canada. Many of the points raised by Hon. Members of the Opposition might leave the wrong impression with a lot of people, particularly with inshore fishermen and potato producers, the people who depend on Atlantic waters to export their products.

I would like to point out that this Bill affects Canada shipping and services provided by the Coast Guard. That is important because many of the services provided in Atlantic Canada to fishermen are not provided by the Coast Guard. In fact, if one looks at the dredging services in our small craft harbours, one will find that those dredging services are provided by the Small Craft Harbours Branch of the Department of Fisheries and Oceans. The Department of Fisheries and Oceans in fact contracts with the Department of Public Works to have dredging carried out. So the dredging services provided in most ports in Atlantic Canada have no involvement with the Coast Guard. I think it is unfortunate that Hon. Members opposite have left the House with the impression that dredging services are going to be charged to the fishermen through the Coast Guard. In fact, that cannot happen because the Coast Guard does not provide that service to inshore fishermen in 99 per cent of harbours in Atlantic Canada. That is an important fact and I am concerned that the wrong impression might be left.

The suggestion has been made that if an inshore fisherman is out at sea and his boat breaks down, or perhaps he encounters heavy seas, his boat is swamped and he has to call for Coast Guard services for rescue of himself and perhaps his crew members, he will be hit with a major bill from the Coast Guard. We can assure this House that such would not be the case. I know this matter was discussed extensively in committee and assurances have been given that where safety of life and so on is involved, there would not be a charge back to the fisherman. I think I can stand here and assure fishermen in Atlantic Canada that if they are faced with an emergency, with a potential situation which involves lives, they will not be charged back for that service.

Certainly Hon. Members on this side of the House would not tolerate such a thing happening because safety of life is something about which we are all concerned. We would not let the Governor in Council, or whoever it may be, charge for that kind of thing, but the impression has been left that there would be a charge in that circumstance.

The Bill states that certain services "may" be charged for. Of course, there is a big difference between "may" and "will". They are two different words. This matter has been raised not only in the House of Commons committee but, as I understand it, in the Senate committee as well. Assurances have been given that no fishermen should hesitate to call for service. He is not going to be charged for that service which would be provided by the Coast Guard.

It has been suggested that we would be prepared to let our potato industry die because of services provided by the Coast Guard and so on. Again, I think it is absolutely incredible after the measures the Government has taken, even in recent months, that Opposition Members could suggest that we would let the kinds of fees be applied against the potato industry which would jeopardize that industry. In fact, just in the last few weeks potato producers in Prince Edward Island were assisted to the tune of $6 million from the federal Treasury to help them in a difficult period when potato prices were depressed. The Government had to come to the rescue in order to restore some market confidence. It had to take the potatoes out of the market so that market forces would prevail, supply and demand would raise prices, and that is exactly what has happened. Not only was help given in Prince Edward Island but I believe there has been $3 million worth of assistance given to the potato industry in New Brunswick. Therefore, the initiatives which have been taken and which are being taken daily suggests this Government's commitment to the primary producer, to the potato grower, to the fisherman and so on.

I could go on at length. It was only yesterday that the Prime Minister (Mr. Mulroney) made major announcements in regard to the agricultural industry. It was announced that effective May 1, fuel and excise taxes on farm equipment would be removed. That is a substantial contribution to the agricultural economy, to the potato industry and to our agricultural producers in Atlantic Canada.

The suggestion that we would use the word "may" in the provisions under the Coast Guard to bring in new fees for service which would jeopardize these very important industries just does not add up in the context of what the Government has been doing over the last number of months.

The Minister has already indicated in relation to these provisions, where cost recovery might be considered a consultation processs will be engaged in. It has already been engaged in through the Committee on Transport which travelled extensively to receive input. The Minister is allowing up to two years. That will give the user groups of the services the opportunity to sit down with Government and discuss these services and what kinds of things should apply to those user groups in order to ensure that the services are adequate and available and that there is no cost applied to those services which would jeopardize the primary industries. I think such a consultation process was probably unheard of under the former Government. I am not aware of that Government ever taking the initiative to go out and talk to producers about guaranteeing services to ensure that they are effective for our primary producers. We are a long way from making the final decisions. We will have two years, just in terms of consultation, before that occurs.

• (1240)

There is really not a great deal more I would like to say except that I do not want the primary producers in Atlantic Canada, or anywhere else in the country, to believe the kinds of things that members of the Opposition are saying will happen. They just will not happen. Members on this side of the House would not allow such things to happen. It is certainly not the intent of the Government to allow such things to happen.

With those words I am stating that, as far as I am concerned as a Member from Atlantic Canada, I can pretty well guarantee that my colleagues in the Government would not take such backward steps so as to jepoardize the primary industries. That is why we have engaged in the consultation process. One cannot blame the Coast Guard for all of the things Hon. Members opposite are suggesting.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I shall begin my comments by reminding the House that I am dealing with the amendment proposed to Clause 4. Naturally, Mr. Speaker, we of the Liberal Party would have preferred Clause 4 to be eliminated completely from this Bill and the Government to listen to reason as concerns this issue of user fees.

[*English*]

I wish to say to the Hon. Member for Cardigan (Mr. Binns) that I am informed that his speech is the same one he made during the election campaign to the P.E.I. potato farmers. I do not think it went over very well at that time. As a matter of fact, with respect to the speech he just made, I am informed by my friends that the Premier of the Province lost his seat on the same buddy-buddy line: "I'll get to the Ottawa guys because I'm one of them". That did not carry very much weight in the minds of the P.E.I. electorate. The Hon. Member should revise his lines and try to come to grips with the issues and, indeed, the impact which Bill C-75 will have on potato farmers in P.E.I. After all, they do use boats and they do need assistance in terms of navigational aids, dredging and other such matters. If the Hon. Member has information which we do not have and knowledge as to why, how and when these user fees will be imposed, which is not set out in the Bill, then perhaps he should get up and share that information with us soon.

Mr. Crosby: If you do not know the difference between the Atlantic Ocean and the Rideau Canal then we can't help you.

Mr. Gauthier: If the Hon. Member who just spoke wants to get up and make a speech on the Rideau Canal, I suppose he would be more than welcome to do so. He can enter into debate after I have finished my remarks.

Mr. Crosby: Mr. Speaker, I rise on a point of order. I have been invited by my colleague opposite to speak to this matter. I will gladly accept his invitation.

Mr. Deputy Speaker: He has already yielded the floor once this morning. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has the floor.

Mr. Gauthier: The Hon. Member will have a chance before one o'clock to make a speech on this clause. We will be listening to the Hon. Member attentively, in due course.

I wish again to ask Members of the House to consider how unfair and unjust—

Mr. Tobin: Brutal and callous.

Mr. Gauthier: My colleague says that it is brutal and callous. I have not used those words yet, because I have not gotten to the substance of the clause. However, when I am finished it will probably be my judgment also that it is brutal and callous to infringe upon people's revenues and incomes. It is unfair to add to the financial obligations of fishermen by taxing them. They are already broke. God knows, we have been told that enough times in this House. To impose another fee on them for ice-breaking, for example, or for other services which should be rendered by the community, gives me some fear that, indeed, the Government is unresponsive and is lacking in its entire comprehension of the problem.

I wish to remind Members of the House that we compiled a list of Tory promises made during the last election campaign. I

wish to read one in particular because it impacts on the debate today. It states that the Tory Government was to:

Recognize and respond to the special needs of the Atlantic region for better transportation facilities to strengthen the economic base of the entire area and provide jobs both with the transportation sector and in those other sectors which rely on an efficient transportation system to make their products competitive.

How does one square user fees for fishermen and for transporters when the cost of such a fee will be passed on to consumers and render the fishermen and transporters less competitive than they already are? God knows that we have to encourage competitiveness, but we must also be very sensitive to the market at hand and to the difficulties our farmers are experiencing.

I wish to read another promise made by the Tories during the last election campaign. It will be the last one I read because there are some 338 of them and they have not kept a damn one of them. It states:

Upgrade navigational aids and systems to ensure increased marine safety.

There has been no upgrading, at least none of which I am aware. There has been absolutely nothing done to improve navigational aids. Yet the Government wants to charge more for the use of these services. I do not understand the logic of a Government which does not do anything to improve the situation but wants to charge to recover costs on services upon which it has not improved.

[*Translation*]

Mr. Speaker, we would have liked to eliminate Clause 4. This is what we suggested in committee. Of course, because of its substantial majority, the Government was able to retain Clause 4 at the committee stage. We would have liked to propose the same amendment in the House at the report stage, but, unfortunately for us, the Chair ruled our amendment out of order.

Since we cannot go all the way, we shall therefore support this motion whose effect would be to restrict and reduce the powers of the Minister of Transport (Mr. Mazankowski) and ministerial discretion, because we have to remember that the additional charges will not in fact be imposed by the Minister of Transport, but will be set by the Minister of Finance (Mr. Wilson). As everyone knows, the Minister of Finance is looking for money. He is the one who taxes Canadians. He is the one who gets the funds, and if there is one way for him to get them, it is probably by charging for the services provided in the seaway and the ports and by the Coast Guard.

Mr. Speaker, for the information of the other Members, I would like to read the comments of some people who really know what they are talking about. I am thinking especially about the letters sent to the Prime Minister (Mr. Mulroney).

[*English*]

This is a letter sent by the Great Lakes Commission, which is a joint commission. The commission is formed of people who look after the Great Lakes transportation problems. It is a letter dated April 14, 1986, signed by James Fish. The letter states in part:

The Great Lakes Commission is deeply concerned about proposed Bill C-75, which would authorize the imposition of cost recovery for Canadian Coast Guard services.

It is interesting to note that the interested parties are concerned and, indeed, worried. In a paragraph on page 2 it states:

The Great Lakes Commission's views with respect to Clause 4 in Bill C-75 are supported by the Great Lakes Congressional delegation and regional maritime interests. A March 25 letter to Transport Minister Mazankowski from several Great Lakes Congressmen and a March 7 letter from Great Lakes Senators to Ambassador Gotlieb are attached for your reference.

This letter sent by Congressmen of the United States and dated March 7, 1986, states in part:

However, we, along with Mr. Fish, remain concerned about the potential damage to Canadian and U.S. shipping and related activities stemming from imposition of a Coast Guard user fee in addition to the current seaway tolls.

• (1250)

We all know that the current Seaway tolls are discouraging traffic on the Seaway. We all know that we have difficulty keeping the traffic on the Seaway up to par. We all know the economic difficulties that are being faced, yet the Government is going to impose user fees on those users making it more difficult and costly for them to operate.

ULS International Inc. sent a letter to the Hon. Prime Minister (Mr. Mulroney). It is addressed to "Dear Brian" so I suppose they know him. It reads as follows:

I would like to draw your attention to our concern over Clause 4 of Bill C-75. In its present form the authority it provides this and future governments to charge for Coast Guard services is virtually unconstrained. As a result, the potential for economic dislocation, to the detriment of Lakes-St. Lawrence trafffic, is open-ended.

The letter goes on to say:

Clause 4 requires a great deal of revision before it is ready to be passed into legislation—In the meantime, Clause 4 should be removed from Bill C-75.

We tried that. It did not work. Now there is an amendment before us. Now that we have Government Members interested, I take it that they will participate in the debate on this amendment and indeed support such an amendment.

The amendment provides for any regulation under subsection (1) to be referred to a committee of the House for review. We are working in the spirit of reform so we should agree that review is appropriate. It also provides that the clause not come into effect until January 1, 1988. I take it that most Hon. Members, being in favour of review, would support this amendment. We also want to see a House of Commons committee appraise the results and effects of Clause 4 on the users.

I would like to make several other comments. I see, Mr. Speaker, that you are indicating that my time is almost up. I would like to talk about the charges for icebreaking that will possibly be imposed on users. A lot of icebreaking is done for flood control.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Much of the icebreaking on the St. Lawrence is done for flood control. The Hon. Member opposite laughs.

Mr. Crosby: Do you believe that?

Mr. Gauthier: That is the truth of the matter and it is a fact of life. Icebreaking on the St. Lawrence is done many times to prevent flooding along the St. Lawrence. That cost will, from now on, possibly be passed on to the users. We do not know that because the Government did not tell us how it is going to make that program operate. It did not tell us what the fees are going to be and it did not tell us why we should be paying these fees. Until it has answered the how, the why and the what of Clause 4, we will vote against it.

Mr. Binns: Mr. Speaker, I rise on a point of order. I did not want to interrupt the Hon. Member during his remarks because he was having some difficulty keeping his train of thought as it was. However, my point is that I did not in fact make a speech to the PEI potato producers on Bill C-75 during the election campaign, but I think I will in the near future in order to straighten out the many false suggestions that are being made by opposition Members.

Mr. Foster: Mr. Speaker, I rise on the same point of order. It just occurred to me that the Hon. Member for Cardigan (Mr. Binns) certainly would not have dared to bring up Bill C-75 in Prince Edward Island during the election campaign. The election was already lost very seriously by all, including the Premier. If the Hon. Member had raised this matter it is probable that they would not have gotten any seats. I think the Hon. Member should keep that in mind.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I am not simply rising at the invitation of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) to speak on Bill C-75. I think other of his colleagues and his friends in the New Democratic Party provoked me sufficiently, through their presentations to the House of Commons, to cause me to speak.

I should begin with this statement. I sympathize greatly with my colleague, the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), whose involvement in marine transportation goes back for at least the 30 years I have been associated with him, and he is intimately knowledgeable in this area. To see a Bill containing amendments to the Canada Shipping Act which relate to marine transportation in Canada and internationally, a Bill designed to protect seamen on the oceans governed by Canada, a Bill designed to protect the marine transportation industry being confused by Members of the Opposition with one item, cost recovery in relation to certain services, is a shame.

Rather than address the House of Commons I would prefer to vote on this Bill and see it go forward so that the seamen of the world may benefit from these provisions. I hope the Hon. Members who speak of elections and of the results that flow to Members who obstruct progress in the House of Commons and elsewhere are warned to be aware of those people outside this Chamber who seek the enactment of this Bill. There are those who wish it to go forward for the good it contains. Obstructionism produces dire results but it also presents misrepresentations with which we must deal.

I have indicated very clearly that this is a Bill dealing with marine transportation, the Canada Shipping Act. It has very little to do with the fishing industry in Atlantic Canada, although it might, in some obtuse way, affect a fisherman or a fishing vessel from time to time. That is the price to be paid for travelling on the seaways and I think every fisherman in Atlantic Canada knows and respects that fact.

I want to point out to Hon. Members who may not be aware of it that in Atlantic Canada, and particularly in the Port of Halifax, contrary to the statements made by the Hon. Member for Nickel Belt (Mr. Rodriguez), there is great support for this Clause 4 that has caused so much concern to Hon. Members opposite. The Halifax—Darmouth Port Commission came before the legislative committee to say: "Please enact Clause 4. We are sick of being discriminated against in the marine transportation field".

I can understand the Hon. Member for Mount Royal (Mrs. Finestone) rising to say that we should do away with Clause 4 which amends Section 3 of the Canada Shipping Act because it might have an adverse effect on shipments through the Port of Montreal. I can understand her position and I appreciate that she is right to represent her constituents. However, when Hon. Members from Atlantic Canada rise and tell us not to enact the changes to Section 3 of the Canada Shipping Act, then I know they do not know from whence they come or of what they speak.

I can, however, forgive the intervention made by the Hon. Member for Nickel Belt who, from that perspective, purports to know what is happening or what ought to happen in Atlantic Canada, and particularly in the Port of Halifax. However, that may well account for the reason there are no members of the New Democratic Party in the House of Commons from Atlantic Canada. You can rest assured, Mr. Speaker, that there will not be any in the many, many years to come for those kinds of reasons.

Can I forgive the Hon. Member for Ottawa—Vanier who looks at the Port of Halifax from the perspective of the Rideau Canal? He wants to say that in Halifax one can simply put a dock 100 feet out into the harbour and accommodate, just through that method, the largest ocean liner floating on the seas of the world; that the largest third-generation container ship can come into the Port of Halifax and tie up to a dock that is simply made of rocks and mortar. He compares that to the Rideau Canal. He thinks ships should not be charged any more to come into the Port of Halifax than to go through the Rideau Canal. If we have to build walkways and laneways and pick out the ice with an ice-pick, that does not matter, do not charge for any of that. Let those people in the Port of Halifax pay for all the costs.

The people from the Port of Halifax, and I am sure the people from the Port of Saint John, are saying it is time to take a realistic view of the matter of how to charge back to the users the costs of providing services. The idiocy of the remarks made by Members opposite is to pretend to the people of Canada that they are not being charged for these services, that they are coming from some kind of mysterious money-tree. If we do not charge fees for services they are paid for in some other way.

I am going to continue my remarks after lunch when I will have another chance to talk about the Port of Halifax.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock today.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT AMONG OLDER WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on this May 1 let us recall that the struggle for workers' rights in Canada is not over.

Last August the Canadian Employment and Immigration Advisory Council made a report to the Minister of Employment and Immigration (Miss MacDonald) entitled "Older Workers—An Imminent Crisis in the Labour Market". The report pointed out that more than 300,000 workers between the ages of 45 and 64 were unemployed in Canada and that the trend was getting worse. The report also pointed out that older workers remain unemployed longer than the average for all workers.

In order to assist the federal Government in addressing these problems, the advisory council made several recommendations regarding unemployment insurance, pension reform, training, hiring incentives, job creation, and job counselling. Nothing has been done to implement these recommendations.

On this May 1, I urge the Government to get on with the job.

S.O. 21

LABOUR RELATIONS

STRIKE AT JOHN INGLIS PLANT IN TORONTO

Mr. Dan Heap (Spadina): Mr. Speaker, on this May 1, the men and women of the John Inglis washing-machine plant in Toronto have been forced to strike for several weeks. Their owner, the Whirlpool Corporation in the United States, demands real wage cuts and a three-year wage freeze, although United States wages are $2 per hour higher than Canadian wages in that plant, considering the exchange rate. United States labour cost is higher, but Whirlpool has put in $165 million to modernize U.S. plant equipment, and zero into the aged Canadian plant.

Free trade will not help but in fact will hasten shut-down and the unemployment of these workers. The question is: what will the Government do to defend the jobs of Canadians at John Inglis against an American multinational?

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[*Translation*]

SOCIAL SECURITY

SITUATION OF ELDERLY PERSONS

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, today I would like to draw the attention of the House to the situation of the elderly in Canada. In my riding there are dozens of people who come and complain that cuts have been made in their pensions, the pensions for the elderly. I want to draw the attention of all Members to this incredible state of affairs. I don't know where the problem lies. Perhaps it is the bureaucracy or maybe it is being done on purpose, but there is something wrong somewhere. I hope that our Minister of National Health and Welfare (Mr. Epp) will do something about it.

Mr. Speaker, it is a major problem in my riding and in many other ridings in Canada and I urge all Members of this House to make representations as soon as possible.

* * *

[*English*]

TOURISM

WELCOME EXTENDED TO TOURISTS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, this is going to be a great summer for tourism in Canada. Visitors to our country have already increased by nearly 20 per cent, and Expo has not even begun.

Tourism is a multibillion dollar industry which involves each and every Canadian. We can easily attract visitors with our

cities, sites, and scenery. However, it is our warmth and hospitality which will make their stay truly memorable.

Economists cannot put a price on a friendly smile or a happy hello, but the value is enormous. We cannot buy the kind of advertising which a simple good word from a visitor on returning home offers.

Let us make this the best summer ever for our visitors, from the moment they arrive until the second they leave. If we do, we will be benefiting both them and ourselves.

* * *

NUCLEAR ENERGY

SAFETY FEATURES OF CANADIAN CANDU REACTORS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, at Pickering, Ontario, there are eight CANDU reactors. In addition to the very extensive safety features which have been built into them, there is a containment building made of concrete which would capture any radiation that might escape from a reactor. The Canadian CANDU reactor has proven to be the safest reactor in the world.

In 1985, 42 per cent of all electricity produced by Ontario Hydro was generated by CANDU reactors. It is safe to say that over a third of the industry located in the Province of Ontario is powered by electricity which is generated by CANDU reactors.

Let us compare hydro rates. In Ontario, where we rely heavily upon cheap nuclear generated energy, in January, 1986, hydro rates stood at 5.3 cents per kilowatt hour. However, in New York State the rate was 20 cents per kilowatt hour because it is using outdated equipment. We not only have the cheapest hydro rate with our CANDU reactors, Mr. Speaker, but we have the safest nuclear reactor in the world, CANDU.

* * *

• (1405)

HEALTH

TRANSPLANT INTERNATIONAL—IMPORTANCE OF HUMAN ORGAN DONATIONS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, although National Organ Donor Awareness Week has ended, the spirit lives on. Dow Chemical Canada Incorporated, the head office of which is located in my riding of Sarnia—Lambton, has committed a quarter of a million dollars over a three year period to Transplant International.

This money is to be used for public education aimed at increasing the awareness of the country of the need and importance of organ donations. Dow has produced a video show which has gone across Canada to be shown to all of the company's Canadian employees, and is available on loan to other organizations from Dow. The video encourages citizens to discuss organ donation with their families, as well as reminding them to sign the consent form.

Hopefully, Mr. Speaker, this program launched by Dow will further encourage employees to go out into their communities and spread the word that organ donations are desperately needed. It is hoped that the word will spread and that more people will consider the gift of life they give by donating their organs.

In addition to the generous financial contribution made by Dow Chemical, I would also like to inform Members of this House—

Mr. Speaker: Order, please. Sixty seconds. The Hon. Member for Cowichan—Malahat—The Islands.

* * *

EXPO 86

AN INVITATION TO VANCOUVER AND VICTORIA

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in its April addition Air Canada's in-flight magazine, *En Route*, has an Expo 86 update which tells some of the exciting things to do and see in Vancouver this summer when it hosts the world fair.

Unfortunately, Air Canada's magazine refers to Vancouver as the capital of British Columbia. Vancouver, one of the great cities of the world, has never been the capital of British Columbia. I join with other British Columbians in inviting people from all over Canada and the world to visit Expo 86 in Vancouver this summer. I also invite them to visit our capital city which is called Victoria.

Victoria is located on beautiful Vancouver Island, a 20 minute flight from Vancouver, or a wonderful one and one-half hour scenic cruise through the Gulf Islands.

Come to Expo 86 at Vancouver this summer. Stay a while and enjoy the rest of British Columbia. Welcome world.

* * *

THE ECONOMY

GOVERNMENT MEASURES TO ASSIST WESTERN CANADA

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the Prime Minister's (Mr. Mulroney) announcement of the new western initiative is yet another signal that western Canada is important to the Government. It recognizes and provides measures to assist in meeting the severe problems facing western farmers and the energy sector.

Last year our Government provided $160 million in drought assistance. Already this year we have made a record interim grain stabilization payment. The new western initiatives for farmers provide a further fuel tax rebate and a higher domestic wheat price. Farmers are not the only beneficiaries of the western initiative. Small and medium oil and gas producers will benefit from reductions in the PGRT, and 45 of the hardest hit small companies will be relieved entirely from paying this tax. The tax relief for synthetic producers is another important measure to protect jobs and the economy in western Canada.

The biggest advantage of the western initiative is that it will stimulate the economy of western Canada, and that is good for business and for all of us. My congratulations to the Prime Minister for once again demonstrating strong leadership and concern for western Canada, which he pledged to deliver.

Mr. Speaker: Order, please. Sixty seconds.

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[*Translation*]

THE ECONOMY

BANK RATE REDUCTION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, only a few minutes ago, the Bank of Canada announced a further one third of one per cent drop in the bank rate.

Mr. Speaker, as Hon. Members will recall, when the Liberals left us with their runaway Budget deficit and a national debt of $200 billion, the central bank rate was 12.38 per cent.

Today's bank rate of 8.97 per cent is very encouraging, both to consumers and producers. A drop of nearly 4 per cent in the bank rate can, in some cases, bring about an even more significant reduction by our financial institutions. A 4 per cent drop, Mr. Speaker, means $2,000 per year less in interest on a family mortgage of $50,000.

Canadian consumers benefit from this situation, while the business sector has started to expand, to take advantage of the lower interest rates made possible by the Conservative Government.

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HUMAN RIGHTS

ALLEGED DISCRIMINATION AGAINST WOMEN BY INSTITUT CANADIEN-FRANÇAIS D'OTTAWA

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to draw the attention of the House to the discrimination against women as practiced by Ottawa's *Institut canadien-français*.

Established in 1852 as a cultural club for Ottawa Francophones, the *Institut* requests applicants to speak fluent French, be Catholics, have a good reputation, and be male.

When asked why women are not accepted as members, the president told us he had never thought about it and that, besides, there are very few female applicants.

The way women are welcome, I can easily understand why they are not queuing up at the door.

Mr. Speaker, the *Institut canadien-français* should behave in accordance with standards of the eighties. Discrimination based on sex is illegal, and so is dicrimination based on religious beliefs.

So the *Institut* is guilty on two counts. I hope this free publicity will prompt it to operate in keeping with the reality.

* * *

• (1410)

[*English*]

AGRICULTURE

GOVERNMENT MEASURES TO ASSIST FARMERS

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, the Government has always stood by the Canadian farmer. Yesterday the Prime Minister (Mr. Mulroney) announced a series of initiatives which will provide immediate relief for hard-pressed Canadian food producers. The maximum allowable domestic price level of wheat has been raised to $11 per bushel. Effective today all federal taxes will be effectively eliminated on off-highway use of farm fuels. Farm debt review panel legislation will be dealt with on a priority basis.

These measures are very welcome news to western Canadian farmers and provide much needed assistance as they prepare for spring seeding. However, the long-term solutions for the farm economy lie in improved international trade. To that end the Prime Minister is meeting today with farm leaders in Vancouver to seek their advice and support before he leaves for the Tokyo Economic Summit. In Tokyo he will aggressively pursue the interests of Canadian farmers. The farmers of western Canada are getting the assistance they so urgently need, and the Government will continue to act on their behalf.

* * *

AGRICULTURE

FARM FUEL COSTS AND PRICE OF WHEAT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise today to apologize for having inadvertently misled the House yesterday when I congratulated the Prime Minister (Mr. Mulroney) for having removed the sales and excise taxes

on farm fuels, and for his decision to allow domestic wheat prices to rise to $11 per bushel. Upon checking with officials, I have discovered that the Government is not removing sales and excise taxes, but is simply providing rebates to farmers of most, but not all, of those taxes. Neither are we getting $11 per bushel for domestic wheat. The price remains at about $7 and will only move up within the announced range of $6 to $11 after some future announcement.

I was not alone in making this error. Many others, including the Member for Swift Current—Maple Creek (Mr. Wilson), the Member for Moose Jaw (Mr. Gottselig), and the Member for Portneuf (Mr. Ferland) also assumed that the Prime Minister's words would fit the forthcoming action. I regret that Prime Ministerial statements are not more specific and direct, and that I have contributed to the spreading of information which was not as factual as it first appeared.

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CONSUMER AFFAIRS

ORDERING OF CANADIAN WINES ADVOCATED TO ASSIST DOMESTIC INDUSTRY

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I would like to bring to the attention of the House the current situation facing the Canadian wine industry. The industry is suffering and jobs are being lost for a number of reasons, primarily, however, as a result of the flood of subsidized European imports. This is unfortunate because the industry now produces an outstanding product.

Members of Parliament and members of the Public Service can help. The people of Canada now pay tens of millions of dollars to transport MPs and members of the Public Service across the country. When flying at public expense it would be very helpful if, when ordering wine, we insisted that it be Canadian. This would be a tremendous boost to the industry, both financially and psychologically.

I think it is only reasonable and fair to assume that, if the people of Canada are paying for our flights, we should be ordering products made by the people of Canada.

* * *

HUMAN RIGHTS

U.S.S.R.—FAMILY REUNIFICATION—PLIGHT OF BENJAMIN BUGOMOLNY AND WIFE TANYA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Jews the world over have been celebrating Passover, the festival of freedom and hope. We speak out for freedom for all who are so deprived. We speak particularly to the sad case of Soviet Jews deprived of their right to practise ancient traditions, learn about their own heritage, speak and write their own language as others are permitted to do, and join their families here in the West.

We speak of Benjamin Bogomolny and his wife Tanya awaiting Soviet permission to emigrate from Moscow in order to join his sister in Montreal. The courage and tenacity displayed by this man during his 20-year struggle to rejoin his family in the free world is a symbol for all people who believe that the principle of family rejoinder agreed to as part of the Helsinki Accord should be respected.

In Berne a conference on family reunification is currently under way. I urge the Canadian Government, through Ambassador Bauer, to press most vigorously for the reunification of the Bogomolny family and of other such families with members in Soviet bloc countries who wish to join their families here.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—APPLICATION OF CODE OF CONDUCT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister and is about the fitness of the Minister of Regional Industrial Expansion to remain in Cabinet. Based on the obvious conclusion from answers he has given, the Prime Minister based his entire judgment about the Minister concerned on a report from an official. Do the Deputy Prime Minister and the Prime Minister not recognize that the guidelines that have been put forward call for more judgment and more inquiry by the Prime Minister than simply relying on the analysis, faulty and inadequate as it was, of some official?

• (1415)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the impression the Hon. Member attempts to leave is totally inaccurate. I have been answering questions, as has the Prime Minister, for three days in a row, to try to explain to him that the requirement is to ensure that Ministers of the Crown comply with the Code of Conduct which was tabled in this House last September 9. Compliance by that Minister has been met. If he does not believe that, the Hon. Member is free to make his own inquiries. If he does not wish to follow that course and he thinks something dishonourable or criminal has been done by the Minister, he has, if he chooses to exercise the courage to do so, an option open to him, and the procedures and processes available to any Member of this House.

APPEARANCE OF PROPRIETY—TERMS OF LOAN

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to remind the Deputy Prime Minister that under the guidelines

the appearance of propriety is as important as propriety itself. I want to ask the Deputy Prime Minister if he does not agree that the spectacle of the wife of a Minister getting an interest-free loan of $2.6 million at the very same time as the company concerned was seeking and obtaining a loan for $62.5 million looks, from the point of view of appearances, like nothing more than a kickback.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman, with no disrespect intended to the occupant of the chair, uses the Question Period not for a legitimate purpose of asking questions and seeking information, but for the purpose of smuggling his version of certain events on to the record of this House. It is unworthy of him, and it is rubbish that should not be tolerated in the House of Commons.

OFFICIAL'S INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Deputy Prime Minister is making it appear that a full inquiry has been conducted. Is he satisfied and does he feel that the guideline requirements are met by nothing more than an inquiry by an official? Does that cover conflict of interest and the appearance of conflict of interest? What has the Government done to investigate that?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman should know what the role and responsibility of the Prime Minister and of myself, as Deputy Prime Minister, and of the Government, are in ensuring compliance with the Code of Conduct that was tabled in this House last September 9. He knows, or should know, if he should choose to have the courage to do so that there are procedures and processes available to him if he chooses to make a charge of dishonour or some criminal action on the part of the Minister. Let him do that.

INCORPORATION OF COMPANY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister and it concerns the numbered company that was used to channel the $2.6 million to the Minister's corporation. As the Deputy Prime Minister knows, the numbered company was incorporated in April, 1985, and the $2.6 million loan was made in May, 1985, less than a month later. Will the Deputy Prime Minister confirm that the anonymous numbered company was incorporated solely for the purpose of laundering money to the Minister's company?

Mr. Speaker: Order, please. It is difficult for me to find the question of the company to be a ministerial responsibility. Does the Hon. Member have another question?

Mr. Nunziata: May I rephrase my first question, Mr. Speaker?

Mr. Speaker: Yes.

COMPANY DIRECTOR

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Deputy Prime Minister has indicated that he has conducted an investigation into this whole matter. I would like to pose another question to the Solicitor General. Will the Solicitor General confirm that the sole director of the numbered company was under investigation by the RCMP at the time of his unfortunate and premature death last November?

• (1420)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that falls within my responsibility because the subject matter that the Hon. Member is obviously raising is an unfounded accusation of conflict of interest. He commences his question by a totally false assertion. I repeat to him that there are procedures and processes available to him and any other Member who have the courage to stand and charge any Minister of the Crown with dishonourable conduct or criminal activity.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—INFORMATION KIT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Secretary of State for External Affairs recently provided all Members of Parliament and Senators with a publicly financed propaganda kit on the question of free trade, a decision about which has not yet been made by the Parliament of Canada. When the Deputy Prime Minister and the Secretary of State were on this side of the House, the Secretary of State described the use of such funds in advance of a decision of Parliament as constituting an improper manipulation of public money. The Deputy Prime Minister knows that it is wrong. We know that it is wrong. Will he do the right thing and send the bill for that kit to the Conservative Party of Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Hon. Member cannot have it both ways. On one hand he is saying: "Give us information. Involve us and let us know what is going to happen in this debate." We give them the information and now they are complaining. Which way do you want it?

Some Hon. Members: Hear, hear!

Mr. Broadbent: The whole country knows, the press knows, and Members of Parliament know that the Government has refused to give the studies that would make our debate about this issue relevant and not dependent on propaganda. The Minister knows that.

[*Translation*]

POLITICAL PROPAGANDA—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will gladly repeat my question to the Minister who answers for the Government.

Political parties are responsible for their propaganda. Why does the Conservative Party not pay for this propaganda?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, it is the same question, only this time it was given in French. I can only say that you cannot have it both ways. This was information that was released to all Members of Parliament and all Senators to inform them better and assist them in their dialogue with their constituents. That is the proper function of this Government. That is what we are doing. Don't complain that you are not getting information from us.

CONTENT OF KIT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the only politicians whose voices are used in this propaganda are those of the Prime Minister, the Secretary of State for External Affairs, the Minister himself and, believe it or not, President Reagan. There is not an opposition politician or a Premier of Canada. Will the Minister produce the studies that would make a debate relevant, and/or produce a package that is fair-minded? That is what we want.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, needless to say, I examined this material long before its distribution and I found it to be an excellent kit. I think it is extremely informative and very fair-minded. I am sure it will assist you in the debate.

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THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In a letter last September 9, the Prime Minister made the following rule: "I wish it to be understood clearly by all Members that they have an individual responsibility to prevent conflicts of interest, including those that may arise from activities of their spouse." Will the Minister tell the House if he informed his spouse of this rule and, if so, why was the rule broken?

• (1425)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Ms. Copps: Let him answer. We want the Minister to answer.

Mr. Nielsen: —the matter raised by the hon. gentleman falls within the responsibility of the Prime Minister and by delegation in these circumstances to me. I repeat to the Hon. Member the answer I have given to other Hon. Members repeatedly over three days. If he wishes to make allegations of dishonour or criminal activity against any Minister of the Crown, he is free to do so—

Mr. Gauthier: It's just a question. Answer it and sit down.

Mr. Nielsen: —and there are procedures and processes in place which, if the Hon. Member does not know about them, I am sure his researchers will help him discover.

Mr. Boudria: Mr. Speaker, I was asking the question of the Minister of Regional Industrial Expansion, not the Minister of cover-up for this House.

Some Hon. Members: Order.

Mr. McDermid: Next question.

Mr. Speaker: Order. The Hon. Member has a question, please, immediately.

[*Translation*]

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I should like to ask the Deputy Prime Minister kow he can possibly continue so blindly to protect a colleague who has ignored his own Prime Minister's guidelines, which I have right here? How can he tolerate such interference?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is the responsibility, as I have said repeatedly for three days, of the Prime Minister to ensure there has been compliance with the Code of Conduct governing the activities of public officials. I have satisfied myself through the appropriate officials and have so reported to the Prime Minister that that compliance has been had.

The Hon. Member may choose not to believe that. That is his option. There are also available to him procedures and processes which he can invoke if he has the courage to make specific allegations of criminal activity or dishonourable activity by any Minister of the Crown.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REQUEST FOR RELEASE OF STUDIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister for International Trade. Given that the Minister released with other documents this document I hold up which was released earlier this year, in February, prior to the most recent publication which has been given out, will he give for the purposes of public debate copies of all of the studies it was indicated were available as background information but which, to this point in time, have neither been made available to Members of the House of Commons nor to anyone in the press? In fact the press has had to go to court to try to get those studies.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that the Secretary of State for External Affairs and myself are presently reviewing all the studies which have been made available to us. Studies which will not in any way jeopardize in whole or in part our negotiating position with the Americans—

Mr. Broadbent: Oh, right.

Mr. Kelleher: —of course we are prepared to release in order to engender a better and more informed—

Mr. Broadbent: Do you have any negative stats?

Mr. Kelleher: —debate in this House.

Mr. Deans: One might have thought that the two Ministers would have reviewed those studies before they made their decision to proceed with free trade.

CONTENT OF INFORMATION KIT

Mr. Ian Deans (Hamilton Mountain): Why does the Minister believe it is appropriate to give to the public of Canada selected information chosen from among those Government Members who have made statements in support of free trade, but refuses consistently to reveal what those who think free trade might do harm to Canada have been saying about what the effect will be in their areas? Why will the Government not now make available the studies it did, upon which it apparently based its decisions, rather than make available a whole lot of propaganda nonsense?

Mr. Speaker: Order, please.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the Hon. Member that all the statistics involved in the video, which I think is an excellent one, are all based—

Mr. Broadbent: Oh?

Mr. Kelleher: One moment. All the conclusions and facts contained in that video are all contained in the recommendations and reports done for the Macdonald Royal Commission.

Mr. Blaikie: Let's see them.

Mr. Rodriguez: Let's see the study by the CLC.

Mr. Kelleher: And what I would like to see are the reports and studies—

Mr. Broadbent: Release your studies. You've got the studies.

Mr. Kelleher: —which substantiate the statements made by the CLC and the Ontario Federation of Labour.

Mr. Deans: But they paid for their own. They paid for their own material. You are using taxpayers' dollars.

* * *

• (1430)

THE ADMINISTRATION

CANADAIR PRIVATIZATION—CDIC APPOINTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I hope he takes this chance to speak for himself.

Some Hon. Members: Oh, oh!

Ms. Copps: Was the Minister aware, when he asked CDIC to find a buyer for Canadair, that his appointee to the CDIC, Mr. Frank Stronach, was also planning to bid on Canadair through his own company, Magna International Inc.?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question relates to the subject matter of conflict of interest—

Mr. Johnston: Come on!

Mr. Nielsen: —which is my responsibility in the absence of the Prime Minister. My response to the Hon. Member is the same as it was yesterday.

Quite apart from repeating, once again, the fact of the Minister's full compliance with the Code of Conduct, I draw her attention to my answer yesterday with respect to the process through which privatization is proceeding through a ministerial task force under the chairmanship of the President of the Treasury Board, and not under the chairmanship of the Minister of Regional Industrial Expansion.

CHAIRMAN OF BURNS FRY INVESTMENT DEALERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, at the Deputy Prime Minister's invitation I will refer to his answer of yesterday in which he stated that the decisions surrounding Canadair will include a review under Burns Fry Investment

Dealers. Is the Deputy Prime Minister aware of the fact that the Chairman of Burns Fry Investment Dealers also happens to be a director of Magna International?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I really do not know where that leads us. However, in the off chance that it has to do with the subject matter of a conflict, which is the responsibility of the Prime Minister and, by delegation, of myself in these circumstances, if the Hon. Member will read carefully what I said yesterday she will see that I said that Burns Fry, among other firms, was retained by the board of CDIC in order to review the five—

Ms. Copps: Self-dealing at its worst!

Mr. Nielsen: —candidates with respect to their adherence to the criteria established in the privatization—

Mr. Speaker: Order, please.

* * *

[*Translation*]

TRADE

FREE TRADE—ALLEGED BENEFITS FOR ALL REGIONS OF CANADA—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, one of the critical studies now in the news is the Quebec study that has demonstrated that 12 out of 18 Quebec industries would suffer negative effects as a result of free trade. Is the Government prepared to admit that saying all regions in this country, as it says here, will benefit from free trade is sheer propaganda?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as I said earlier, the information contained in the video and the statistics which accompany it are all to be found in the report of the Macdonald Royal Commission and in the appendices attached thereto which were tabled in the House last September. I would commend the Hon. Member to sit down and read it.

Mr. Deans: But they're not right.

CONTENT OF VIDEO PRESENTATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have read it. It states, as I have pointed out to the Minister, more studies were needed before any decision should be made. Does the Government not admit that to put out a high-tech piece of gimmickry such as this, with only Conservatives speaking in it, is the worst form of Goebbels-like propaganda that this country has seen for years?

Some Hon. Members: Oh, oh!

An Hon. Member: Look who's talking about propaganda!

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Hon. Member and his Party should realize that today video tapes are not something new. They should bring their Party into the 20th century like this Party has done.

Some Hon. Members: Hear, hear!

Mr. Broadbent: So it's a party matter and not a government matter?

Mr. Forrestall: You're a bunch of aging dinosaurs!

Mr. Kelleher: Mr. Speaker, I would also remind the Hon. Member that I have very carefully reviewed the literature put out by the CLC, the United Auto Workers, and the OFL, and I do not see any Conservative speakers in—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Broadbent: They paid for their own.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—PRIME MINISTER'S LETTER

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister. I remind him that a breach of the Prime Minister's guidelines does not necessitate the laying of a criminal charge; it necesitates a resignation. This is a question of ethics.

Will the Deputy Prime Minister explain to the House what was the purpose of the Prime Minister's letter of September 9, 1985? Are Ministers to follow the contents of the letter, or are they to ignore it?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question is one to which the answer is absolutely obvious.

However, I would take this opportunity to remind the hon. gentleman that the Prime Minister wrote to his Leader, the Right Hon. Leader of the Opposition, on September 9, 1985, with respect to this whole question—

Mr. Gauthier: He is not a Minister!

Mr. Nielsen: —of conflict, inviting the input of both opposition Parties with respect to—

Mr. Gauthier: Distort, distort, distort!

Mr. Nielsen: —any improvements which could be obtained to the Code of Conduct.

Mr. Gauthier: Stick to the facts. You're distorting the whole damn thing and you know it. It talks about MPs and not Ministers. Don't be such a distorting son-of-a-gun. You're a hypocrite.

Mr. Nielsen: The Prime Minister is still waiting for a response—

Mr. Gauthier: That's not true. You're distorting everything.

Mr. Cassidy: It's not true, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Gauthier: He's distorting the facts.

Mr. Speaker: Order, please. The Hon. Member for Ottawa—Vanier will come to order. Supplementary question.

MAGNA INTERNATIONAL INQUIRY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the Minister of Regional Industrial Expansion.

Mr. Gauthier: He won't answer it!

Mr. Dingwall: Notwithstanding the $64.2 million which has been provided to Magna International, will the Minister inform the House with respect to what other loan guarantees, interest-free loans or grants have been provided to Magna International by his Department since May of 1985?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Mr. Rossi: That's his Department!

Ms. Copps: Let's hear from the Minister.

Mr. Hnatyshyn: It has nothing to do with his responsibility.

Mr. Caccia: What are you hiding there?

Mr. Nielsen: Mr. Speaker, obviously, under any camouflage which might describe that question, it is still one falling within my present responsibility—

Ms. Copps: Let the crook speak for himself.

Mr. Nielsen: —and no one else's in this House on behalf of the Government. I can continue to answer, as I have before, that Ministers of the Crown are required to comply with the Code of Conduct which was tabled in September of 1985. The Hon. Member has heard me state time and time again for the last three days—

Ms. Copps: Cut him off!

Mr. Nielsen: —that I have satisfied myself that that compliance has been had. If the Hon. Member does not think so, procedures and processes—

Mr. Speaker: Order, please. The Hon. Member for Winnipeg—Birds Hill.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—CONTENT OF VIDEO RELEASE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Canada geese are flying again, only this time it's the Conservatives who are goosing the public and circumventing Parliament, instead of the Liberals on the Constitution.

My question is for the Minister of International Trade. Why, in the name of co-operative federalism, did the Progressive Conservative Party choose to use pictures of Premiers Peterson and Pawley in a way which suggests they support the Government when he knows that they do not?

Some Hon. Members: Hear, hear!

Mr. Forrestall: Now he's a defender of Peterson!

An Hon. Member: Let Erik answer the question.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, there is an old saying: There is only evil in the mind of the beholder.

Some Hon. Members: Oh, oh!

Mr. Kelleher: What we depicted—

Some Hon. Members: Oh, oh!

Mr. Kelleher: —in that film—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Rodriguez: Is there a textile industry in Nova Scotia?

Mr. Nystrom: I think it's in the ear of that beholder.

An Hon. Member: What are you beholding these days?

Mr. Speaker: Order, please. Supplementary question.

PREMIERS DEPICTED

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I suggest that, as bad as it is, the Minister should stick with trade and not go into books of quotations.

• (1440)

Mr. Speaker: Just a question, please.

Mr. Blaikie: Did he seek the permission of Premiers Peterson and Pawley before the Progressive Conservative Party chose to use them in this way, a way which is obviously a piece of propaganda which should not be financed by Canadian taxpayers?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the video depicts the Premiers and the Prime Minister of Canada in consultation, trying to repair the federal-provincial relations that were destroyed by the former Government. Surely the Hon. Member's Party is not against consultation. Surely they want reconciliation between the federal Government and the Provinces of Canada.

Some Hon. Members: Hear hear!

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MINES AND MINING

EFFECT OF CANADA-UNITED STATES TRADE TALKS

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is directed to the Minister of State for Mines. One of the segments of our economy to be most affected by the proposed trade talks is Canada's mining industry. Would the Minister advise the House of the effects of the trade initiatives on this industry?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, based on the representations which we have had from the mining industry, I can assure the House that the mining industry of Canada is fully supportive of the initiatives being taken by the Government. If I may add, Mr. Speaker—

Some Hon. Members: No, no, sit down.

Mr. Speaker: Order, please. Order. Hon. Members are just costing themselves time.

Mr. Layton: Mr. Speaker, George Albino, the chairman of one of the major corporations in Canada, said the following at the corporation's annual meeting:

The facts clearly indicate that the only option available for Canada to improve its economy is to reach a bilateral trade agreement with the United States—

Mr. Speaker: Order, please.

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—PARLIAMENTARY SUMMONS INQUIRY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Deputy Prime Minister. Yesterday the Deputy Prime Minister invited Members of the House to bring the matter of conflict of interest which we believe exists involving the Minister of Regional Industrial Expansion to the floor of the House. Will the Government agree to an Order of the House summoning before the Bar of the House Noreen Stevens, wife of the Minister, and Mr. Czapka who loaned the $2.6 million, to be questioned by the House as provided in its long-standing precedents? Will the Deputy Prime Minister agree to that?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. House Leader for the Official Opposition has been a Member long enough to know, and by virtue of his own position of House Leader of the Official Opposition should know, the procedures available to him if he wishes to make a charge against any Minister of the Crown. The procedures are quite independent of any agreement that may be sought and, in any event, as the Hon. Member knows or should know, tradition with respect to Business of the House is to discuss that with the Government House Leader and the other House Leaders.

PARLIAMENTARY PROCEDURES

Hon. Herb Gray (Windsor West): Mr. Speaker, quite aside from the fact that it is not necessary to make a charge in order to ask a question about the conduct of a Minister and his responsibilities, if the Deputy Prime Minister does not agree to apply the precedents for an Order of the House to have these individuals summoned before the Bar of the House to be questioned, then let him tell us which procedures are acceptable to him and the Government.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is certainly not my responsibility to conduct a seminar on the procedures of the House or to convey to him what the House Leader of the Official Opposition should know by virtue of the very fact that he occupies that position. He should know the procedures that are available to him.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—STUDIES OF IMPACT ON AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of International Trade. Unlike the Conservative Party, the farmers of Canada have paid to have their own studies done on free trade. Poultry and grain farmers

are concerned about the impact of free trade on their marketing boards. Will the Government now release the studies on the impact of free trade on agriculture rather than just releasing more Tory propaganda films?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker—

Mr. Crosbie: You only have one question between the whole lot of you today. What's the matter with you? We want Rodriguez.

Mr. Rodriguez: Dry up, Crosbie.

Mr. Speaker: Order, please. The Minister might be allowed to answer the question.

Mr. Kelleher: Mr. Speaker, I have already advised the House today, and will advise the Hon. Member again, that my colleague, the Secretary of State for External Affairs, and I, are reviewing all of the studies, and any studies that will not in any way jeopardize our negotiating position with the United States will in fact be released.

MARKETING BOARDS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the farmers in my riding are concerned about the impact of free trade on their marketing boards. What right does the Minister have to withhold that information from the farmers of my riding? Why does he not come clean?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would hope that the Hon. Member took note of the benefit package that the Prime Minister and the Government brought in for the farmers yesterday.

Mr. Nystrom: Answer the question.

Mr. Kelleher: The farmers of Canada have always been well served by this Party, and will continue to be well served under the negotiations that we are going to undertake with the United States.

* * *

NATIONAL CAPITAL COMMISSION

FACE PAINTING CONTRACTS FOR CANADA DAY CELEBRATIONS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is for the Minister responsible for the National Capital Commission. Canada Day is a day for Canadians to enjoy and to participate in celebration. For the second year in a row the NCC has contracted a Belgian company to do children's face painting at Confederation Square on Canada Day, while denying this contract to a company of young Canadians from right here in Ottawa. Does the Minister think that this action is appropriate and a good use of government funding? If not, will he make his wishes known to the National Capital Commission?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, with your permission I would like to thank my hon. colleagues for their applause. I know why they want to emphasize my return to the House.

Mr. Speaker, I would like to say to you, sir, and to this House that I want to congratulate my hon. colleague on his interest in Canadian artists. As for his particular question, it is true that this year, the National Capital Commission will give a Belgian company another opportunity to demonstrate its skills in Canada. At the same time I can inform the Hon. Member that the National Capital Commission has also retained the services of a company from Montreal, La Masquinerie, which will also have make-up workshops. I think this decision to allow us to compare foreign artists with Canadians should make for a better show for Canadians, which is of course the whole point of the exercise.

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[*English*]

NATIONAL DEFENCE

POLICY REVIEW—INTRODUCTION OF WHITE PAPER

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. In the 1984 Progressive Conservative election pamphlet on defence entitled "Honour the Commitment", copies of which were sent to all members of the Armed Forces and a copy of which I have here, the Conservatives promised to "review completely our defence policy and issue a new White Paper within months of taking office". Why has the Minister, 20 months later, not honoured this commitment? He has made the commitment on subsequent occasions and has not honoured it. Why should anyone believe the Minister or the Prime Minister that a White Paper on Defence will ever be produced by the Government?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the last White Paper was produced in 1970, and for 15 years there was neglect and indeed downright destruction of the Canadian Armed Forces.

Some Hon. Members: Hear, hear!

Mr. Andre: While in opposition we did not realize how much repair work was necessary and how long it was going to take to straighten out the mess. However, we are working on it and the promise of a White Paper will be kept.

Oral Questions

DEFENCE BUDGET

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Government has broken its promise to produce a White Paper. Why have the Minister and the Prime Minister added insult to injury by breaking the promise of a 3 per cent real increase in Canada's defence budget to which they committed themselves? Furthermore, why have they broken their election promise of a 6 per cent real increase in defence spending? The Liberal Government met that commitment every year it was in office from 1979 onward.

• (1450)

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I think we would not be having this debate if in fact the Liberal Government had not nearly destroyed our military capabilities during those 15 years. The fact is that the deficit has been brought down by the excellent work of the Minister of Finance. Despite all the cuts which have been made, the Department of National Defence has in fact received a real increase of 2.75 per cent. This was not forecast by the Liberal Minister of Finance, Mr. Lalonde, who forecast zero. We found new money and still brought the deficit down.

* * *

AIR TRANSPORT

PROSPECTIVE TRAVELLERS TO SOVIET UNION—DENIAL OF REFUNDS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is for the Minister for International Trade. In the wake of the Soviet nuclear accident, Canadians planning trips to the Soviet Union and eastern European countries are understandably concerned about the safety of such visits. The Soviet travel service, Intourist, is advising Canadian tour operators that all is well and that no refunds for cancellations will be offered.

Mr. Speaker: Order, please. I must require a question.

Mrs. Browes: What advice can the Minister give Canadians who do not now want to visit those countries but are unable to obtain a refund on their air fares?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that discussions have been held with Intourist, the Soviet travel agency. It is prepared to make adjustments and alternate arrangements for people who have made travel arrangements into that particular area. However, it is not prepared to agree to the cancellation of trips already scheduled.

PROSPECTIVE TRAVELLERS TO POLAND

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a supplementary question for the Minister for International Trade or for the Minister of Consumer and Corporate Affairs. Will either Minister take up with Polish airlines the cause of people who have to leave tomorrow but only have flight insurance which provides that their flights can only be cancelled on the basis of medical grounds? They are healthy here, but they do not want to get sick there. Will they take up the matter with Polish airlines and other airlines serving eastern Europe to arrange for a refund, a cancellation, or a delay of their trips?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this is a serious matter. As the Minister for International Trade mentioned, there have been discussions. It is a very difficult situation wherein airlines have been willing to refund money but Intourist has not.

Mr. Benjamin: I am talking about Polish airlines.

Mr. Epp (Provencher): I will get to that in a minute. In relation to Poland, I will be making a statement today at three o'clock which I believe will clarify the Polish situation. However, I indicate to the Hon. Member that at the present time there is not a health risk for travellers to Poland in terms of radiation effects from the nuclear disaster in the U.S.S.R.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ABSENCE OF P.E.I. FROM MAP—COLOUR OF NEWFOUNDLAND

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister for International Trade. It concerns the kit which he distributed containing propaganda on free trade. I reviewed the kit very carefully, and I noticed on its map that Prince Edward Island is nowhere to be found, that the Gulf of St. Lawrence is empty, and that Newfoundland is painted the same colour as the United States. What did Canada receive in return for giving away Prince Edward Island and Newfoundland in these free trade talks?

Some Hon. Members: Oh, oh!

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I have just been advised by my colleague, the Hon. John Crosbie, that he doesn't mind, but in any event—

Some Hon. Members: Oh, oh!

Mr. Boudria: Let's trade Crosbie.

Mr. Kelleher: —I would like to advise the Hon. Member, and indeed all Members of the House, that we do not intend to give away anything in these talks which will be detrimental to

best interests and all regions of Canada. You can rest assured of that.

Mr. Henderson: Mr. Speaker, I can tell you that Mr. Crosbie may not be pissed off, but I am.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some Hon. Members: Shame, shame!

Mr. Speaker: Order, please.

Some Hon. Members: Withdraw!

Mr. Speaker: Order, please. This is the first week I have ever seen with three Wednesdays in it. The Hon. Member will have to withdraw the comment—

Mr. Benjamin: Oh, oh!

Mr. Speaker: Yes, he must, and he knows it.

Mr. Henderson: I withdraw that word, Mr. Speaker.

Mr. Speaker: Question, please.

REQUEST THAT VIDEO TAPE BE SHELVED

Mr. George Henderson (Egmont): Mr. Speaker, will the Minister agree to shelve this stupid tape and produce one which includes Prince Edward Island and retrieves Newfoundland immediately?

Mr. Tobin: They are part of Canada.

Mr. Caccia: They are part of Canada until they sell them.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, certainly no insult or slight is intended in any way whatsoever—

Mr. Tobin: It bloody well is an insult.

Mr. Kelleher: —to two such excellent parts of our country, Prince Edward Island and Newfoundland. There are excellent Members from those areas on all sides of the House.

Mr. Nunziata: You don't understand Atlantic Canada.

Mr. Kelleher: We also think that the tape contains excellent information.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Humber—Port-au-Port—St.-Barbe, the Hon. Minister of Justice, and the Hon. Member for Hamilton East. Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. My goodness. The Hon. Member for Ottawa Centre.

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—BID TO PURCHASE CANADAIR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I have now learned that when Canada Development Investment Corporation solicited proposals to purchase Canadair to be made to CDIC, the proposal made by Magna International was instead submitted through the office of the Minister. I have also learned that the Minister was directly involved in resolving the Department's arrangements for a $64 million financing package for Magna's investments in Cape Breton. Does the Minister consider that these arrangements are an appropriate way to proceed, in view of the benefit of some $300,000 which the Minister and his wife have received through a loan that was arranged with the assistance of the Chairman of Magna International?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously that question falls within my responsibilities—

Some Hon. Members: Not at all.

Mr. Nielsen: —as shallowly as the Hon. Member attempts to disguise it. What he is doing is indirectly dealing with the matter of conflict of interest which falls within the Code of Conduct that at the moment falls under my jurisdiction. I repeat to him what I have already repeated several times for three days now, that the Minister has fully complied with the Code of Conduct.

Mr. Nunziata: Let him answer for himself. Why have you muzzled the Minister?

Mr. Nielsen: I hear the Hon. Member for York South—Weston, who is not in his seat, shouting across the aisle why do I not let the Minister answer. The simple answer to that is that it is my responsibility, not the Minister's, when it comes to conflict of interest.

REQUEST FOR COMMITTEE MEETING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. He may be satisfied that the Minister has fully complied, but the press increasingly is not satisfied that the Minister—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question only, immediately?

Mr. Cassidy: Will the Deputy Prime Minister arrange for the Commons Committee on Elections, Privileges and Procedure to hear the Minister out and to satisfy itself on whether or not there has been conflict of interest, particularly

since Mr. Stronach of Magna International is eager to attend before that committee?

Mr. Speaker: Order, please. That is a representation, but it is not the Minister's responsibility.

* * *

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—NEGOTIATIONS INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of State for Multiculturalism I will direct my question to the Acting Minister. Recent media reports suggest that a proposal concerning the issue of Japanese Canadian redress is imminent. However, that community has simply been kept on the outside looking in, and the Government has broken a negotiating promise. Even at this eleventh hour will the Acting Minister assure the House that the Government will enter immediately into full and meaningful negotiations with the National Association of Japanese Canadians to ensure that history does not repeat itself in 1986?

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Physical Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, the dossier is now before Cabinet, and the Hon. Member will be advised of all the details as soon as Cabinet makes its official announcement, and not before.

* * *

• (1500)

[*English*]

PRIVILEGE

STATEMENT BY MINISTER

Mr. Brian Tobin (Humber—Port-au-Port—St. Barbe): Mr. Speaker, during the course of Question Period, the Minister for International Trade (Mr. Kelleher) quoting the Hon. Member for St. John's West (Mr. Crosbie) gave the impression that the people of Newfoundland do not mind being part of the United States in the Minister's propaganda tape. I want to tell him—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An Hon. Member: Throw the bum out.

Mr. Cassidy: Mr. Speaker, I have a point of order.

Mr. Speaker: Order, please.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof.

* * *

THE ROYAL ASSENT

Mr. Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

May 1, 1986

Sir:

I have the honour to inform you that the Honourable Gerald E. Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 1st day of May, 1986, at 4.30 p.m., for the purpose of giving Royal Assent to a Bill.

I have the honour to be,
Sir,
Your obedient servant,
A.P. Smyth,
Deputy Secretary to the
Governor General

The Hon. Member for Hamilton East (Ms. Copps) may want to stay in the Chamber. I will be ruling in a minute.

* * *

POINTS OF ORDER

RESPONSES TO QUESTIONS—MINISTERIAL RESPONSIBILITY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. A practice is developing in the House of Commons over the course of the last few days that the Deputy Prime Minister (Mr. Nielsen) rises and answers questions that are put to other Ministers.

I draw your attention, Sir, to Citation 359 of Beauchesne which reads:

A brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the Government or of the specific Minister to whom it is addressed, is in order.

In Sub-section 6 it reads:

A question must be within the administrative competence of the Government. The Minister to whom the question is directed is responsible to the House for his present Ministry and not for any decisions taken in a previous portfolio.

Why is it that questions about actions taken by the Minister for Trade in his present portfolio are being answered by the Deputy Prime Minister? Why is it that, with the Minister in his seat, questions directed to him about his administrative responsibility, not about extraneous matters, are being allowed to be answered by the Deputy Prime Minister?

An Hon. Member: It is not the Minister of Trade but Regional Industrial Expansion.

Mr. Speaker: Order. That is not a comment on the Minister, it is a comment on the Chair. The Chair has listened to the questions and answers and has heard an assertion made by the Deputy Prime Minister. He asserts to the Chair that he has the responsibility for that matter, that that is within his ministerial responsibility. Is the Hon. Member arguing that that is not the case?

Mr. Deans: Mr. Speaker, a question was put today about a decision taken by the Minister in his office with regard to a transaction within the responsibility of his ministry.

Mr. Hnatyshyn: That is wrong.

Mr. Deans: That was answered by the Deputy Prime Minister who claimed he had the administrative responsibility for that. Quite clearly, it was a question clearly within the competence of the Minister himself and the Deputy Prime Minister had absolutely nothing to do with it. I don't understand why the Minister is sitting here and not answering the questions that fall within his responsibilities.

Mr. Ouellet: Cover-up.

Mr. Hnatyshyn: Mr. Speaker, might I just point out two very serious and glaring errors in the proposition put forward by the Hon. Member for Hamilton Mountain (Mr. Deans).

First, the questions were related to a transaction which was not, I repeat, not under the jurisdiction of the Hon. Minister for Regional Industrial Expansion (Mr. Stevens).

Some Hon. Members: No.

Mr. Hnatyshyn: That was explained. If the Opposition would listen to the answers, they would not be raising spurious and specious points of order. It was answered by the Deputy Prime Minister—

Some Hon. Members: No.

Mr. Hnatyshyn: —that the matter was under the jurisdiction of a cabinet committee, chaired by the President of the Treasury Board (Mr. de Cotret). That is the first proposition. Second, the matters to which the questions are related, relate to alleged and unfounded allegations of a conflict of interest.

Mr. Deans: No. That was not the question asked.

Some Hon. Members: No.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: There is no question about that whole area not being in the responsibility—

Mr. Speaker: Order, please. Hon. Members listened to the other presentation. I think it is only fair that Hon. Members listen to this one as well. Order, please.

Mr. Hnatyshyn: Mr. Speaker, I simply repeat, because I think I was interrupted by the Opposition, that in a matter of the enforcement of the rules with respect to conflict they are prerogatives of the Prime Minister.

Mr. Deans: I agree.

Mr. Hnatyshyn: Finally, questions in Question Period are directed to the Government. You have said that on a number of occasions, Mr. Speaker. You have indicated that the Government then is in a position to answer. It is not imperative upon a Minister to stand up and respond to questions with respect to activities, alleged activities, unfounded activities alleged by the Opposition with respect to our spouses or with respect to ourselves. They have no relationship to our ministerial responsibilities.

Mr. Deans: I agree.

Mr. Hnatyshyn: I simply make those points to put this in perspective because I think all the questions placed have been answered in the true spirit of ministerial responsibilty by the Deputy Prime Minister—

Mr. Benjamin: That was not the question.

Mr. Hnatyshyn: —and he has given good and adequate answers.

Mr. Speaker: Order, please. The Hon. Member for Windsor West (Mr. Gray) on the same point of order.

Mr. Gray (Windsor West): During the Question Period, I recall a question being put to the Minister for Regional Industrial Expansion (Mr. Stevens) as to what loans or grants were made by his Department to Magna. If that does not fall within the administrative responsibility of the Minister, then what does? Yet, in spite of that question being asked, the Deputy Prime Minister (Mr. Nielsen) got up and alleged that that had something to do with conflict of interest.

Second, Mr. Speaker—

Mr. Speaker: Order, please. I am happy to hear a procedural argument on this matter, which is the way it started, as opposed to an argument about the substance of Question Period. But if the Member is asking me to check the blues on the answer, I heard the answer from the Deputy Prime Minister (Mr. Nielsen) that the President of the Privy Council (Mr. Hnatyshyn) has referred to with regard to the question

which the Hon. Member is now raising. I did hear it. Does the Hon. Member want to continue on a procedural ground?

Mr. Gray (Windsor West): Mr. Speaker, I also recall another question relating to the Canada Development Investment Corporation for which the Minister of Regional Industrial Expansion answers to this House. If the Deputy Prime Minister—

Mr. Hnatyshyn: Acting Prime Minister.

Mr. Gray (Windsor West): —and Acting Prime Minister can answer any and all questions in the House in the guise that it relates to the matter of conflict of interest, then he will be able to achieve his velcro lips purpose of shutting down one of the major ways Parliament has to hold the Government to account. I invite you, on behalf of the people of Canada, to put a stop to this.

Some Hon. Members: Hear, hear!

Mr. Speaker: I will be happy to read *Hansard* tomorrow or the blues later and determine whether there is any substance to the point of order.

Mr. Deans: May I rise only to clarify my question very briefly, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Deans: I appreciate that, Mr. Speaker. I would ask you simply, when you review, to look at the question posed by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy) which was the question about which I was speaking. I do apologize that I had the Minister's title incorrectly. I was referring to the Minister for Regional Industrial Expansion (Mr. Stevens), not Minister for Trade.

Ms. Copps: A point of order, Mr. Speaker.

Mr. Speaker: No. Arising out of Question Period on a separate point of order?

Mr. Cassidy: On a separate point of order.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) on a separate point of order.

Ms. Copps: Mr. Speaker, I would ask you in reviewing your decision with respect to this measure—

Mr. Speaker: Order, please. The Hon. Member has just indicated to me that she has a different point of order.

Ms. Copps: I indicated nothing of the kind.

Mr. Speaker: She gets up to ask me—

Ms. Copps: Mr. Speaker—

Mr. Speaker: Order, please. The Hon. Member says she has a different point of order and gets up to say something—

Ms. Copps: I am sorry, Mr. Speaker, but I didn't—

Mr. Speaker: Will the Hon. Member please listen?

• (1510)

Order, please! Does the Hon. Member have a different point of order?

Ms. Copps: I rose on a point of order. The Member for Ottawa Centre (Mr. Cassidy) indicated he had a different point of order. I rose on a point of order. If the Speaker will give me a chance, I will be very brief. I would ask him to review the question specifically—

Mr. Speaker: Order, please. I specifically asked if the Hon. Member was rising on a different point of order. If she is not, I will recognize the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Benjamin: How do you know she isn't?

Mr. Speaker: Order, please. Let us try this again. Is the Hon. Member for Hamilton East (Ms. Copps) rising on a different, separate, and distinct point of order? She will not mention the one we have just dealt with.

Ms. Copps: The point that I would like to raise is obviously subject to your interpretation, as you interpret everything. I would ask you to consider, in the context of Ministerial responsibility, whether my specific question to the Minister of Regional Industrial Expansion, which dealt with an appointment for which he was responsible to the CDIC, was in fact within his responsibility.

Mr. Speaker: Order, please! What did I say to the House a minute ago? I said I would review the point of order and that I would review the "blues" out of today.

Ms. Copps: On a different question.

Mr. Speaker: I just said a minute ago that I will review the "blues" out of today with regard to the point of order the Hon. Member for Hamilton Mountain (Mr. Deans) raised which was with regard to the—

Ms. Copps: It was a different question.

Mr. Speaker: Will the Hon. Member please listen. The point of order was raised—

Mr. Caccia: Listen to her.

Mr. Speaker: Will the Hon. Member for Davenport (Mr. Caccia) listen as well. The question was raised with regard to Ministerial accountability and answers in Question Period generally by the Hon. Member for Hamilton Mountain. That is what he said.

Mr. Blaikie: You are the Speaker. Leave it at that.

Mr. Speaker: I said I would review that whole question.

Mr. Ouellet: Including her question.

Mr. Speaker: I cannot review Question Period without reviewing the Hon. Member's question. It is impossible not to do that. I will recognize the Hon. Member for Ottawa Centre.

CONFLICT OF INTEREST RULES—STATEMENT BY DEPUTY PRIME MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I shall try to be very brief. I believe the Deputy Prime Minister (Mr. Nielsen) may have inadvertently misled the House. I want to bring it to your attention, Mr. Speaker, because it concerns business which is currently before a committee of the House.

In Question Period today the Deputy Prime Minister indicated that the Government was still awaiting a reply to the Prime Minister's letter of September 9 to the Leader of my Party with respect to the possibility of conflict of interest rules for Parliamentarians. That matter has, in fact, been discussed by the House Leaders and referred to the Committee on Management and Members' Services. There has in fact been the reply called for, contrary to the statement of the Deputy Prime Minister.

Mr. Speaker: Order. That is not a point of order.

* * *

PRIVILEGE

SUBMISSIONS BY MEMBER—SPEAKER'S RULING

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) has submitted a detailed presentation to me on the matter which she has already raised in the House. May I take this opportunity of commending the Hon. Member for Hamilton East on the manner in which she presented her written submission to me as it does provide all the information on which she seeks to base her case.

Before ruling, however, I should like to clear up what appears to be a misunderstanding. The Hon. Member first raised this question on the assumption that it was a matter arising out of the Question Period. Although the matter was referred to during the Question Period, there was no allegation that a breach of privilege had actually occurred during the Question Period. In such cases, a written notice of the kind which the Hon. Member has prepared is the proper method of giving the Chair notice of the question of privilege which is desired to be raised and which does not, therefore, arise directly from proceedings in the House. Contrary to some views, there are in fact no grounds for assuming that the question cannot be handled openly only because the submission is in writing.

With regard to the issue itself, the Hon. Member asserts that the Deputy Prime Minister (Mr. Nielsen) has improperly monitored communications between Members of Parliament and the Assistant Deputy Registrar General with the intention of interfering in the exercise of their duties and attempting to intimidate them. She bases her complaint on the fact that the Deputy Prime Minister had informed himself that communications had taken place between certain Members and the Assistant Deputy Registrar General and on the fact that the latter had informed another Hon. Member that it was not the policy of his office to tell third parties who has consulted him. The Chair must decide whether these facts constitute *prima facie* evidence of a breach of privilege.

The precedents quoted by the Hon. Member for Hamilton East relate to the invasion of a Member's privacy within the precincts of Parliament, the interception of private communications including mail, electronic eavesdropping on a caucus meeting, and the unauthorized interrogation of a Member and her staff by the police. I must say that I can find nothing in the acts complained of which bear any relevance to the precedents she has quoted.

The fact that the Deputy Prime Minister has inquired whether Members of Parliament have been in communication with the Assistant Deputy Registrar General does not seem to me to constitute an interception of those communications. The fact that the Assistant Deputy Registrar General made a statement with regard to the policy of his office does not constitute evidence of a *prima facie* breach of privilege either.

The Hon. Member for Hamilton East includes in her submission a quotation from Erskine May's 19th Edition to the effect that any act or omission which obstructs or impedes a Member in the performance of his or her functions may be treated as a contempt of the House. Here we have the essence of the matter. If an Hon. Member is impeded or obstructed in the performance of his or her parliamentary duties through threats, intimidation, bribery attempts or other improper behaviour, such a case would fall within the limits of parliamentary privilege. Should an Hon. Member be able to say that something has happened which prevented him or her from performing functions, that he or she has been threatened, intimidated, or in any way unduly influenced, there would be a case for the Chair to consider. I cannot see that the Hon. Member's ability to perform her parliamentary functions have been impaired in any way. I am, therefore, unable to accord this matter precedence over other business.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations among the representatives of the Parties. The House Leaders were provided with a draft order and I think you will find that there would be unanimous consent to adopt the following motion without debate:

That, notwithstanding any Standing or Special Order of this House, the House immediately revert to Statements by Ministers for the purpose of receiving a statement by the Hon. Minister of National Health and Welfare; and

Provided that Standing Order 19(6) shall be deemed to be in force for the purpose of this Order.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is refusing unanimous consent.

Mr. Gauthier: I am just asking for clarification of the motion just read by the Minister. The last sentence says: "Provided that Standing Order 19(6) shall be deemed to be in force for the purpose of this order". Would he please add (a) to 19 so there will be no additional time added on.

Mr. Hnatyshyn: Mr. Speaker, I am quite prepared to have this done on government time as opposed to extending the hours. I know the Hon. Member will take that into account with respect to the length of speeches this afternoon.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce the motion as amended?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the amended motion?

Some Hon. Members: Agreed.

* * *

DISASTERS

NUCLEAR REACTOR ACCIDENT IN UKRAINE—POSSIBILITY OF RADIOACTIVITY IN CANADA

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the House for the arrangements it completed to allow me to make this statement at this time.

The recent nuclear generating station accident in Chernobyl, U.S.S.R., has raised a number of questions including those of the health and safety of Canadians. While we do not foresee any health risks to Canada at this time, Health and Welfare scientists are monitoring the levels of radiation in Canada. I will keep the House and the people of Canada informed.

Weather pattern predictions by scientists of the Atmospheric Environment Service, Environment Canada and in the United Kingdom indicate that the radioactivity measured April 28 and 29, 1986, in the Scandinavian countries moved northward and then southeast over Finland and the northern U.S.S.R. Present and forecast weather patterns do not predict a westward movement of air to eastern Canada from the affected area.

The first results from the daily monitoring are available from two sites in Canada, Vancouver and Ottawa. They show normal levels of radioactivity. Radioactivity from the Soviet reactor will eventually move in the eastward flow of air around the world. It is expected to reach Canada seven to ten days after the April 26 accident. Thus, May 3 is probably the earliest day that any radioactivity from the accident will be collected in the air sampling program. Because of the very low levels of radioactivity expected by the time it reaches Canada, measurements require long processing times and, thus, test results from the May 3 sampling will be available by May 7. If any radioactivity does reach Canada, it will not be visible. It would be detected with sensitive radiation measurement equipment. I can only underscore the fact that the levels of radiation expected to reach Canada would be extremely low.

• (1520)

In 1984 the federal Government established the Federal Nuclear Emergency Response Plan. On Tuesday, April 29, I, as the responsible Minister, and after consultation with my colleagues, activated the plan to assess any impact on the health of Canadians and to keep the public informed. Other federal departments and agencies are helping us to gather as much information as possible. The plan enables us to take action if the need arises and to provide expertise and other federal resources to the provinces.

People in Canada have no need to take any protective measures at this time. Nor do we expect any measures that will be necessary in the weeks to come.

In light of specific questions that have frequently been asked by Canadians, I would like to make two additional points regarding the health situation for Canada.

First, planes arriving from affected areas in Europe have been monitored and found to be free of any radiation. Second, travellers returning from Europe need not be concerned that they may bring with them harmful levels of radioactive dust, either in their clothes, gifts or belongings.

In addition to monitoring closely the situation in Canada, the Government is taking measures to address the health and safety concerns of Canadians abroad. A task force has been established that includes the Departments of Health and Welfare, Environment and External Affairs, as well as experts from Atomic Energy of Canada Limited and the Atomic Energy Control Board. This task force is co-ordinating the Government's response to the immediate problems of assisting Canadians who were in the vicinity of the accident, advising Canadians who may be considering travel to this area and other parts of the Soviet Union and Europe, and contributing to the international effort to respond effectively to the accident.

With respect to Canadians in the vicinity of Kiev, the Canadian Government considers that as a precautionary measure it would be prudent for them to make arrangements to leave that area. In addition, as my colleague, the Secretary of State for External Affairs (Mr. Clark) stated in the House, those who may be considering travelling to this region should avoid doing so until the situation has been clarified.

The Government has dispatched the Consul at the Canadian Embassy in Moscow to Kiev to obtain a firsthand report on the situation. He will assist Canadians with departure arrangements and provide on-the-spot advice and information.

We are in regular contact with Soviet authorities and are pressing them for more precise data. To date we have not

obtained all the information that we need to make a comprehensive assessment of the health hazard. We are also seeking from them any necessary assistance for Canadians.

In conclusion, Mr. Speaker, I want to assure you and this House, and indeed, all Canadians, that the Government will continue to closely monitor the situation, take appropriate action, and keep the House informed. Thank you.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I congratulate the Minister of National Health and Welfare (Mr. Epp) for using this vehicle, Parliament, in the form of a statement in order to allow all three political Parties to respond to the same crisis in the international world caused by the accident at the nuclear reactor in the Soviet Union. I would like to applaud him for the efforts he has used to make sure the health of Canadians involved in the immediate vicinity will be monitored.

I feel the Canadian Government should be taking this one step forward. I have talked to a number of Canadians since the incident occurred and their concern is that we now live in a very interdependent world and that Russia, simply by the fact that it has had such a massive campaign of switching over their energy supplies to the nuclear field, has a responsibility that goes beyond the borders of the Soviet Union.

We, as a Canadian Government, because of our past involvement with United Nations agencies, should be taking a more positive step forward. I would ask the Minister of National Health and Welfare to take it one step further and ask the Canadian Government to push the UN agencies in Vienna so that in the future there would be a much better response by the international community to the problems that occurred as a result of the crisis in the Soviet Union. The fact that it took several days after the accident before the rest of the world was informed of this crisis says something for the system by which we monitor atomic reactors throughout the world, whether it is behind the Iron Curtain or in the free world.

As the Minister knows, Canadian technology in this field has put us in the position of being a leader in this area of technology. I would hope that the Minister would instruct the task force he has set up internally to go beyond simply monitoring and assisting Canadians who were in the vicinity of the accident. We should avail ourselves of the opportunity to instruct the task force to review and tighten the regulations here in Canada, and perhaps look at the preventive measures that are in place.

The one thing that is going to be a fall out, if you will—and it is a play on words—from the nuclear accident in Russia will be the request by the Canadian public that we make sure our agencies which exist here in Canada can do an effective monitoring job, can enforce proper preventive care so we can prevent this kind of accident from occurring, not only in Canada but elsewhere in the world.

That is why I hope the Minister of National Health and Welfare will instruct the task force to not only do an internal review of the way in which we react here in Canada but, more importantly, to use our traditional role on the world stage to ensure that the United Nations takes a major role in preventing this kind of occurrence from happening again in the future so that we will never again have to rely on sporadic news reports from other parts of the world to determine our own health and safety.

There should be presentations made to the Russian Government, not only here in Canada but through our United Nations agencies, outlining our concerns about the way in which they reacted to this accident. Canadians deserve, as do world citizens, to know more about what is happening to their health and safety as a result of this accident than what the Soviet Union has exhibited to date.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to join with the Hon. Member from Sudbury (Mr. Frith) in thanking the Minister for making use of this procedure in the House of Commons. It is a good practice and I hope it will be followed more often. I would also like to thank him for the advance copy. I would like to go through it perhaps on a concern-by-concern basis.

On page one he says the following:

> The first results from the daily monitoring are available from two sites in Canada—Vancouver and Ottawa. They show normal levels of radioactivity.

Is any provision being made for monitoring radioactivity levels in northern Canada because of our proximity to the Soviet Union over the Arctic Circle? Would the Minister look into that and make information available to the House?

Regarding the Federal Nuclear Emergency Response Plan the Minister referred to, I have requested a copy of the plan from the Minister's office and I am told that we may be able to receive it. I wonder, in advance of receiving it, if the plan includes evacuation plans and other measures if, unfortunately, we had a similar accident here in Canada? I am aware of the superiority of Canadian nuclear technology, and I do not quarrel with that, even though I quarrel with nuclear power in general, but the fact is that no technology is perfect. In the event of that imperfection catching up with us, resulting in an accident, I wonder whether we have actually thought things through that far, or whether we have as a country rested too easy on the assurances given us by Ontario Hydro, Atomic Energy of Canada and the nuclear industry in general, that this kind of thing cannot happen here. If we do not have such plans already, I would hope that this incident will result in contingency plans being developed by the Canadian Government.

• (1530)

I hope the Minister will clarify how Canadians can get information about travel plans which they may have for as early as tomorrow. Some people will have to make a decision within the next 24 hours about whether they will follow through with their travel plans. There was a news story the other night about higher than normal radioactivity levels in

Vienna, which is not an eastern European city, at least in the ideological sense. It does not border on Russia.

In any event, people are asking questions about travel plans and I hope they do not have to rely on the hot line. Yesterday, I phoned that hot line myself but the information I received was very unclear. Perhaps it has improved since then, but people on that phone did not know it was a hot line and simply replied that they would get back to me. I hope that service has been improved.

Perhaps the Minister can be excused for not addressing the very important point raised by the Hon. Member for Sudbury (Mr. Frith). However, the Government should address this question because it must be made perfectly clear to the Soviet Union that if it wants to be regarded as a responsible member of the international community, the secrecy, lack of communication and lack of information that has surrounded this event is totally unacceptable by everyone's standards.

We live on a very small planet and no matter on what side of the Iron Curtain we live, no one has any less responsibility for being accountable to his fellow human beings for the kind of poisons—radioactive materials in this case—that are let loose upon an ecosphere that we hold in common. Through you, Mr. Speaker, I say to the Soviet Union that this was a grand opportunity for them to live up to some of the rhetoric we have often heard from them about the international community. So far, the Soviet Union has failed miserably in living up to that rhetoric. I hope they will take the opportunity to improve their reputation in the days ahead because we will be responding to this crisis for some time to come. I hope that what little we have to say in the House of Commons might encourage the Soviet Union to be more responsible about giving information than it has been in the last few days.

Finally, Members who have been here for some time know that since I came to the House in 1979 I have been asking the Canadian Government through every means I have had at my disposal to reconsider Canada's commitment to the nuclear energy option. With all due respect to my Liberal colleagues, that option was imposed on us by successive Liberal Governments that consistently refused to do anything other than conduct internal departmental reviews of the nuclear energy option here in Canada. We have a responsibility to look into our own back yard and conduct an inquiry into the whole nuclear fuel cycle in Canada. The Progressive Conservative Party promised to do that in 1979, but after some 18 months in office it has not lived up to that commitment.

In conclusion, I am sorry if it seems as if I were ending my remarks on a partisan note. However, that is not the case. The question of nuclear energy crosses many ideological boundaries as shown by the commitment to nuclear power of both the Soviet Union and the United States. They are taking chances with the world's environment for the sake of short term industrial and economic goals. They are taking an incredible risk with humanity and I believe it is time that Canada gave second thought to the impetus and encouragement it has given to the proliferation of nuclear reactors all over the world.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-75, An Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motion Nos. 5, 6 and 11 (Mr. Angus) (p.12764).

Mr. Deputy Speaker: The Hon. Member for Halifax West had five minutes remaining in his speech.

Mr. Crosby: Mr. Speaker, let me begin by repeating the thrust of my earlier remarks in the debate on Clause 4 of Bill C-75. Members will know that Clause 4 enacts a new section, Section 3.1, to the Canada Shipping Act and provides for charges related to the navigational services by the Canadian Coast Guard.

The point that I wanted to make in my earlier remarks is that Clause 4, new Section 3.1 of the Canada Shipping Act, relates to marine transportation. In fact, the whole thesis of the Canadian Shipping Act is marine transportation. It only incidentally and indirectly involves the coastal fisheries.

Members of the Liberal Party and the New Democratic Party would have Canadians believe that the whole thrust and purpose of this provision is to impose fees and charges on the fishermen of Canada, particularly those in the Atlantic area. That really is an illusion created by the Opposition. The purpose of the Canada Shipping Act and the amendments thereto are to ensure safety and fair competition on the oceans in relation to marine transportation.

I want to reiterate that because I do not want people to be misled by the remarks of opposition Members who try to portray and characterize these new provisions as having an adverse effect on those who travel the seaways in ships and vessels. That is absolutely not the purpose of this legislation. Canadians can put their minds to rest. Let them not listen to the arcane development of ideas and processes by members of the Opposition. We are here to increase safety on the oceans. We are here to advance the cause of marine transportation for Canada and Canadians.

It was interesting to listen to representations by the Hon. Member for Nickel Belt (Mr. Rodriguez) in Ontario and by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who represents an area of the Rideau Canal. I can understand their lack of knowledge as well as the frustration of my colleague, the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), when those Members talk about marine transportation in the narrow context in which they view this international activity that brings millions of dollars of revenue into Canada and employs thousands of Canadians on the East and

West Coast. Marine transportation is a major source of employment in the City of Halifax.

It grieves me to hear a Member, whose constituency includes the Rideau Canal, talk in serious terms about marine transportation. I can understand why the Member for Nickel Belt confuses this enormous subject of marine transportation with vague remarks about its effect on the fishery.

Let me enlighten those Members by referring to a presentation made by the Halifax-Dartmouth Port Development Commission when it appeared before the legislative committee. This is what it said in support of Clause 4 of Bill C-75:

> Since 1964, when the St. Lawrence River was opened to year-round shipping activity, the Federal Government has spent considerable amounts of taxpayers' dollars to keep the river navigable.
>
> Shipping lines serving inland Canadian markets via St. Lawrence River ports, benefit from the free provision of navigational services.
>
> At the same time, competing shipping lines serving Halifax require extensive rail service to the same inland markets and have to pay the full inland cost by rail at compensatory rates.

Do we hear the Member for Nickel Belt complaining about that? Does the Hon. Member for Ottawa—Vanier argue against that? No.

As the Ports Commission says, we are talking about the subsidization of the all-water route to Montreal in competition with the inland rail route from Halifax which is user pay. The fact that the Port of Halifax has to pay the full cost represents a government-created economic distortion between Halifax and Montreal. The purpose of this Bill is to address that distortion. I defy any Member from Atlantic Canada, including the Member for Cape Breton—East Richmond (Mr. Dingwall), to stand in the House and say that Atlantic Canada and the Port of Halifax do not benefit from this kind of provision. Our fear is that it will not be acted upon because of the misrepresentations made by Hon. Members from central Canada, aided and abetted by unknowing Hon. Members from Atlantic Canada. They seize the opportunity to distort the provisions of this Bill and try to fool the fishing industry. In that way they distort the whole process and do a disservice to Atlantic Canada and to all its residents.

• (1540)

Mr. Maurice Foster (Algoma): Mr. Speaker, I was interested to hear the comments made by the Hon. Member for Halifax West (Mr. Crosby). He seems to be taking the attitude that Hon. Members on this side of the House somehow or other oppose this Bill when in fact we on this side have supported the Bill in every way and have expedited its passage.

The only clause on which there has been a great difference of opinion is Clause 4. Clause 4 seeks to impose fees for all kinds of services which are rightfully provided by the Government of Canada, that is, the Coast Guard service, navigational aids and so on. I would point out to the Hon. Member for Halifax West that we are very conscious that Halifax is a major port. However, he should, by the same token, be conscious that the Seaway is very important to my constituency of Algoma. We have the St. Mary's River and more tonnage goes through that river every year, which requires ice breaking and navigational services, than is trans-shipped through the Port of Halifax. I am not in any way putting down the massive responsibility of the Port of Halifax, but the Hon. Member seems to be trying to say that no one should talk about this subject but Members of Parliament from Halifax. It is very important to my constituency of Algoma. We need a lot of navigational aid and a lot of assistance from the Coast Guard. If the Government is going to take on to itself the power to impose charges for all kinds of things for which it has never charged in the past, members of the Opposition have every right to object.

I was interested to hear the comments of the Hon. Member for Cardigan (Mr. Binns). It seemed to me he took the same kind of approach as the Hon. Member for Halifax West. He seemed to be saying: "Look. As long as I am there, you don't have to worry about the Minister of Transport imposing those charges". I am sure that if the potato producers in Prince Edward Island were asked their opinion they would say: "Yes, that is what you told us last year, but then the Government imposed service charges for inspection of our potato crops". The people in Prince Edward Island showed just how much they were ready to trust the Government, both federally and provincially, in the last provincial election.

I would like to refer to some comments made by the National Farmers Union when it appeared before the committee on February 13. I quote from its submission as follows:

> Nonetheless farmers face in Section 4 of Bill C-75 proposals for further indirect taxation of their income already seriously battered by high production costs, rising interest rates, declining world prices, poor crops in some areas and protective trading and farm policies in many parts of the world, particularly in the U.S.
>
> In its preoccupation to trim the federal deficit the Government is, in effect, telling farmers that the national interest can best be served by still further increasing farm costs at a time when the Farm Credit Corporation estimates that one in every four, or about 40,000 farmers in Canada with $20,000 or more in gross annual farm sales is in severe financial distress. The added costs to farmers implied by the new cost recovery proposals in Bill C-75 will provide nothing to enhance service in the movement of farm products that is not now offered and will only further impoverish farmers.

That is the kind of expression of concern we are hearing from the National Farmers Union. The Potato Marketing Board, on behalf of the Prince Edward Island potato industry, submitted its position paper on Clause 4 on February 13. The board in its submission stated, and I quote:

> The P.E.I. potato industry supports the federal Government's policy on encouraging international trade. Thus we are vigorously opposed to the introduction of charges relating to navigational services until an impact study on the potato industry's export business is conducted.

I do not feel that the two members of the Government, who are obviously trying to cover up what powers the Government is taking onto itself, really do themselves much credit when we look at the briefs which were presented by their local organizations. We can certainly see that there is a great deal of concern. That is why we would like to see Clause 4 removed or at least made available for review in two years' time. The

clause is totally sweeping. It is an enabling legislation which will allow the Minister of Transport (Mr. Mazankowski) to charge user fees for ice breaking services and navigational aids. When he asks for these powers he does not say how they will be used. There is no schedule to show what the charges will be, when they will be used and to whom they will apply.

In many parts of the shipping industry we see higher levies, but at the same time we see a decrease in the use of the Seaway. The additional charges which will be imposed under Clause 4 will discourage just that much more the use of this most important inland waterway. I think Clause 4 really requires a great deal of further consideration.

We are not only talking about services for the commercial vessels which go through the Seaway or ply the coasts of Canada, we are as well looking at the internal waterways of this country. In my constituency fishing is a relatively important industry. We are situated on the shores of Lake Superior and on the north shore of Lake Huron and Manitoulin Island. Our fishermen certainly require the services of the Coast Guard and navigational aids and assistance. I can tell you, Mr. Speaker, their position is not such that they can pay for additional services. That is why we are urging the Government to withdraw this clause.

We agree with the Bill. We realize the legislation is out of date and needs to be updated. We want to see it passed, but without Clause 4 which is totally unacceptable to the Opposition and I suspect to many of the government back-benchers in the quiet and privacy of their caucus room. Here on the floor of the House of Commons they have to knuckle under the pressure put on them by the Parliamentary Secretary for the Minister and the Deputy Prime Minister (Mr. Nielsen), who always steps on the back-benchers. He does not allow them to bring forth their own ideas and prevents them from speaking honestly and fairly. They should be allowed to express the concerns of the potato producers and fishermen in the small craft harbours throughout the Great Lakes and on both coasts. Clause 4 is totally unacceptable and must be withdrawn.

• (1550)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer)—External Relations—Size of Polish consulate in Etobicoke—Lakeshore; the Hon. Member for Yorkton—Melville (Mr. Nystrom)—Trade—Threatened use of subsidies to sell United States wheat to Syria. (b) Minister's position; and the Hon. Member for York West (Mr. Marchi)—Immigration—Unscrupulous immigration consultants.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motions Nos. 5, 6 and 11 (Mr. Angus) (p.12764).

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to follow up on the remarks of my colleague, the Hon. Member for Algoma (Mr. Foster), with regard to the deficiencies in Bill C-75. I see very serious problems for shippers and small ports in eastern Canada in terms of this Bill. I am rather disturbed and upset by the fact that we do not have any draft copies of the regulations as yet.

Mr. Forrestall: Good God, man, what are you talking about?

Mr. MacLellan: I would like to have seen them attached to the Bill. I wish to see what this leniency being given by the Minister will mean to the shipping industry. It is a travesty that the gaping holes in Clause 4 have not been closed.

Mr. Forrestall: In 20 years in the House you never let us look at a regulation before a Bill was passed. What are you talking about?

Mr. MacLellan: I would like to consider one aspect of the Bill in particular. Clause 4(2) states:

> Charges may be imposed pursuant to subsection (1) in relation to any ship, regardless of whether the Canadian Coast Guard actually provides a service to that particular ship, but—

The clause then goes on to make two exclusions. Thus what we will have in a city, port or river which requires ice-breaking services is that an ice-breaker will come into the area in November or December—although it will come in before the actual ice season—and sit there.

Mr. Forrestall: You don't even know about your own harbour.

Mr. MacLellan: The cost of the ice-breaker will be allocated to the port or to particular shippers through the whole winter season. That is not fair. It is not fair to a small port which cannot afford this type of charge. What it would do is literally bankrupt a harbours board or a particular industry because of the cost of maintaining a ship with a crew for a whole winter.

Mr. Forrestall: You are stretching credibility.

Mr. MacLellan: There is also the possibility that this ice-breaker might not be used all winter long. There is the possibility for an appeal to the Minister. What does that mean? What does that have to involve for some poor shippers? The Hon. Member for Halifax West (Mr. Crosby) told us that we do not have worry about fishermen. He has said that members of the Opposition are causing undue alarm. We are not causing undue alarm because there is enough alarm already in place without have to fabricate any more. Potentially, this is a very dangerous clause for all shippers and ports in eastern Canada, with the exception of ports such as Halifax, which is ice free. The Port of Halifax has a great deal of traffic and can provide a great many services. However, other areas in Atlantic Canada and on the St. Lawrence face a serious problem in terms of this clause.

Why is this measure being undertaken? Why is this cost-recovery measure being put forward to the detriment of small ports, shippers and people involved in navigation? There is no allocation, for instance, levied against truckers for snowplow services on the highways. The provinces are not undertaking any such move. How will shippers be able to compete when they have to bear the burden of all these costs under the guise of cost recovery? Truckers are able to roll across the highways without having to worry about paying for the cost of the repairs to the roads. They do not have to pay for snowplow services. This measure is just not fair. Yet members of the Government talk about equality and fairness.

Where is the fairness in the Department of Transport giving a subsidy to Atlantic Container for instance, to compete against the government-owned Crown corporation CN Marine? Where is the fairness in that? Where is the fairness in the lay-off of employees at Crown corporations who have worked for 20 years with CN Marine and other companies in the CN chain and who have no hope of finding other jobs?

There is a great deal to be taken into consideration here. I would ask the Government to reconsider a good deal of what it has put into the Bill, particularly with respect to Clause 4. As the Hon. Member for Algoma said, there are not many of us on this side of the House who quarrel with most of the provisions in the Bill. A great many of the provisions are necessary and will be helpful. However, I think that the thrust of Clause 4 is misdirected and it will be very harmful. I know that the Parliamentary Secretary does not agree with this point, but it all relates back to the regulations which we have not seen and on which we cannot rely.

This is something which will have to be examined, regardless of what the Hon. Member for Cardigan (Mr. Binns) said with respect to not allowing any abuses. The Hon. Member for Cardigan, or for that matter any other member of the Government, will not be able to control abuses if the Government wishes to abuse these provisions.

I ask the Government to reconsider Clause 4 of the Bill in the interests of shippers and people involved in navigation in eastern Canada, particularly harbours which require ice-breaking services.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I think the Government knew when this Bill was introduced that it would have problems with this particular clause. In speaking to the legislative committee which dealt with this Bill the Minister tried to say in one breath that the Government wanted to have the principle contained in the Bill. Then, in another breath he tried to say that we need to recover 15 per cent of the cost of operating the Coast Guard, navigational aids and ice-breakers. I imagine that an average ice-breaker would cost about $10,000 an hour, the *Sir Humphrey Gilbert* would.

Mr. Forrestall: Good God, come back to relevancy.

Mr. Baker: That is the fact. So it would probably cost about $1,000 to break out a typical iced-in harbour in the months of February or March on the coast of Newfoundland.

The Parliamentary Secretary does not know very much about iced-in harbours on his coastline.

Mr. Forrestall: Get your chain-saw going.

Mr. Baker: He knows the difficulties fishermen have. He is saying: "Get your chain-saw going." He is right and now I know it. He knows something about it. What will have to happen if the ice-breaker is to be charged to the fishermen in those bays is that they will have to get their chain-saws out and their dynamite out in order to get their boats out in the spring. The Parliamentary Secretary knows what I am talking about. He knows that even now when an ice-breaker is ordered for certain sections of the coastline the draft is such that it cannot get right into the harbour. Of course, then the fishermen have to saw the passageway out with chain saws and dynamite in order to get the boats out for the early spring fishery. This happens maybe every second spring along most of the northern and northeastern coast of Newfoundland. It is not good enough for the Government to say that it wants to recover approximately 15 per cent of the costs of operating these services.

• (1600)

There is another danger here. People who use small boats call on the Coast Guard from time to time to be towed into port or for any number of services. If that person in a boat believes he is going to be charged for that service, then he will hesitate in making the call. There is a danger inherent in this clause just as there was when the Minister of the Environment (Mr. McMillan) announced that he was going to charge for telephone calls to the weather office. Of course, the element of danger is that one hesitates to make that telephone call.

The principle in this Bill to which I strongly object is a principle that seems to be prevalent in every action the Government takes. It is called user pay. I can recall a time

when the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) rose day after day complaining about user pay while the former Government was in power. I do not see him now. What is he doing now? He is piloting the Bill through the House. He gets very angry and impatient with Hon. Members because they are not allowing this Bill through in a very quick fashion.

Today, May 1, is a very important day for user pay in Atlantic Canada. Today, for the first time in the history of Newfoundland since 1497, a fisherman has to pay to tie his boat to a government wharf.

Mr. Forrestall: You've got three minutes left.

Mr. Baker: The Parliamentary Secretary says that I only have three minutes left. The same policy that is being followed in Newfoundland has been extended to the whole coastline of Quebec. That is carrying user pay to the extreme. I believe it also violates the Terms of Union between Canada and Newfoundland signed in 1949. Nowhere in those terms does it say that there could be a charge for tying a boat up to a government wharf.

On the coastline of Quebec, up in the Prime Minister's riding, beginning today the same principle of user pay goes into effect on wharfs that were never charged for before. Letters went out to boat owners and fishermen who were regulated because of their licences. All pleasure boat owners will be charged and so will fishermen with boats of 45 feet and longer. Members of the House have objected to the actions of the Minister of Fisheries and Oceans (Mr. Siddon) and the Minister of Transport (Mr. Mazankowski). The principle of user pay contained in this particular Bill carries right throughout the government services.

The Government did an amazing thing in the way it will be trying to collect the money beginning today. The Government will tell a local community man that he can have 70 per cent of what he collects from the user-pay charges. The Bill that is being piloted through the House on behalf of the Minister of Transport has a principle of user pay built right into it. On top of that, today is the first day that these same fishermen who may be charged for their icebreaker, for navigational aids or for any number of things by the Government are being charged to tie boats up to a government wharf owned either by Small Craft Harbours, the Department of Transport or the Department of Public Works.

The only thing the user-pay principle will do in smaller communities is to create incredible divisions within those communities. The Government turns around and says: "Well, the charge is not very much. It is only $1 a day if you have a 45-foot boat". A dollar a day three months in advance is $100. Who is this money to be collected by? It will be collected by someone on social assistance or on unemployment insurance who is told that he can keep 70 per cent of what he collects on the first $1,000, and then the formula goes down. That is the way government policy is translated into action in a great many coastal communities.

Apart from this particular clause, the Bill has other deficiencies which I am sure we will be addressing over the coming days and weeks and perhaps months. We will be addressing them until the Parliamentary Secretary does what he probably wants to do, and that is, bring in closure.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, just now, our attention was drawn to specific aspects of this Bill to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof.

What particularly intrigued me was the insertion of Clause 4 within a very substantial Bill. I think I should explain to Canadians who are watching us today that this Bill is more than 100 pages long, 111 to be exact. Something new has now been added, namely that is the principle of recovering the cost of some of the services rendered.

Mr. Speaker, what also intrigued me was the impressive list of people who made representations that were not accepted.

[*English*]

The Great Lakes Waterways Development Association is certainly well known as being a very serious organization. Allow me to put on the record for the understanding of those who may be following the debate its membership list: the Alberta Wheat Pool, the Algoma Central Railway, the Algoma Steel Corporation, Limited, the Board of Trade of Metropolitan Toronto, the Canada Steamship Lines Inc., the Carghill Grain Company Limited, the Carryore Limited, the Continental Grain Company (Canada) Ltd., Dofasco, Gulf Canada Products Limited and the Hamilton & District Chamber of Commerce. The membership list continues as follows: Iron Ore Company of Canada, Labrador Mining & Exploration Co. Ltd., Lakehead Terminal Elevators Association, *Les Élévateurs des Trois-Rivières*, Louis Dreyfus Canada Limited, Manitoba Pool Elevators, Maple Leaf Mills Limited, Marsh Engineering Limited, and Ogilvie Mills Limited.

[*Translation*]

I am sure a number of Members have shares in this company.

• (1610)

[*English*]

Also it includes: Ontario Hydro, Ontario Paper Company Limited, P & H Shipping, Palliser Wheat Growers' Association, Port Colborne Chamber of Commerce, St. Catharines Chamber of Commerce, Saskatchewan Wheat Pool, Stelco, Thunder Bay Chamber of Commerce, Ultramar Canada Inc., and United Grain Growers Limited.

[*Translation*]

Mr. Speaker, as members of the Great Lakes Waterways Development Association, those people got together through

the Association's Chairman of the Board, Mr. Runciman, wrote a letter to the Prime Minister of Canada (Mr. Mulroney), in which he said: Dear Prime Minister—and, among other things:

[*English*]

In part it reads:

—in the opinion of our members, the Government does not need all the power it is seeking via Clause 4 to achieve its announced objective. The excess power has the potential of inflicting serious damage on industries using the Great Lakes if misapplied in the years to come—In the meantime, we recommend it be removed from Bill C-75 prior to enactment.

I should like to refer to a brief entitled "Proposed Amendments to the Canada Shipping Act—Presentation to the Special Legislative Committee Examining Bill C-75", which was presented by Mr. C. R. Lunn on behalf of the Canadian Harbour Commission Ports. In part it reads:

Since the new Clause 4 allows for the possibility of Coast Guard recovering 100 per cent of the cost of its services, there is the potential for the cost of doing business in Canada to escalate to the point of being non-competitive. The ports are currently negotiating the guidelines for a user-pay dredging policy with Coast Guard—the option of the port authorities to pass these charges on does not exist if we are to avoid losing cargo to the United States.

[*Translation*]

He therefore humbly asks that this House, that Hon. Members with more expertise than I have, that is pretty obvious, would consider the representations that have been made. There were many witnesses who said that Clause 4 should not be included in this very substantial piece of legislation. Nevertheless, the Minister decided to maintain a new Clause 4 in this new Bill.

Mr. Speaker, we are very concerned, not that we are any less Canadian because we are proud Quebecers, but we are well aware of the struggle that has been going on for years to be able to keep our ports open year-round.

I am thinking about us Montrealers. If we had to begin charging for this service to keep the Montreal harbour and surrounding waters ice-free all year round, and I mean charging what it would really cost, well it stands to reason that it would give a definite advantage to certain other sea ports which remain operational throughout the year.

Surely the Members who represent the Halifax area will understand that we too want to put up a strong defence on behalf of the ridings we represent.

Mr. Speaker, this Bill introduces a new concept whereby the federal Government will be expected to recover the full costs of the services it has to offer.

I agree that the principle in itself is justifiable, particularly in times of economic hardships when all Governments—provincial, municipal and federal alike—are strapped for cash. So the Government wants to boost its revenues as much as possible.

But must this be considered as being fair to all classes of society? A moment ago my colleague the Hon. Member from the Province of Newfoundland told us that beginning today . . . what a surprise, May 1, usually the occasion to celebrate workers the world over. Well if we consider that fishermen are workers, this is their celebration and on that very occasion we are told that, beginning today, even in the riding of the Prime Minister (Mr. Mulroney), any fisherman who wants to use a federal pier to moor his boat will have to pay, if I understood correctly what my colleague said. He is indignant because there had never been any question about that since his province joined the rest of Canada. As you know, Mr. Speaker, there are quite a few fishermen in eastern Canada. I do not like to talk about Quebec all the time.

[*English*]

It is not a question of saying that we are in Quebec. I would rather say eastern Canada, because then we would have a lot more in common. If we talk about eastern Canada, of course we include the Province of Quebec and the Atlantic or Maritime provinces as well. As I said earlier in French, they received a shock today. Today, being workers' day around the world, fishermen are among the people who should be celebrating as workers. However, they are being hit by a new indirect tax of which they were unaware. It is called a user fee.

I do not really understand the attitude of the Government. I think the Government could get this very imposing Bill through, but it is stubborn and will not accept the suggested changes to Clause 4, which is only a small part of the immense effort that has gone into the Bill. If these amendments were accepted, the Bill would go through. However, the Government has insisted upon including Clause 4, and insisted that we must accept or reject the Bill as a whole. That is sad. Much of what is contained in the Bill is acceptable, but the Government is being stubborn and wants to include Clause 4, the one dealing with user fees, even after many protests by the Great Lakes Waters Development Association and its membership, as well as many representations from the Montreal Chamber of Commerce and others. The Government still insists upon including it and refuses to see the exact cost of doing so.

The Minister wants to be given a blank cheque. I do not think my Party or the NDP want to give the Minister a blank cheque so that user fees can be charged. We are totally unaware of the cost of these user fees. However, I gather that we have a number of speakers in the two Parties who are interested in participating in the debate. If the Minister wants to get the Bill through, he should rethink his position and say: "If I can get the Bill through without Clause 4 and a couple of other clauses, I may as well take what I can now and come back later on the user fees".

Mr. Angus: Mr. Speaker, I rise on a point of order. I think there is disposition for us to move to the vote on my grouping of amendments at this point and proceed with the Liberal amendments thereafter.

Mr. Baker: Mr. Speaker, I rise on the same point of order. Is it correct that the Royal Assent is scheduled for some point this afternoon?

Mr. Deputy Speaker: Yes, the Royal Assent is scheduled for some point this afternoon, but I cannot tell the Hon. Member the exact minute.

Mr. Deans: Mr. Speaker, let us be absolutely upfront about what we are doing. I believe there might well be a disposition on the part of everyone to complete the report stage of Bill C-75 by five o'clock today. In order to accommodate that, we would have the deferred vote taken, if you allow, or the necessary formalities gone through and then go to the Liberal amendments. In return for that we will hold third reading on this Bill until a subsequent date after the committee has returned from its travels.

• (1620)

Mr. Gray (Windsor West): Mr. Speaker, I can confirm that there have just been some consultations on this matter. On the advice of our critics in the Official Opposition, we are disposed to allow report stage to be completed this afternoon on the understanding that the Bill will not be called for debate at third reading until the Transport Committee comes back from a trip it has undertaken to carry out some hearings outside of the city.

Mr. Forrestall: Mr. Speaker, I appreciate very much the comments of the two gentlemen who have just spoken. Would either of the opposition House Leaders be able to give me some indication as to whether or not there was an undertaking in those consultations as to how long third reading stage would last?

Mr. Deans: There was no discussion on that.

Mr. Hnatyshyn: Mr. Speaker, I happened to have heard the very worth-while suggestion made by the House Leader for the Official Opposition and the Hon. Member for Hamilton Mountain (Mr. Deans). That suggestion seems to be reasonable. We understand that we will call third reading debate on the return of the standing committee.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, with the consent of the House may I now ask the traditional Thursday question on House business. I did not raise it earlier because we wanted to have certain consultations. If there is disposition of the House it may be timely to do it now since all three House leaders are here.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have had the benefit of some discussions and consultations with opposition House Leaders. On the basis that we will be voting on report stage on Bill C-75 later this afternoon, it is my intention to call Bill C-96, the EPF legislation for tomorrow. There is a Ways and Means motion on the Order Paper with respect to the scientific research provisions of the Income Tax Act. I would ask that we consider concurrence of that motion on Monday morning next. We would then proceed with Bill C-96, if that is not concluded tomorrow, followed by Bill C-92, followed by the legislation with respect to the Ways and Means motion for which we will be asking concurrence on Monday. That is the sequence for next week. As usual, we will continue to monitor the progress of legislation and announcements will be made if there is any change to that sequence or order of business should that be decided upon.

* * *

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of Bill C-75, An Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, as reported (with amendments) from a legislative committee; and Motions Nos. 5, 6 and 11 (Mr. Angus) (p.12764).

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Motions Nos. 5, 6 and 11 have been grouped for debate but will be voted on separately. The first question will be on Motion No. 5. Mr. Angus moved:

Motion No. 5

That Bill C-75 be amended in Clause 4 by striking out lines 19 to 37 at page 5 and substituting the following therefor;

"(3) A copy of each regulation of Governor in Council proposes to make under subsection (1) shall be laid before either House of Parliament.

(4) Where, within twenty sitting days after a proposed regulation is laid before either House of Parliament under subsection (3), fifteen Senators or twenty Members of the House of Commons, as the case may be, by notice in writing addressed to the Speaker, request that the proposed regulation be referred to a committee, the proposed regulation shall stand deferred to the standing committee of the Senate or House of Commons, as the case may be, that deals with transportation matters, or to such other committee as the Senate or House of Commons may order.

(5) A committee to which a proposed regulation is referred under subsection (4) shall forthwith consider the proposed regulation and report thereon to the Senate or the House of Commons, as the case may be, within thirty sitting days after the referral is made.

(6) Where a proposed regulation relating to any particular subject-matter is referred to a committee of either or each House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) within six months after the committee that reports or last reports, as the case may be, has reported under subsection (5).

(7) Where a proposed regulation relating to any particular subject-matter is not referred to a committee of either House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) on the expiration of the time limit set out in subsection (4) in

respect of the House of Parliament before which the proposed regulation referred to in that subsection was last laid."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 6. Mr. Angus moved:

That Bill C-75, be amended in Clause 4 by adding immediately after line 19 at page 6 the following:

"(10) Two years after the coming into force of section 3.1 and every two years thereafter, the Minister shall refer section 3.1 to the Standing Committee on Transport for the purpose of reviewing its economic impact on users of services provided by the Canadian Coast Guard and the committees shall report not later than the sixtieth sitting day of the House, following the request for review."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 11. Mr. Angus moved:

That Bill C-75 be amended in Clause 87 by striking out line 32 at page 111 and substituting the following therefor:

"by proclamation, with the exception of Section 4 which shall come into force on or after January 1, 1988.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

We will now proceed with Motions Nos. 7, 8 and 9 which will be grouped for debate and voted on separately. Is there unanimous consent for the Hon. Member for Gander—Twillingate (Mr. Baker) to move Motions 7, 8 and 9 for the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Some Hon. Members: Agreed.

Mr. George Baker (for Mr. Tobin) moved:

Motion No. 7

That Bill C-75 be amended in Clause 10 by striking out lines 10 to 21 at page 9.

Motion No. 8

That Bill C-75 be amended in Clause 52.1 by striking out lines 4 to 18 at page 34.

Motion No. 9

That Bill C-75 be amended in Clause 76 by striking out lines 18 to 26 at page 58.

He said: Mr. Speaker, I have just a few words to say concerning the amendments proposed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). The amendments arise from the report on the *Ocean Ranger* disaster and the actions of the Government to date regarding those recommendations. When one examines the actual amendments, one discovers that the main points raised in the amenments have to do with the jurisdiction of the federal Government over drilling rigs in one way or the other. In other words, as things presently exist on the drilling rigs offshore, there are at least two jurisdictions as far as safety is concerned: first, the Minister of Energy, Mines and Resources (Miss Carney); second, the Minister of Transport (Mr. Mazankowski); and we could add a third jurisdiction, that being a provincial authority. In the case of the Province of Newfoundland, perhaps there could be an agreement between both Governments to have joint jurisdiction, but certainly we should have provincial regulations set down by the provincial petroleum authority. There is perhaps a fourth jurisdiction involved, and that is the international code or the building standards from which the rig originates or where the rig was built.

Under this Bill certainly, safety standards are tightened up as far as the construction of vessels or oil drilling rigs in Canada is concerned, but it does not address the question of an oil rig from the United States, from some part of Europe or from some other part of the world that is presently drilling just

outside the 200 mile limit, say in Hibernia. It does not cover those particular oil drilling rigs.

That opens up perhaps another question relevant to these amendments, and that is the extension of jurisdiction of the Canada Shipping Act to cover areas outside of the present jurisdiction of 200 miles. It also raises the question, as was raised in the *Ocean Ranger* report, of who is in charge of a vessel. Under the Canada Shipping Act, it is the captain. If you visit an oil rig, you will find that there is perhaps a mixed jurisdiction between the so-called captain and the tool pusher, who is in charge of the drilling that actually takes place on that rig. That is the foundation for the three amendments proposed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

• (1630)

When one reads the report on the *Ocean Ranger* one can see why the Hon. Member from Newfoundland is so concerned about these amendments. One could not read the report without wondering what is wrong with our present system of monitoring activities and allocating jurisdictions with regard to safety aboard these drilling rigs on Canada's offshore. One wonders why none of the 20 to 30 people, who were alive in the water and threw a line aboard a rescue ship, were saved, especially with helicopters on site. A line was thrown aboard the so-called stand-by vessel which was supposed to be carrying out search and rescue activities as part of its operation as a stand-by supply vessel. One wonders how a line could be thrown aboard that ship from the people in the boat without those people being saved.

That is the foundation of the amendments moved by the Member for Humber—Port au Port—St. Barbe. The basic question asked by the Hon. Member in this Chamber through these amendments goes unanswered. It has not been responded to by the Government of Canada. The Royal commission report and the follow-up reports explained exactly what went wrong. All of the recommendations were submitted after the present Government took office. The Government of Canada can say that it has instituted 85 per cent of the recommendations made in the royal commission report. That does not, however, address the basic question of who has jurisdiction in the offshore. It cannot be divided between the Minister of Energy, Mines and Resources, the Minister of Transport, the Provincial Petroleum Directorate, and the United States Shipping Standards.

An Hon. Member: Sure you can.

Mr. Baker: Indeed you cannot. The Hon. Member is saying you can. That cannot be done in a safe fashion. There cannot be, aboard a boat, a group of people who claim to be in charge who are going to make a decision when a disaster happens when no one knows who is actually in charge. Is it the man representing the Department of Energy, Mines and Resources? Is it the tool pusher? Is the captain in charge? The three amendments proposed by the Hon. Member for Humber—Port au Port—St. Barbe tried to answer the question of who has jurisdiction. This is a very, very serious matter. It did not help matters when the Government of Canada did not act as it should have in the aftermath of this disaster.

Another matter is that of the settlements awarded to the surviving families in this case. That is another law which must be changed. Something must be done about that by the Department of Justice. The settlements ranged from hundreds of thousands of dollars to millions of dollars. A great many Newfoundlanders suffered the embarrassment of having the question referred to a public forum. The settlements certainly reflected what is right with the U.S. law and what is wrong with the Canadian law.

In conclusion, Mr. Speaker, I would just like to say that the amendments moved by the Member for Humber—Port au Port—St. Barbe address a very important question which has not yet been addressed by the Government of Canada. The Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) has assured us on a couple of occasions that proper amendments will be introduced, perhaps sometime in the near future, to extend jurisdiction under the Canada Shipping Act. We look forward to that. In the meantime, we will vote in favour of these amendments and against the existing Bill in relation to these subjects.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to join in the debate on the amendments moved by the Member for Humber—Port au Port—St. Barbe (Mr. Tobin). The amendments before the House are identical in purpose to those moved in committee by me. These amendments would clearly outline that the responsibility for the safety of people who work on mobile offshore drilling units is in the hands of the Minister of Transport (Mr. Mazankowski). I give the Government credit for moving on the interpretation of the area of responsibility. If my memory is correct, we moved from strict jurisdiction by the Ministry of Energy, Mines and Resources to jurisdiction split between the Ministry of Energy, Mines and Resources and the Ministry of Transport.

Unlike the debate on Clause 4, through which we tried to restrict the powers of the Minister of Transport, through this amendment moved by the Liberal Party we want to increase the powers of that Minister. We do so out of recognition that with regard to matters dealing with a vessel, which for all intents and purposes a mobile offshore drilling unit is, it should be under the strict control of the master of that vessel. The jurisdiction should not be shared with the person who has knowledge of how to extract resources from the sea but, rather, should be the sole responsibility of the person who knows the ocean, the currents, and the seaworthiness of the drilling unit of which he or she is in charge.

This issue arises out of the very unfortunate sinking of the *Ocean Ranger*. I would like to quote briefly from that report as it relates to the issue at hand. It reads:

It is instructive to note, however, the general trend towards a lead agency, if not a "single window", for regulatory purposes.

The United Kingdom has adopted the single agency approach in allocating full responsibility to the Department of Energy, and Norway has initiated the process of moving full responsibility to the Petroleum Directorate . . . .In Canada the principle of a single window approach was adopted by the establishment of the Canada Oil and Gas Lands Administration (COGLA). It is recommended:

86. That Canada maintain the approach of a single regulatory agency, in concept and in practice, in exercising regulatory control over MODUs and the varied aspects of their drilling operations including the standby role of vessels and the rescue role of helicopters under contract to industry.

A device common to all jurisdictions under review to ameliorate jurisdictional jealousies, administrative overlaps and lack of co-ordination is the Memorandum of Understanding negotiated between the lead agency or single window agency and another department or agency—In Canada, the Memorandum of Understanding has been used for transferring powers in the reverse direction, as, for example, the empowering of the Canadian Coast Guard, through delegation from COGLA, to undertake certain functions that would otherwise be outside their jurisdiction.

It is suggested that this practice be reversed. If the single regulatory agency referred to in Recommendation 86 is to have the authority and capability to exercise fully the responsibilities envisaged for it in Recommendation 80, then powers, and in some cases personnel, will need to be transferred to it. It is recommended:

87. That powers and, where necessary, personnel be transferred by Memoranda of Understanding to the single regulatory agency from other line departments and government agencies so that it can exercise fully and effectively its responsibility for safety of MODUs and the varied aspects of their drilling operations including the standby role of vessels and the rescue role of helicopters under contract to industry.

• (1640)

While the presentations made to the legislative committee with this matter were very small relative to the number that were made on the matter of Clause 4, the cost recovery clause, there was consistency throughout. Everyone who came before us said that there should be one agency. They said quite clearly that it should be the Minister of Transport who is responsible ultimately. Therefore, it would be the master on the MODU who would have responsibility in a time of crisis to make the decisions as to the safety of staying where they were, or whether, in fact, they should pull up their anchor and the pipes and get to an area of the ocean that is safe for both the people on the equipment and the equipment itself. The company of Master Mariners of Canada in a letter to the Minister of Transport wrote the following:

The Sea is an exacting mistress and Safety at Sea will be severely compromised should the use of uncertified and probably inexperienced personnel be allowed to take charge of Drilling rigs and Offshore supply vessels. There is no substitute for an experienced and well qualified seaman.

I think that sums it up. It makes the point that we should give the Minister of Transport the power to have jurisdiction. He should not have to negotiate with the Minister of Energy. He should have the power and ability to decide what is needed for the safety and the protection of those people on the rigs. I would encourage the Government to move that one more step and to accept this amendment.

Mr. Baker: I rise on a point of order, Mr. Speaker. The Hon. Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), I believe, rose and wanted to say a few words.

Mr. Forrestall: May I deal at third reading with the very good points raised by the Official Opposition and the NDP. There is a rationale for this and I thank them for their contributions.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The questions will be taken separately on Motions Nos. 7, 8 and 9. The first one is on Motion No. 7. Mr. Baker (for Mr. Tobin) moved:

Motion No. 7

That Bill C-75, be amended in Clause 10 by striking out lines 10 to 21 at page 9.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 8. Mr. Tobin moved:

Motion No. 8

That Bill C-75, be amended in Clause 52.1 by striking out lines 4 to 18 at page 34.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 9. Mr. Tobin moved:

Motion No. 9

That Bill C-75, be amended in Clause 76 by striking out lines 18 to 26 at page 58.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Call in the Members.

• (1700)

And the division bells having rung:

Mr. Speaker: Order, please. The first question is on Motion No. 5. Mr. Angus moved:

Motion No. 5.

That Bill C-75, be amended in Clause 4 by striking out lines 19 to 37 at page 5 and substituting the following therefor;

"(3) A copy of each regulation that the Governor in Council proposes to make under subsection (1) shall be laid before either House of Parliament.

(4) Where, within twenty sitting days after a proposed regulation is laid before either House of Pariament under subsection (3), fifteen Senators or twenty Members of the House of Commons, as the case may be, by notice in writing addressed to the Speaker, request that the proposed regulation be referred to a committee, the proposed regulation shall stand referred to the standing committee of the Senate or House of Commons, as the case may be, that deals with transportation matters, or to such other committee as the Senate or House of Commons may order.

(5) A committee to which a proposed regulation is referred under subsection (4) shall forthwith consider the proposed regulation and report thereon to the Senate or House of Commons, as the case may be, within thirty sitting days after the referral is made.

(6) Where a proposed regulation relating to any particular subject-matter is referred to a committee of either or each House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) within six months after the committee that reports or last reports, as the case may be, has reported under subsection (5).

(7) Where a proposed regulation relating to any particular subject-matter is not referred to a committee of either House of Parliament pursuant to subsection (4), a regulation relating to that subject-matter may be made under subsection (1) on the expiration of the time limit set out in subsection (4) in respect of the House of Parliament before which the proposed regulation referred to in that subsection was last laid."

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

(*Division No. 245*)

YEAS

Members

Allmand	Finestone	Manly
Althouse	Foster	Marchi
Angus	Frith	McCurdy
Baker	Fulton	Nunziata
Benjamin	Garneau	Nystrom
Blaikie	Gauthier	Ouellet
Broadbent	Gray (Windsor West)	Penner
Cassidy	Heap	Prud'homme
Copps	Hopkins	Robichaud
Deans	Jewett	Rodriguez
de Corneille	Kaplan	Rossi
Dingwall		Tobin—35.

NAYS

Members

Andre	Gray (Bonaventure-Îles-de-la-Madeleine)	O'Neil
Beatty	Grisé	Pietz
Binns	Halliday	Plamondon
Boyer	Hamilton	Plourde
Browes	Harvey	Price
Cadieux	Hawkes	Ravis
Caldwell	Hicks	Scott (Victoria-Haliburton)
Cardiff	Hnatyshyn	Scott (Hamilton-Wentworth)
Champagne (Champlain)	Hockin	Sparrow
Clifford	Howie	Stackhouse
Clinch	Hudon	Tardif (Charlesbourg)
Cochrane	Jardine	Taylor
Comeau	Kempling	Thacker
Corbett	Landry	Towers
Crouse	Layton	Tremblay (Québec-Est)
Darling	Leblanc	Tremblay (Lotbinière)
Della Noce	Lesick	Turner (Ottawa-Carleton)
Desjardins	Lewis	Valcourt
Domm	Marin	Vankoughnet
Dorin	McCain	Vézina
Duplessis	McCrossan	Vincent
Ellis	McCuish	Weiner
Epp (Provencher)	McDougall (St. Paul's)	White
Fennell	McInnes	Wilson (Swift Current-Maple Creek)
Ferland	McMillan	Winegard—85.
Fontaine	Moore	
Forrestall	Nicholson (Niagara Falls)	
Gass	Nickerson	
Gérin	Nielsen	
Gormley		
Gottselig		

• (1710)

Mr. Speaker: I declare the motion lost.

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

Mr. Speaker: I sense that the Hon. Member for Hamilton Mountain (Mr. Deans) is rising to suggest that the same vote be applied to Motion No. 6.

Mr. Deans: Mr. Speaker, in fact, I am suggesting that the same vote be applied to all of the remaining motions and that on the concurrence motion the same vote be applied but in the reverse.

Mr. Malone: Mr. Speaker, I rise on a point of order. I was unexpectedly detained. I have decided to vote with the government side on this motion.

Mr. Speaker: I take it that the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) and the Hon. Member for Gatineau (Mrs. Mailly) are rising to indicate that they are voting in the negative on this motion.

Therefore, the next question is on Motion No. 6. The vote on this motion will be recorded in the same way in which it was recorded previously but with the votes of the Hon. Members for Crowfoot (Mr. Malone), Hochelaga—Maisonneuve, and Gatineau counted in the negative.

Therefore, the next question is on Motion No. 6. Mr. Angus moved:

Motion No. 6

That Bill C-75, be amended in Clause 4 by adding immediately after line 19 at page 6 the following:

"(10) Two years after the coming into force of section 4 and every two years thereafter, the Minister shall refer section 4 to the Standing Committee on Transport for the purpose of reviewing its economic impact on users of services provided by the Canadian Coast Guard and the committee shall report not later than the sixtieth sitting day of the House, following the request for review."

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

(*Division No. 246*)

YEAS

Members

Allmand
Althouse
Angus
Baker
Benjamin
Blaikie
Broadbent
Cassidy
Copps
Deans
de Corneille
Dingwall
Finestone
Foster
Frith
Fulton
Garneau
Gauthier
Gray (Windsor West)
Heap
Hopkins
Jewett
Kaplan
Manly
Marchi
McCurdy
Nunziata
Nystrom
Ouellet
Penner
Prud'homme
Robichaud
Rodriguez
Rossi
Tobin—35.

NAYS

Members

Andre
Beatty
Binns
Boyer
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clifford
Clinch
Cochrane
Comeau
Corbett
Crouse
Darling
Della Noce
Desjardins
Desrosiers
Domm
Dorin
Duplessis
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Gass
Gérin
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Halliday
Hamilton
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Jardine
Kempling
Landry
Layton
Leblanc
Lesick
Lewis
Mailly
Malone
Marin
McCain
McCrossan
McCuish
McDougall (St. Paul's)
McInnes
McMillan
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
O'Neil
Pietz
Plamondon
Plourde
Price
Ravis
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard—88.

Mr. Speaker: I declare the motion lost.

The next vote is on Motion No. 7. Mr. Tobin moved:

Motion No. 7

That Bill C-75, be amended in Clause 10 by striking out lines 10 to 21 at page 9.

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

(*Division No. 247*)

YEAS

Members

Allmand
Althouse
Angus
Baker
Benjamin
Blaikie
Broadbent
Cassidy
Copps
Deans
de Corneille
Dingwall
Finestone
Foster
Frith
Fulton
Garneau
Gauthier
Gray (Windsor West)
Heap
Hopkins
Jewett
Kaplan
Manly
Marchi
McCurdy
Nunziata
Nystrom
Ouellet
Penner
Prud'homme
Robichaud
Rodriguez
Rossi
Tobin—35.

NAYS

Members

Andre
Beatty
Binns
Boyer
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clifford
Clinch
Cochrane
Comeau
Corbett
Crouse
Darling
Della Noce
Desjardins
Desrosiers
Domm
Dorin
Duplessis
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Gass
Gérin
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Halliday
Hamilton
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Jardine
Kempling
Landry
Layton
Leblanc
Lesick
Lewis
Mailly
Malone
Marin
McCain
McCrossan
McCuish
McDougall (St. Paul's)
McInnes
McMillan
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
O'Neil
Pietz
Plamondon

Members

Plourde
Price
Ravis
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard—88.

Mr. Speaker: I declare the motion lost.

The next question is on Motion No. 8. Mr. Tobin moved:

Motion No. 8

That Bill C-75, be amended in Clause 52.1 by striking out lines 4 to 18 at page 34.

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

(*Division No. 248*)

YEAS

Members

Allmand
Althouse
Angus
Baker
Benjamin
Blaikie
Broadbent
Cassidy
Copps
Deans
de Corneille
Dingwall
Finestone
Foster
Frith
Fulton
Garneau
Gauthier
Gray (Windsor West)
Heap
Hopkins
Jewett
Kaplan
Manly
Marchi
McCurdy
Nunziata
Nystrom
Ouellet
Penner
Prud'homme
Robichaud
Rodriguez
Rossi
Tobin—35.

NAYS

Members

Andre
Beatty
Binns
Boyer
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clifford
Clinch
Cochrane
Comeau
Corbett
Crouse
Darling
Della Noce
Desjardins
Desrosiers
Domm
Dorin
Duplessis
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Gass
Gérin
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Halliday
Hamilton
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Jardine
Kempling
Landry
Layton
Leblanc
Lesick
Lewis
Mailly
Malone
Marin
McCain
McCrossan
McCuish
McDougall (St. Paul's)
McInnes
McMillan
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
O'Neil
Pietz
Plamondon
Plourde
Price
Ravis
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard—88.

Mr. Speaker: I declare the motion lost.

The next question is on Motion No. 9. Mr. Brian Tobin moved:

Motion No. 9

That Bill C-75, be amended in Clause 76 by striking out lines 18 to 26 at page 58.

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

(*Division No. 249*)

YEAS

Members

Allmand
Althouse
Angus
Baker
Benjamin
Blaikie
Broadbent
Cassidy
Copps
Deans
de Corneille
Dingwall
Finestone
Foster
Frith
Fulton
Garneau
Gauthier
Gray (Windsor West)
Heap
Hopkins
Jewett
Kaplan
Manly
Marchi
McCurdy
Nunziata
Nystrom
Ouellet
Penner
Prud'homme
Robichaud
Rodriguez
Rossi
Tobin—35.

NAYS

Members

Andre
Beatty
Binns
Boyer
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clifford
Clinch
Cochrane
Comeau
Corbett
Crouse
Darling
Della Noce
Desjardins
Desrosiers
Domm
Dorin
Duplessis
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Gass
Gérin
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Halliday
Hamilton
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Jardine
Kempling
Landry
Layton
Leblanc
Lesick
Lewis
Mailly
Malone
Marin
McCain
McCrossan
McCuish
McDougall (St. Paul's)
McInnes
McMillan
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
O'Neil
Pietz
Plamondon
Plourde
Price
Ravis
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Sparrow
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard—88.

Mr. Speaker: I declare the motion lost.

The next question is on Motion No. 11. Mr. Angus moved:

Motion No. 11

That Bill C-75, be amended in Clause 87 by striking out line 32 at page 111 and substituting the following therefor:

"by proclamation, with the exception of section 4 which shall come into force on or after January 1, 1988."

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

(Division No. 250)

YEAS

Members

Allmand	Finestone	Manly
Althouse	Foster	Marchi
Angus	Frith	McCurdy
Baker	Fulton	Nunziata
Benjamin	Garneau	Nystrom
Blaikie	Gauthier	Ouellet
Broadbent	Gray (Windsor West)	Penner
Cassidy	Heap	Prud'homme
Copps	Hopkins	Robichaud
Deans	Jewett	Rodriguez
de Corneille	Kaplan	Rossi
Dingwall		Tobin—35.

NAYS

Members

Andre	Gray (Bonaventure-Îles-de-la-Madeleine)	Nielsen
Beatty	Grisé	O'Neil
Binns	Halliday	Pietz
Boyer	Hamilton	Plamondon
Browes	Harvey	Plourde
Cadieux	Hawkes	Price
Caldwell	Hicks	Ravis
Cardiff	Hnatyshyn	Scott (Victoria-Haliburton)
Champagne (Champlain)	Hockin	Scott (Hamilton-Wentworth)
Clifford	Howie	Sparrow
Clinch	Hudon	Stackhouse
Cochrane	Jardine	Tardif (Charlesbourg)
Comeau	Kempling	Taylor
Corbett	Landry	Thacker
Crouse	Layton	Towers
Darling	Leblanc	Tremblay (Québec-Est)
Della Noce	Lesick	Tremblay (Lotbinière)
Desjardins	Lewis	Turner (Ottawa-Carleton)
Desrosiers	Mailly	Valcourt
Domm	Malone	Vankoughnet
Dorin	Marin	Vézina
Duplessis	McCain	Vincent
Ellis	McCrossan	Weiner
Epp (Provencher)	McCuish	White
Fennell	McDougall (St. Paul's)	Wilson (Swift Current-Maple Creek)
Ferland	McInnes	Winegard—88.
Fontaine	McMillan	
Forrestall	Moore	
Gass	Nicholson (Niagara Falls)	
Gérin	Nickerson	
Gormley		
Gottselig		

Mr. Speaker: I declare the motion lost.

Hon. Jake Epp (for the Minister of Transport) moved that the Bill, as amended, be concurred in.

Mr. Speaker: I take it that the motion shall carry on the same recorded vote but in the reverse.

Some Hon. Members: Agreed.

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

(Division No. 251)

YEAS

Members

Andre	Gray (Bonaventure-Îles-de-la-Madeleine)	Nielsen
Beatty	Grisé	O'Neil
Binns	Halliday	Pietz
Boyer	Hamilton	Plamondon
Browes	Harvey	Plourde
Cadieux	Hawkes	Price
Caldwell	Hicks	Ravis
Cardiff	Hnatyshyn	Scott (Victoria-Haliburton)
Champagne (Champlain)	Hockin	Scott (Hamilton-Wentworth)
Clifford	Howie	Sparrow
Clinch	Hudon	Stackhouse
Cochrane	Jardine	Tardif (Charlesbourg)
Comeau	Kempling	Taylor
Corbett	Landry	Thacker
Crouse	Layton	Towers
Darling	Leblanc	Tremblay (Québec-Est)
Della Noce	Lesick	Tremblay (Lotbinière)
Desjardins	Lewis	Turner (Ottawa-Carleton)
Desrosiers	Mailly	Valcourt
Domm	Malone	Vankoughnet
Dorin	Marin	Vézina
Duplessis	McCain	Vincent
Ellis	McCrossan	Weiner
Epp (Provencher)	McCuish	White
Fennell	McDougall (St. Paul's)	Wilson (Swift Current-Maple Creek)
Ferland	McInnes	Winegard—88.
Fontaine	McMillan	
Forrestall	Moore	
Gass	Nicholson (Niagara Falls)	
Gérin	Nickerson	
Gormley		
Gottselig		

NAYS

Members

Allmand	Finestone	Manly
Althouse	Foster	Marchi
Angus	Frith	McCurdy
Baker	Fulton	Nunziata
Benjamin	Garneau	Nystrom
Blaikie	Gauthier	Ouellet
Broadbent	Gray (Windsor West)	Penner
Cassidy	Heap	Prud'homme
Copps	Hopkins	Robichaud
Deans	Jewett	Rodriguez
de Corneille	Kaplan	Rossi
Dingwall		Tobin—35.

Mr. Speaker: I declare the motion carried. When shall the Bill be read the third time?

Some Hon. Members: Now.

An Hon. Member: At the next sitting of the House.

Grand Canal Project

Mr. Deans: Mr. Speaker, I rise on a point of order. I wonder if I might seek the unanimous consent of the House to permit that, indeed, the Private Members' Hour be 60 minutes from the time the first Member starts to speak and that in the event that all of the 60 minutes are not used up with debate, there be no vote taken regardless of the time at which the actual debate ends.

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, that sounds like a reasonable proposition. To put the understanding in straightforward language: there will be 60 minutes of debate on Private Members' Hour and there will be no vote. If the hour is interrupted by Royal Assent—I guess we cannot mention that—but if we were able to mention it, or if we are interrupted for any other purpose, then that time will not be included in the 60-minute calculation. We will also carry on with the "Late Show" proceedings following Private Members' Hour.

Mr. Gray (Windsor West): Mr. Speaker, the members of the Official Opposition are willing to agree to what has just been proposed, provided it is understood that if on a future occasion we ask for the same consideration for one of our Private Members' Bills it will be accorded to us.

Mr. Deans: Absolutely.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

NATURAL RESOURCES

GRAND CANAL WATER DIVERSION PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill) moved:

That:

Whereas certain Canadian private interest groups are seriously proposing the Grand Canal project, which would involve constructing a dike across James Bay and diverting water to the Great Lakes—St. Lawrence water basin through a system of canals, dams, underground water tunnels and pumping stations, for sale and redistribution to arid regions of the United States; and

Whereas the Grand Canal project is looked upon favourably by the Prime Minister of Canada, Premier of Quebec, Canadian Free Trade Negotiator Simon Reisman and other public officials; and

Whereas concern has been expressed that Canadian fresh water may be included in free trade negotiations with the United States; and

Whereas there has been no consideration given to the impacts of the Grand Canal project on the enviornment and on the native population of the James Bay area whose livelihood depends on this water resource; and

Whereas proposed government studies of the Grand Canal project are contradictory to the goals and objectives of the 1985 Great Lakes Charter and a long-standing Canadian Government policy against mass water exports.

Now, therefore, be it resolved, that this House expresses its outrage that the Grand Canal project could be seriously considered by Canadian private interest groups and public officials and opposes any study or further consideration of the proposal.

He said: Mr. Speaker, I suppose that at any moment we will be faced with the usual interruption from the Senate in order that we go down to witness Royal Assent in the Senate Chamber. I hope that will happen sometime after I finish my speech and not before.

In any event, I wish to speak about the Grand Canal scheme which is the brain-child of a Newfoundland-based engineer, Thomas Kierens, who proposes to build a dam across James Bay, thereby preventing fresh water from the James Bay watershed from flowing into Hudson Bay, eventually turning James Bay into a huge fresh water lake. This fresh water would then be rediverted south through a system of canals, tunnels and pumping stations to the Great Lakes, and beyond to points in the mid-west and southwest United States. At an estimated cost of $100 billion to $200 billion, the Grand Canal would be the most expensive construction project in Canadian history and would be a truly massive undertaking.

• (1720)

Mass water diversion and export proposals such as the Grand Canal are not new. Diversion schemes involving James Bay date back to the 1930s and several water diversion and export projects in western Canada have also been proposed, most notably the North American Water and Power Alliance or NAWAPA project. In the past, these proposals were considered too bizarre to be accorded much credibility. Lately, however, this situation has apparently changed and the Grand Canal has been given unsettling credibility in certain circles.

Kierens and his company, Grandco, have managed to line up an impressive number of influential people to back the Grand Canal scheme including Quebec Premier Robert Bourassa; Louis Desmarais, a former Liberal MP and brother of Paul Desmarais, the Chairman of Power Corporation; Bechtel Canada, the builders of the James Bay project and a subsidiary of the largest engineering firm in the world; and Canada's free trade negotiator, Simon Reisman, to name but a few. Many of these groups and individuals have been quietly lobbying the Government to support the Grand Canal project and to fund studies of the scheme. Grandco has already received a $30,000 grant from the St. John's office of the National Research Council and the NRC, and other government Departments are currently studying another request for an additional $750,000 for a pre-feasibility study of the scheme.

In the face of this lobbying, not to mention persistent questions by myself and others who are concerned about this issue, the Government has taken a curiously vacillating and inconsistent approach to the whole question. On the one hand, the Minister of the Environment (Mr. McMillan) said recently that any decision on mass water diversion or export schemes would have to await the formulation of a national water policy. He also added that he is personally opposed to the Grand Canal scheme and other inter-basin transfers of water. On the other hand, the Prime Minister (Mr. Mulroney) has not only endorsed the export of water by tanker from his own riding but he was also quoted in *Fortune* magazine of March of last year

as saying something to the effect that he would be willing to consider mass water exports to the United States.

Then last April 19, in response to a question put by the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), the Prime Minister indicated his support for the Grand Canal when he said the following:

> I want to give my hon. friend the assurance that I view the prospect with enthusiasm. In fact, I can tell him that I am working on draft terms of reference whereby the federal Government might properly involve itself in co-operation with the Government of Newfoundland and Labrador and the Government of Quebec in developing these kinds of resources for the benefit of the citizens of those two provinces and Canada.

Those were the words of the Prime Minister of Canada speaking in this House, and his comments cannot be misconstrued or attributed to comments made before the last election as the Right Hon. Secretary of State for External Affairs (Mr. Clark) tried to imply when I asked a question on this matter on January 22.

Tonight, hopefully someone from the government benches will clarify for the House just who, the Prime Minister or the Minister of the Environment, speaks for the Government on the Grand Canal and on water exports in general. If it is the Prime Minister, perhaps the government spokesperson could also explain what happened to the terms of reference to which the Prime Minister referred last year and why the Government has abandoned a long-standing Canadian policy against water export schemes such as the Grand Canal.

We also need clarification from the Liberal Party. On one hand, the Hon. Member for Davenport (Mr. Caccia) appears to be genuinely opposed to the Grand Canal and other mass water export schemes. On the other, as I have already noted, at least one influential former Liberal MP, the current Hon. Member for Grand Falls—White Bay—Labrador, and the Liberal Premier of Quebec appear to be enthusiastically supportive of the Grand Canal. For his part, the Leader of the Opposition (Mr. Turner), when I asked him about his position on the Grand Canal, merely said that he thought it should be studied. The Liberals are obviously of two minds on water exports and the Grand Canal just as they are on other issues like free trade and universality.

This leads me to another concern I and others have about the Grand Canal and similar water export schemes. In recent months, Simon Reisman, Canada's free trade negotiator and a vocal proponent of the Grand Canal, has not only said on numerous occasions that Canada's fresh water should be on the free trade negotiating table but has gone as far as to say that allowing American access to Canadian fresh water may, in fact, be a cornerstone of any free trade agreement with the United States. The Secretary of State has said that Canadian water is not on the bargaining table and has even gone as far as to be irritated with me for asking the question more than once. Yet Mr. Reisman voices his personal views with sufficient regularity and the Government, particularly the Prime Minister, is sufficiently vague on water exports that one cannot help but be worried.

Canadian waters are not ours to sell, Mr. Speaker. In this sense, opposition to the Grand Canal and other water export schemes is not to be seen as selfishness but as good stewardship of that which has been entrusted to us. Furthermore, the inclusion of Canadian water in free trade negotiations with the United States would pose serious consequences for Canadian sovereignty. Unlike other resource projects, once something like the Grand Canal is in place, Canada cannot just decide to turn off the tap. No mater what, Canada will be obliged to keep the water flowing. That is the simple, hard fact of the matter. What is more, once one diversion scheme like the Grand Canal is in place, a precedent will be established. Not only might the Americans come to expect ready access to Canadian fresh water but Canadians, particularly under Tory or Liberal Governments, might feel obliged or pressured to deliver. This one precious resource could draw Canadians inextricably into the already stifling embrace of the United States. For those of us who value this country and would like to see Canada pursue independent foreign, domestic and environmental policies, mass water export schemes such as the Grand Canal must be resisted.

What about the social cost, Mr. Speaker? The Grand Canal project would entail a massive disruption and dislocation of northern communities due to a rapid escalation in development. Particularly hard hit would be native Canadians whose traditional lifestyle would be severely compromised. Furthermore, should the grand Canal project go ahead, it would place a multitude of obstacles in the path of equitable Indian land claims settlements and Indian self-government.

We have seen far too often in the past that Indian rights invariably take second place to mega-projects and there is no reason to believe that the Grand Canal would be any different. This is no doubt one of the reasons the Nishnawbe-Aski Nation, which represents 42 northern Ontario Indian bands and whose Grand Chief I had the opportunity to meet recently, has been one of the most vocal opponents of the Grand Canal.

In a telex objecting to the Grand Canal that the Nishnawbe-Aski Nation and Great Lakes United sent to the Prime Minister on February 10, the Nishnawbi-Aski Nation outlined its concerns clearly when it noted the following:

> Your government has brought into question the strength of constitutional guarantees for the Nishnawbe-Aski peoples' aboriginal and treaty rights.
>
> Doubt has been cast on the seriousness with which your government will support Indian self-government initiatives and the future Indian control of resources.

These are legitimate concerns and all of us in the House have an obligation to resist any efforts to further degrade and abuse the rights and land of Canada's aboriginal people.

Finally, there are the environmental consequences of the Grand Canal to consider. The most obvious of these would be the scars on the landscape and environment in general that would result after an army of engineers and construction workers had blasted, hacked and carved their way through the Canadian Shield in building the various dams, canals, tunnels and pumping stations necessary to create a man-made lake at

James Bay and to transport the resulting fresh water. Another obvious environmental consequence would be that the Grand Canal would condemn to destruction the entire marine ecosystem in and around James Bay including all the fish, seals, whales, sea birds, vegetation and other living organisms that depend on a saltwater environment to survive.

It is also believed that this project could seriously affect global climatic conditions by blocking the flow of fresh water that flows into James Bay and on into Hudson Bay and the Arctic Ocean. Scientists fear that the Grand Canal, by shutting off James Bay, would increase salinity levels in Hudson Bay and the Arctic Ocean thereby melting icebergs and the polar ice cap and increasing temperatures in the Arctic. If this were to happen, weather conditions around the northern hemisphere could be permanently altered, affecting agricultural and other important social and economic activities. What a prospect: if the Grand Canal were to go ahead in the rush to find a quick fix, a technocratic solution to irrigation problems south of the border and economic problems here in Canada, we could in fact destroy countless acres of productive land around the world.

Another aspect of the Grand Canal is one I have raised on numerous occasions, including this afternoon, and that is, nuclear energy. The backers of the Grand Canal are considering using nuclear power to pump water from James Bay down to the Great Lakes. Atomic Energy of Canada admitted recently that it is already studying the feasibility of using nuclear power in connection with the Grand Canal scheme. According to Energy Probe, the Grand Canal Scheme would require 12,500 megawatts of generating capacity, a power demand that equals half the demand of the Province of Ontario at peak hours. To provide this power, one would need more power than is available from the entire James Bay project or, worse, 17 Bruce-sized nuclear reactors.

As one who has long opposed nuclear power and the underhanded nature in which the nuclear industry operates, I am hardly surprised that AECL sees a great opportunity here. AECL is always looking for an excuse to justify its nuclear reactor program. However, as we have seen this week as a result of the tragic nuclear accident in Ukraine—

Mr. Speaker: I am in some difficulty. Can the Hon. Member conclude very briefly, please.

• (1730)

Mr. Blaikie: Mr. Speaker, I have two brief paragraphs to go. We have seen this week the result of a tragic nuclear accident in Ukraine. Nuclear power is a deadly energy option with truly horrific and catastrophic consequences should something go terribly wrong, as just happened in the Soviet Union. To build 17 additional nuclear reactors to service the Grand Canal would virtually double the number of reactors in service or under construction in Canada and would make the Grand Canal even more of a technological and environmental Frankenstein than it already is.

Finally, I should also point out that the Soviets recently decided to go ahead with a massive water diversion scheme of their own that, like the Grand Canal, would divert waters now flowing into the Arctic Ocean southward. The Soviets did not take this decision lightly. In fact, they delayed the project four years for many of the same reasons I have already mentioned in connection with the motion before us. As we have seen this week, the Soviets have hardly had an enviable environmental record—

Mr. Speaker: Order, please.

Mr. Blaikie: One more sentence, please.

Mr. Speaker: I must interrupt the Hon. Member because he has now taken quite a lot more than the 10 minutes he is allowed. I think he knows that and will understand.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I want to begin by saying that the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) deserves the commendation of the House for bringing a motion of this kind to our attention. It is a timely motion and, if I may say so—and I am not attempting to flatter the Hon. Member—I think he gives meaning to the following phrase in our National Anthem: "O Canada, we stand on guard for thee".

The Grand Canal Project is an engineering proposal which has rather frightening aspects to it. When I first came to the House, I really cut my teeth on controversial issues by becoming involved at that time in proposals which had been developed between Canada and Ontario on water diversion schemes in northern Ontario. Mr. Speaker, may I ask for your guidance on the knock at the door? Should I continue?

Mr. Speaker: The Hon. Member has paused, and I will now pause. May I say for his guidance and that of others, it is entirely up to the Hon. Member to decide whether to stop. However, having paused, I think we will take advantage of his pause.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

[*Translation*]

And being returned.

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy

Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

An Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof—Chapter 20.

• (1740)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

NATURAL RESOURCES

GRAND CANAL WATER DIVERSION PROJECT

The House resumed consideration of the motion of Mr. Blaikie:

That:

Whereas certain Canadian private interest groups are seriously proposing the Grand Canal project, which would involve constructing a dike across James Bay and diverting water to the Great Lakes—St. Lawrence water basin through a system of canals, dams, underground water tunnels and pumping stations, for sale and redistribution to arid regions of the United States; and

Whereas the Grand Canal project is looked upon favourably by the Prime Minister of Canada, Premier of Quebec, Canadian Free Trade Negotiator Simon Reisman and other public officials; and

Whereas concern has been expressed that Canadian fresh water may be included in free trade negotiations with the United States; and

Whereas there has been no consideration given to the impacts of the Grand Canal project on the enviornment and on the native population of the James Bay area whose livelihood depends on this water resource; and

Whereas proposed government studies of the Grand Canal project are contradictory to the goals and objectives of the 1985 Great Lakes Charter and a long-standing Canadian Government policy against mass water exports.

Now, therefore, be it resolved, that this House expresses its outrage that the Grand Canal project could be seriously considered by Canadian private interest groups and public officials and opposes any study or further consideration of the proposal.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I was indicating to the House that when I first came to Parliament I cut my teeth on controversial issues by opposing a scheme that had been financed by Canada and Ontario to divert a number of northward flowing rivers, rivers like the Albany, the Severn, the Attawaspaskat, to divert those magnificent northward flowing rivers into the Great Lakes system. A great deal of money had been spent by the two levels of Government to consider its feasibility. Eventually the plan was rejected, but in the meantime while the study was going on it created anxiety and concern throughout northern Ontario and most particularly among the Indian people, the aboriginal people who occupy that part of the province.

I want to indicate to the House that what we are talking about today is not a water diversion scheme in that sense. We are talking about a plan or a proposal for the transfer of water from the north to the south. My hon. friend, the Hon. Member for Winnipeg—Birds Hill described this process very carefully and effectively. It really staggers the mind to imagine building a dike across the entire northern section of James Bay where James Bay meets Hudson Bay and turn what is now a salt

water body into a fresh water lake. Then, if you can believe it, Sir, they are going to transfer, by means of a series of step reservoirs and pumping stations, fresh water from the north over the height of land where the rivers flow northward to where they begin to flow southward and allow all that fresh water to go into the Great Lakes system. The Great Lakes will then become a great storage basin for water which will be called upon, on demand, to feed the parched areas of North America. It is a mammoth, massive engineering scheme that staggers the imagination.

Let us begin with the costs. My hon. friend from Winnipeg—Birds Hill said it is somewhere between $100 billion and maybe as much as $200 billion. Knowing about cost overruns and the way these projects always seem to get much larger than they are—

Mr. Turner (Ottawa Centre): Do we hear $300 billion?

Mr. Penner: —we may as well have an auction because the amount of money will be so enormous that I think we could put the whole debate to bed right now because that amount of money is not available; $100 billion is not available and it never will be, at least in the lifetime of all of us in this House of Commons.

This grandiose scheme to pump water thousands of miles from the north to the south is an engineering project that I do not think we will ever see. Therefore, the question is: does it make good sense at a time when we are trying to save money and watch our expenditures? Every one of us is cognizant of and worried about the deficit, even my friend from Winnipeg—Birds Hill must have had a few sleepless nights about the deficit.

Mr. Blaikie: I am fiscally conservative. It is my Presbyterian roots.

Mr. Penner: He is fiscally conservative. Even the new socialist Government in New Zealand has great concern about the deficit and is being very effective in dealing with it.

My hon. friend asks whether the Liberal Party was together on this. I doubt it, I doubt it very much. I am not on the same wave length as the Premier of Quebec, Mr. Bourassa. I am not on the same wave length as my former colleague in this House, Mr. Louis Desmarais, a distinguished Member of Parliament who is promoting the project. Simon Reisman once served a Liberal Government. I do not suppose he was ever on side although I have no way of knowing that, but he has provided expert advice on this project. We are not all of us together on this. If that bothers my hon. friend, I want to say that the Liberal Party is not a church. We are a political Party. The great thing about the Liberal Party is that Members do not need to be afraid to think.

Mr. Nickerson: They never do.

Mr. Penner: When they go to a national convention and want to think about how they can change the size of the

deficit, that is permissible. We can do that. We have proven to Canadians that we know how to spend money. Now I think we have to prove to the Canadian people that we also know how to be fiscally responsible. That may involve changing a few things, but I will save that for another debate.

To show you that I am at least on side with the environmental critic, let me tell you what the Hon. Member for Davenport (Mr. Caccia) the former Minister of the Environment, said about the Grand Canal project. Then you will know that there are at least two of us on the same wave length on this project. He said, writing to Mr. Thomas Kierens:

It is a crackpot idea which for political, social and environmental reasons should never get off the ground.

Mr. Nickerson: That is what they said about the CPR.

Mr. Blaikie: It is still a crackpot idea.

Mr. Penner: Great Lakes United is an international organization dedicated to conserving and protecting the Great Lakes. It has looked carefully at the Thomas Kierens project from its point of view, and I give a great deal of credence to the arguments that this organization puts forward. It said that the environmental and social impacts of what it calls a $100 billion monster would be severe. That organization goes on to argue as well that it would probably violate the Great Lakes Charter.

For the benefit of Hon. Members who are not aware of the Great Lakes Charter let me say that it was signed in 1985 before Mr. Bourassa was back in office. It was signed by Ontario and Quebec. It was also signed by eight American states, all the American states that are on the Great Lakes system. This Charter is dedicated to protecting the Great Lakes from any severe impacts, either water levels or anything that would have some kind of negative impact on the ecosystem around the Great Lakes.

I ask you, Mr. Speaker, to put your mind for a moment on this Grand Canal project and imagine using the Great Lakes as a great water storage system. Can you imagine anything that would go contrary to the Charter more than that? I think that Mr. Bourassa had better review the commitment of his province to that Charter. I know it will be done in Queen's Park, but I think that enough has been said on the question of looking at the cost, the Charter and what it would do to the ecosystem. I think all Hon. Members will want to be of one mind on this issue at least and will want to support my friend and recommend to the Government that no more funding of any kind, even a few dollars, should be given to the Grand Canal scheme.

• (1750)

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am pleased to speak on this motion moved by my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). He and I see eye to eye because of our height, and we also see eye to eye on this particular motion.

Large scale water transfer projects, such as we have already seen in Canada, are a technical possibility with sometimes undesirable environmental and social consequences. In the rush to meet increasing water demands for energy, agriculture and other needs, we often tend to forget that the development, management and regulation of our own water heritage must correspond with ecological realities. Technical feasibility and socioeconomic gain can no longer be promoted at the expense of ignoring environmental issues. A planner's perspective must now transcend what is technically and economically feasible, socially and politically acceptable and legally permissible, to include the consideration of ecological constraints and consequences of water resource development. Canadians no longer tolerate ecological naivete, and neither will the Government, especially when it applies to land use for embassies in Ottawa which may impact on the fresh water of the Ottawa River.

Public reaction to such recent domestic water projects as the Slave River Hydro Development, Skagit, Garrison Diversion and others, when they appeared to threaten ecosystem stability, was immediate and vociferous. Public reaction does not stop after flagging the issues. For example, in the case of the James Bay Project, the first environmental impact studies based on new research were undertaken, not by developers but by independent scientists working on behalf of native groups and funded by the federal Government.

Technological advances and a gradual progression northward in search of suitable sites for damning or diversion have led to the recent advocation of megaprojects. Disadvantages of such proposals are often found in the inherent complexity of the projects themselves. Their large size increases the potential interaction between project components and the ecosystem. For these large projects our understanding of all the components and links are often incomplete. Unfortunately, the aspects which are studied are those which address short-term concerns.

It would appear, therefore, that as the magnitude of such projects increases with greater influence on the biosphere, so does the inaccuracy and uncertainty of being able to predict the project's environmental consequences. Also, inadequate lead time for study and research of the project-environment relationship has, on occasion, resulted in a failure to anticipate major ecological changes outside the sphere of influence of the development. Operation of the W.A.C. Bennett damn, for example, resulted in major adverse changes to prime marsh habitat 800 kilometers downstream of the damn site. That is quite remarkable, Mr. Speaker.

It seems, therefore, that the more drastic the changes in the river regime, the more extensive will be the expected disruption to the ecological balance. On occasion, such imbalances have led to direct economic hardships or health concerns as in the case of mercury contamination of commercially important downstream fisheries in the Churchill-Nelson system in Manitoba or reduction of the subsistence fishery in the La Grande River in Quebec.

On the other hand, we can rest assured that environmentally significant activities such as large scale water transfers will be subject to the full attention of the federal Government's regulatory apparatus and environmental protection mandate. In addition, guidelines, regulations and legislation protecting wildlife—in which I have a great personal, professional, and political interest—water quality, endangered species, environmentally sensitive regions and heritage rivers come into play in the planning, evaluation and implementation of such activities.

I am reminded that in 1969 I did a paper in the ecology class of Dr. Vaillancourt at the University of Ottawa in co-operation with a classmate, Cathi Campbell. I quote myself from that paper as follows: "The importance of our water resources will become immense before the end of the century".

Specifically, the federal environmental assessment and review process requires federal agencies to administer the process when proposed activities have federal involvement and may significantly affect the environment. An undertaking of such magnitude as water transfer would likely meet one or more of the criteria for federal involvement. If a review were to demonstrate environmental deficiencies in project planning, the construction of a water transfer project would not go forward until appopriate studies were completed and the deficiencies corrected.

Furthermore, should a review demonstrate the potential for major environmental damage, the Minister of the Environment (Mr. McMillan) has the final option, as part of the process, not to approve construction of the project. From this it can be seen that when projects of this magnitude come under government scrutiny, the federal Government retains a firm controlling hand. Environmental assessment in Canada has neither wisely used, nor demanded, post-development audit information for diversion schemes on which to build a predictive base for possible environmental impact assessment. Despite Canada's poor record of post-development auditing, certain general environmental issues can be suggested as requiring attention for water transfers of any consequence. Large scale diversions of northward flowing rivers that are proposed or under way on several continents have certain environmental impact features in common.

Inter-basin water transfers where two or more distinct drainages are involved retain the potential for biotic transfer. Invading fish species may replace more economically desirable ones or introduce parasites to previously isolated populations. Such biological changes may range from beneficial to totally catastrophic. I am reminded of what happened when eels infested our Great Lakes system which created a tremendous problem. A former professor of mine, also at the University of Ottawa, Dr. Vladikov, was instrumental in solving that problem.

When the riverine discharge to the sea is altered in quantity or timing, the resulting changes may cause dramatic shifts in the dynamics of coastal marine processes and organisms. Altering James Bay from salt to fresh water would most certainly cause complete changes in characteristics of the bay's wildlife with as yet unidentified far-reaching consequences.

Assessing the environmental impact of major diversion of northward flowing rivers is, at the present, speculative at best. Examination of analogous situations in the U.S.S.R. and our own experience with diversions, albeit of smaller magnitude, have raised the level of public and scientific concern. Long-term ecological and climatological effects, particularly major changes in Arctic ice pack formation, atmospheric circulation, temperature, and in precipitation patterns in the northern hemisphere are all within the realm of possibility. Even if we can convince ourselves that one project by itself does not cause measurable impact on such factors, we must look ahead and consider what the impact of separate projects in one country, or projects in several countries, will have.

For the Grand Canal scheme augmentation of existing data bases would be a necessary requirement in order to make realistic predictions of the potential effects of terminating the freshwater flow of James Bay into Hudson Bay. We know that a major ecosystem shift would follow the altering of James Bay from salt to fresh water and include the loss of salt marshes, an estuarine habitat important to a major portion of the North American migratory bird population. The understanding of the dynamics and economic cost of such changes remain, at present, out of reach until engineering scenarios are better defined and biological data bases completed.

The creation of "anti rivers" and hydrological pumping systems to transport the water south may also result in classical environmental problems of erosion, water quality, fish migration problems and habitat loss, etc., already associated with existing, less ambitious water transfer schemes. When reservoirs are introduced into the scheme of things as part of water transfer projects, those impacts normally associated with reservoir construction and operation also add to the projects over-all complexity, degree of environmental disturbance and need for mitigation.

Environmental concerns are no longer a "frill" in the minds of Canadians and must be taken very seriously. The Minister of the Environment has already indicated that more must be learned about the environmental effects of large-scale water diversions before we can proceed with implementation of any such scheme. Massive export and sale of our fresh water is not acceptable. As far as I am concerned it is not now and never should be—and God help us if it ever is—on the bargaining table.

• (1800)

[*Translation*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, since this will be my first long speech in French in this House, I intend to use a written speech. I admit the speech was drafted by civil servants, but I trust you will find it both entertaining and edifying.

Grand Canal Project

In recent years, Canadians have become increasingly aware of the vital connection between the environment and the economy. As a result of this awareness, we now see a healthy and growing interest in our environmental resources. We know that economic growth and maintaining our economic perspectives require us to have pure air, clean water and good soil conditions. We know that like any prosperous merchant, we must take an inventory of our natural environment. Exhausting our natural resources, as a result of bad management and a thirst for profit, means that we compromise our prospects for the future. In a world that is becoming increasingly competitive, only careful management of our natural resources will give us an edge over our competitors.

Water is undoubtedly one of our most precious resources. In Canada we have become very much aware of our responsibility for maintaining the quantity and improving the quality of the water we have. Canadians understand more than ever before that careful management is essential if we are to transfer this resource intact to future generations.

In Canada, we are lucky to have an abundant supply of hydraulic resources. However, it is clear that vital elements of our economic well-being depend on a delicate balance between the reserves at our disposal and how we use them. In recent years, Western Canada experienced the devastating effects that insufficient precipitation can have on agriculture and forestry, and further east, the Great Lakes region suffered excessive precipitation which caused considerable damage to lakeshore property and serious economic problems. There is also the increasing problem of water pollution, caused either directly by spillage or indirectly by airborne pollution. Thus, even if it is an abundant resource, we cannot take it for granted. The time has come to act quickly to protect both quality and quantity.

This is a task that will have to be shared by all, by the federal Government and the provincial governments, by industry, cities and municipalities, by farmers and by all Canadians. Those who share the benefits must also share the responsibility for managing this resource. This will require a national consensus on the best way to manage and use this resource, while ensuring that it is improved and maintained for future generations of Canadians.

I think a step has already been made in the right direction. The Government is now looking at the findings and recommendations of the Pearse Commission whose mission it was to investigate our federal water policy. The Commission examined every aspect of the situation, from pollution to international agreements on management of international waterways. I think it is important to point out that the Commission examined the various management aspects of the question, while at the same time considering water as a complete and indivisible entity. I believe that in drafting a sound management policy we must continue to look upon this very precious resource as a whole rather than try to deal separately with one or the other aspect of its management.

I have already referred briefly to a number of serious problems facing Canadians with respect to the quality and quantity of available waters. I would suggest that priority will have to be given to a serious examination of the social, economic, intergovernmental, international, technical and environmental impact of current or proposed water uses because all these factors will influence the over-all and coherent management of this resource, and will in turn be influenced by the way it is managed. One of the earlier problems concerning water management was that, although we had the required technical know-how to build dams, hydro lines and waterways, or to develop new chemical products, we simply did not know how to minimize as quickly as possible the unforeseen and undesirable secondary effects such as social upheavals caused by community disruption, loss of a traditional means of survival, or again damages to the environment due to the destruction of spawning grounds, or water losses caused by industrial or agricultural pollution.

Oftentimes in the past the benefits derived from such activities were offset to various degrees by these secondary effects. Efforts were made as well to remedy certain situations, but in a number of cases they gave partial results only, or required much time, energy and money.

In my judgment, part of the problem was and still is our tendency to consider only the positive aspects of any new plan or development. The sound management of our water resources requires us to examine closely all factors which might have a direct or indirect impact on them.

• (1810)

[*English*]

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I just want to say to the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley), and anyone else who might rise to speak before the House recesses, that I did not anticipate we would go beyond six o'clock. I made a commitment to be elsewhere at 6.30 p.m. and I apologize for not staying and listening to the Hon. Member.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I say to the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie): apologies accepted. The Hon. Member's Motion No. 104 deals with a very important issue of concern to many Canadians. I am glad that the Hon. Member has given us the opportunity this day to discuss the issue further.

Last year, the Priorities and Planning Committee of Cabinet empowered the Minister of the Environment (Mr. McMillan) to act for the Government in formulating a national water policy. Indeed, the Minister has given this matter top priority. The Cabinet has further decided that until this policy is in place, there will be no major inter-basin diversions or large scale exports of water. Even then, any decision for or against water policy will be made in the context of an over-all policy and not on an ad hoc basis.

The first step in developing the water policy was the inquiry on federal water policy headed by Dr. Peter Pearse of the University of British Columbia. The Pearse inquiry was established in January, 1984, and reported to the Minister of the Environment in September, 1985.

The mandate of the Pearse inquiry was to consider the nature of emerging issues. These issues included the state of the water resource, future requirements for water, inter-jurisdictional dimensions and scientific and research expertise with a view to ensuring the enhancement of the health, well-being and prosperity of the people of Canada. In conducting its work, the inquiry actively sought the views of provincial, territorial and federal government departments and their agencies, of private citizens and public groups, as well as the input of industry and the academic community in Canada.

Between late September and early December, 1984, 201 presentations were heard at 33 days of hearings in 17 locations across Canada. Over 300 written submissions were received by the inquiry. In addition, the inquiry commissioned 22 separate research papers on special problems. Praise is due to the inquiry members for their wide and effective process of consultation.

Not surprisingly, one of the topics that generated keen interest in all parts of Canada was the issue of water export. Of the 77 briefs on this subject, most were opposed to the idea. Only a few, mainly the promoters of particular projects, regarded exports as a promising economic opportunity.

In its final report entitled *Currents of Change*, the inquiry made 55 recommendations. Three of these recommendations deal with the subject of water export. The inquiry concluded that:

> It would be imprudent for the Federal Government to reject all exports out of hand.

The inquiry members went on to say that any water export policy: "Should clearly set out the conditions that must be met for any proposal to be acceptable", and that there should be: "Clear procedures for assessing export proposals." Therefore, in its conclusions, the inquiry recommended that:

> The Federal Government should pass legislation to require anyone who proposes to export water to obtain a licence. This legislation should identify the matters that will be taken into account in considering a licence application.

Small scale export proposals, such as those involving tanker operations, were viewed in a different light than the inter-basin transfers to the United States because of the obvious differences in their impacts and the volumes of water involved. Because diversions for large scale water export to the United States, which would include proposals such as Grand Canal, require very careful scrutiny, the inquiry recommended that:

> The Cabinet should determine whether the Government is prepared to consider large-scale diversions of water to the United States and, if so, the criteria that must be met for approval of proposals.

Further, if the Government is going to consider diversions to the United States, the Pearse inquiry recommended that for the purposes of assessing water export proposals having significant environmental, social or economic implications, the Minister of the Environment should be empowered to appoint a special review panel for each proposal. These panels should consist of members appointed in consultation with the governments of provinces or territories directly affected by the project.

Further, the panels should investigate the full range of matters that the Minister must review in considering an application for an export licence, according to criteria determined by government. Third, these panels should receive information and analysis from relevant governments and agencies, as well as from the proposal's proponents and other interested groups. Fourth, the panels should consider feasible modifications of the proposal in terms of scale, characteristics and time of construction.

Fifth, the panel should hold public hearings where no other suitable provisions are made for the public to review the implications for the interests of all Canadians. Finally, the panels should publicly report their findings, with recommendations about whether the licence should be granted and, if so, what terms and conditions should be attached to the particular licence.

The Pearse inquiry made two additional points on the export of water issue. First, applicants should bear the costs of assembling the information required for assessments, and the Government should not be doing their homework for them. Second, the Government should resist pressures to support any large international diversions, at least until recommended arrangements are in place.

This is exactly what the Government had been attempting to do. The Minister of the Environment has said publicly on many occasions that decisions on water export will not be made until a national water policy is in place.

Developing that water policy is now a top priority of the Government. Within a week of receiving the inquiry's report, the Hon. Minister of the Environment presented it to his provincial colleagues at the meeting of the Canadian Council of Resource and Environment Ministers. He requested their reaction within six months. In November, 1985, the Minister similarly met and discussed the report with about 300 representatives of the environmental, non-government organizations. Following this inquiry, the Minister also established an interdepartmental water policy task force to assist him in developing the new national water policy. The task force will be reviewing the inquiry's recommendations and taking into account the views of the provinces, the non-governmental organizations and the general public. This group will be advising him, this summer, on a course of action.

In developing that portion of a national water policy on large scale water exports, there clearly are a great number of issues that must be considered. For instance, transferring water from one watershed to another or one oceanic basin to another can have uncertain ecological effects. Diversions involve significant changes to the natural environment by interrupting river flows, flooding, the transferral of life forms

and may even have the potential for changing atmospheric or oceanic conditions. These changes would impinge on land and other uses of natural resources and threaten to dislocate established communities that are dependent on them. Really, their environmental and social impacts must be considered irreversible for all practical purposes.

The question of capital investment must also be considered in such a discussion. It would be enormous and difficult to predict, given long construction periods. Moreover, capital costs could be recouped only over long operational periods. This presents additional uncertainties about cost, benefits and the future direction of technological change.

• (1820)

To aggravate the situation, there are the international dimensions of such large water diversion schemes. How do they fit into international law and established arrangements between Canada and the United States under existing treaties? The recent Great Lakes Charter, a statement of intent among the eight states and two provinces bordering the Great Lakes, is opposed to any diversion schemes. Perhaps the most important factor of which we must take note is the lack of demand at this time for our water. As the Hon. Minister of the Environment said: "The Americans are not beating down our door yet". In fact, we have not had official overtures from the United States or from any other country at this time for our water. The report of the inquiry states that: "Foreign demand on Canadian water is so far a made-in-Canada controversy". U.S. officials have continued to be indifferent to water importation schemes, which is in marked contrast to the heated public debate on this side of our border. This factor can no longer be ignored.

Later this year policy measures which emerged from the inquiry's recommendations, from provincial and public discussions and the task force will be discussed in Cabinet. At that point the position of the federal Government on water export in general, and on such proposals as the Grand Canal in particular, will be made much clearer.

To conclude, the Hon. Member for Winnipeg-Birds Hill can rest assured that the federal Government will take no action on the Grand Canal until the national water policy is clearly established and in place. That policy will recognize the very complex and controversial nature of this issue.

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I am pleased to have a minute or two to speak on this Private Members' Bill. I have always enjoyed Private Members' Hour because we hear different perspectives from Hon. Members who come from different regions of the country. I am always amazed at the official position of the New Democratic Party, which has truly become an entrenched ultra-Conservative Party. It does not even want to study any question. Rather than being opposed to studying a question, if that Party is convinced something is not good for the country, there is all the more reason to have these studies in order to verify the points they put forth so strongly. It seems to me the Government has a positive duty to study the issue so that it can be settled.

This country has always relied upon its resources. If we had accepted the position of the New Democratic Party on development, we would have no development. Canada would never have come to exist. We started with fish. That meant fish had to be pulled out of the sea, which made for fewer fish. We then moved on to beaver. We all appreciate what the beaver meant to the early development of Quebec, northern Canada and Ontario. The buffalo had its use for leather in the West. Then there was oil and gas. This country is immensely more rich and our standard of living is higher because we used and developed our resources. It seems incongruous to me that the Socialist Party seems in favour of exporting a reasonable amount of oil and gas, which is a non-renewable resource, yet is opposed to a study with respect to exporting water, which is perpetually renewable. If I had to choose, I would far rather keep our petroleum products in the ground for our grandchildren and great grandchildren than our water, which flows off and is forever lost.

I think we ought not to forget that our life-style, which is very high indeed, depends on the use of our resources. That is not to say that we should exploit those resources and destroy our environment. We very much need to spend our time studying ways in which to use our resources so that they will be available 10 generations down the road. We have much to learn. If we do not develop our resources, we might have to be prepared to see our life-style drop by 50 per cent or 75 per cent. I do not believe people are prepared to let that happen.

I personally—and we all speak personally in Private Members' Hour—see the Grand Canal concept as an enormous opportunity, just as the Lachine Canal has enhanced our standard of living and just as the Rideau Canal provides immense enjoyment for thousands of tourists and has created thousands of jobs. We have the Welland Canal and the St. Lawrence Seaway. Just think of what the Grand Canal would mean to those 4,000 unemployed engineers in the city of Calgary alone. Those engineers should be put to use. We have spent billions of dollars in a very expensive educational system, giving our young people a high level of education for which we are not providing jobs.

It strikes me as very worth while to study this project. I would stand four-square behind the study. How are we going to get $12 billion to pay for our old age security if we do not make the investment today? If we do, our children can have the jobs which will create the wealth so that they can look after us when we are old. If there had been no CPR, I for one, as well as I suppose six million other people in the West, would not be here today. When Canada was created in 1867, there were a mere three million people in Ontario and Quebec, primarily on farms. The Government had the wisdom to buy Rupert's land from the Hudson's Bay Company. It then had the wisdom to invest more money to build the CPR so that millions of our ancestors could come in and settle that great western plain.

Coming from a semi-desert area, I can tell you, Mr. Speaker, that I know what water can do. A piece of land worth perhaps $20 an acre can increase in value to $2,000 or $3,000 an acre with water. Those things have increased our standard of living so that we can afford old age security for our seniors and university education for our children.

In conclusion, I will say that I generally believe that we as a Government should be prepared to study anything which will put our people to work, which will develop this country so we can maintain a standard of living to which we have become accustomed, and which will provide a future for our children and grandchildren.

The Acting Speaker (Mr. Nickerson): The hour allotted for the consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1), this item is dropped from the *Order Paper*.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the house under Standing Order 66 deemed to have been moved.

IMMIGRATION—UNSCRUPULOUS IMMIGRATION CONSULTANTS

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in the Adjournment Debate. My question follows from a question I directed to the Minister of State for Immigration (Mr. McLean) on April 18. It concerns the whole issue of the refugee determination process with which we as a Parliament and as a Government need to come to terms. Within that framework, the Minister of State for Immigration publicly and in the House has said that he would like to rid the system of phoney refugee applications.

I think there is some degree of unanimity on that score simply because there are a great number of legitimate claims which will certainly be hampered by those which are illegitimate. The backlog is becoming serious and alarming. As you may know, Mr. Speaker, it numbers 21,000 and is rising. We need to maintain a sense of balance. If the Minister wants to rid the system of "phoney refugees", then I believe he has to come to terms with the question of phoney immigration consultants and phoney immigration lawyers. I say "phoney" advisedly. I mean those who prey on innocent individuals. They are so-called immigration lawyers who are charging exorbitant fees for services which are readily available at our immigration offices and through the normal channels here in Canada. They are individual consultants and lawyers who are using fraudulent schemes in terms of advertising in other countries about a system with respect to how people can come to Canada.

• (1830)

Once these people come to Canada, they face a reality which is very different from what it was purported to be. They face deportation. Therefore, what we have is a large number of individuals who claim refugee status based on advice and advertisements which are clearly delineated by the so-called consultants. As a last resort, these people put in a claim for refugee status rather than face deportation. A good number of individuals have given up their lives in the other country. They have sold their homes and properties. They come to Canada with the expectation that what the so-called immigration consultants told them was the truth. Much to their disbelief, they find out that there is a different reality once they come to Canada.

This issue was recently brought to light as a result of the so-called problem facing the Portuguese-Canadian community. There were a large number of individuals from Portugal claiming refugee status based on the grounds of religious persecution. If we are to react, as the Minister has, in terms of a rating system for phoney refugees, then we cannot do that without addressing ourselves to the question of phoney immigration consultants and lawyers. This is why on April 18 I asked if the Minister had the intention of offering some balance into the equation. I asked whether he or his colleague, the Solicitor General (Mr. Beatty), intended to prosecute those who are preying on innocent individuals. The Department has specific information about a number of such practices, specifically in Toronto, with regard to the Portuguese-Canadian community. There is inaction on the part of the Government in terms of putting a stop to those individuals who are using fraudulent schemes and who are exacerbating the problem of the refugee backlog.

Another interesting argument is the possibility that the Minister of State, as a result of the increasing number of refugee claimants based on the grounds of religious persecution in Portugal, will clamp visa requirements on Portugal. I raised a question in the House with respect to this matter on another occasion. Today, I submit that that is an incorrect, knee-jerk reaction. If we were to clamp a visa requirement on Portugal, we would be doing a disservice to a European friend and ally. We would be punishing the majority for what is a small minority-type problem. That is to say, of the 21,000 people who make up the backlog, approximately 1,000 of those are from Portugal. If we use the logic of the Minister of State and impose visa requirements on Portugal, which represents 1,000 of the 21,000 backlogged cases, then what are we to do with other countries which have the remainder of refugee claimants?

I am interested today in pursuing this discussion to see what the Minister of State is thinking with regard to the whole question involving the refugee problem and specifically as it relates to the Portuguese dilemma. On the one hand we need to come to grips with these consultants and immigration lawyers who are coming across with tactics which should not be tolerated. If we come to grips with them, then we will be

heading in the right direction in terms of solving the problem and in terms of limiting the number of fraudulent refugee claimants from that particular country and, indeed, from other countries. In this way we would be sending out the proper signals that we will not tolerate individuals of that kind.

I am looking for assurance that the Government will not impose visa requirements on Portugal, thereby making it the only country in western Europe with visa requirements. That is not the proper way of addressing the refugee backlog. The proper way would be to bring in a comprehensive refugee determination process that is fair and equitable to everyone and does not specifically target one country with the problem. I see that my time is up, and I look forward to the Parliamentary Secretary's response.

• (1835)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity today to expand on the reply given by the Minister of State for Immigration and Minister responsible for the Status of Women (Mr. McLean) to the Hon. Member for York West (Mr. Marchi) on April 18, 1986.

The Commission tries to investigate all sources of fraud and exploitation, and its representatives are quite willing to receive complaints from persons who feel their interests have been harmed by unscrupulous consultants. I repeat that the Commission is quite willing to hear complaints on the subject. At the local level, volunteer groups and ethnic communities have been approached with a view to setting up consultation services and stopping the exploitation of people claiming refugee status by immigration lawyers and unscrupulous consultants.

Mr. Speaker, we have been asked to press charges against the lawyers and these consultants, and we are seriously considering doing so. Under the provisions of the Immigration Act, and especially paragraph 95(*m*), persons committing an offence may be charged, and we have asked the help of many of the parties concerned in the hope that we can accumulate the evidence we need to take this route with some measure of success. In fact, Mr. Speaker, the problem often is how to get all the evidence.

Mr. Speaker, the RCMP is also proceeding with investigations in this area. We feel this is a very important matter, because it specifically concerns a group of individuals who are free and who want to opt for the freedom of coming to live here in Canada.

[*English*]

TRADE—THREATENED USE OF SUBSIDIES TO SELL UNITED STATES WHEAT TO SYRIA. (B) MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, a few days ago, I raised in the House the question of the possible sale of wheat by the United States to the country of Syria. On April 8, Syria was offered 700,000 tonnes of American wheat. No sales have yet been announced, but the Americans decided to use their export enhancement program of the Farm Bill to subsidize the sale of wheat to the great country of Syria.

Syria has been a traditional Canadian customer. When we sell wheat to Syria, we cannot use subsidies under the Canadian Wheat Board. The Government does not subsidize the export of Canadian wheat. My concern is that the Americans will go into Syria with great big subsidies and, since we do not have any subsidies at all, we will not be able to compete. We are going to lose many of our traditional markets in the country of Syria. That is of great concern to farmers right across western Canada and to Canadians in general because if farmers go broke, there will be a loss of jobs right across the country.

I am very concerned about growing protectionism in the United States and about the American Farm Bill that President Reagan signed into law last December, which adds even more export subsidies to American grain exporters and subsidizes to an even greater extent the American farmer.

I would like to put on record how the American export program, the BICEP program, works. In the last five months, there have been 11 separate sales to Algeria by the United States, totalling one million tonnes of U.S. grain. These sales were made at prices as low as $85 American per tonne. That sale occurred on February 28, 1986. In March, a sale was made at $88 American per tonne. On October 23, a sale of $103 American per tonne was made. We can see that their selling price runs from $85 to $103 American. At the same time, their sales are subsidized by anywhere from $23 per tonne to $54 per tonne.

• (1840)

The best example would be the sale which occurred on October 23, 1985. At that time the Americans sold 135,000 tonnes of grain to Algeria. The selling price was $103 per tonne and the subsidy was $54.38 per tonne. What the Americans have really said to the Algerians is that they would sell them two bushels of wheat at $103 per tonne and give them one free. How can we, as Canadians, compete against such a policy?

I know the European Common Market is not any better. The Prime Minister (Mr. Mulroney) said the other day that it was a little better than the Americans, but not much. We have two big giants, two cowboys fighting it out in a trade war—the Americans and the Europeans. We as Canadians, along with the Argentinians, are caught in the middle.

It is not only Syria and Algeria. I have figures for a number of other countries. I will give a few more examples in the short period of time I have available to me. The Americans have made four sales to Egypt, going back to September, 1985. These sales involved wheat flour, soft red winter wheat, and frozen poultry. In all cases the sales were massively subsidized. For example, in the case of frozen poultry, the Americans sold 8,000 tonnes on December 27, 1985 at $558 per tonne, and the

subsidy was $345.46 per tonne. These are official government figures which the Minister has confirmed he has in his possession.

Another example would be the sale of wheat flour by the Americans to Yemen on January 28 and on February 14, Valentine's Day. The sales involved 31,500 tonnes of wheat flour at $166 per tonne, and the subsidy was $123 per tonne. How can we compete for the market of Yemen when the United States provides such a massive subsidy?

[*Translation*]

And the other country is Morocco, Mr. Speaker. There were five sales of Canadian wheat to Morocco. The price was about the same as for Algeria: $106 per ton, with a subsidy of $20, $22, $24 and $25 per ton. Mr. Speaker, that is not fair at all.

[*English*]

Another example is Turkey. There were six sales to Turkey, going back to November, 1985. The selling price was from $100 to $115 per tonne, and the subsidies were between $18 and $38 American per tonne. Once again, how can we as a country compete?

Another example is the Philippines. Many sales were made and there were large subsidies. In the case of Zaire, there were sales of wheat flour and hard red winter wheat, again with massive subsidies.

Of course there are other countries where sales have not been made, but the Americans are trying to make such sales. One would be Syria, about which I raise a question this evening. Their sale of 700,000 tonnes to Syria represents the entire Syrian wheat market for one year. Last year I think we had about 45 per cent or 46 per cent of that market, and the Americans only had about 6 per cent or 7 per cent. They are trying to use the same program of subsidies to get into the markets of Iraq, Nigeria, Tunisia, and Benin. That is only the beginning of the list. I am convinced that they will try to use the same subsidies to go into the Soviet Union, China, and perhaps South Korea, other very good traditional Canadian markets.

I want the Government to take a strong stand with the Americans and with the Europeans. It should tell them that this kind of trade war is not right and lodge a complaint with the International Wheat Council in London. It is wrong; it is a violation of the International Wheat Agreement, if not the letter of the law, certainly the spirit of the law. The Government should raise this question at GATT and in Tokyo. It should speak out on the world scene.

Let us not be timid. Let us stand up for Canada. Canada is a great country. Let us take a strong stand for Canada against what the Americans and Europeans are doing. Otherwise, our farmers will go under. They will not survive with $3 per bushel when the Americans are getting $6. Mr. Speaker, you are from the Northwest Territories and I am sure, even though there are no grain farms in your riding, you know exactly what I mean.

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, it is a pleasure to respond to the Hon. Member for Yorkton—Melville (Mr. Nystrom). I was afraid he would not show. However, better late than never, and I would like to respond to his comments.

• (1845)

[*Translation*]

Mr. Speaker, during the 1984-85 harvest year, Syria imported 1.5 million tons of wheat. Canada has 45 per cent of this market, European countries 40 per cent and the United States 9 per cent.

In the past, the United States have always given us the assurance that their export program was not aimed at Canada's traditional markets. It was aimed at subsidized markets such as those of the European Economic Community rather than markets like ours.

We have an excellent reputation as a result of the quality and consistency of Canadian wheat exports. Our fertile soil, our inspection system, an efficient transportation network and recognized trading practices are all factors that have helped to build and strengthen this enviable reputation.

It is thanks to this reputation that we keep our customers. The selling price is one of many arguments that may tip the scales one way or another.

Mr. Speaker, the real problem is not the projected sale of American wheat to Syria, but an escalating subsidy war between the EEC and the United States.

Our Government is reacting on several fronts, Mr. Speaker, both on the international market and in our own country.

The Prime Minister is now on his way to the Tokyo Summit, where Canada has put agricultural trade at the top of its priority list. This step shows how serious this Government is about maintaining our export markets.

Earlier today, Mr. Speaker, the Prime Minister (Mr. Mulroney) met with agricultural organization leaders before taking off for Tokyo. He wanted to know their views before discussing, with the summit participants, the escalating war of grants between the EEC and the United States.

Mr. Speaker, Canadian farmers just happen to be in the line of fire, and it was precisely to help them that yesterday the Prime Minister unveiled a series of very important measures. This Government has always been a strong supporter of the agricultural community, and yesterday we made another significant contribution. The Government has decided to raise domestic wheat prices, which will now range from $6 to $11 a bushel. A special committee of the House of Commons has just launched a series of hearings on the pricing of domestic wheat. In addition, the Government has decided to freeze the farmers' share of wheat transportation costs during the 1986-87 crop year. This represents savings of $40 million for our wheat growers.

Mr. Speaker, I know that my time is running out, but I would have a lot more to say about this very important question. We have removed all federal excise and sales taxes on diesel and gas used on farms. The federal tax rebate now given to producers for fuel sold to farmers will be increased to 5.5 cents a litre, a measure which entails net savings of $165 million over the next two years. The total 5.5-cents-a-litre rebate will rise to 6.5 cents on January 1, 1987.

The Acting Speaker (Mr. Nickerson): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.49 p.m.

HOUSE OF COMMONS

Friday, May 2, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—INFORMATION KIT MAP—OMISSION OF PRINCE EDWARD ISLAND

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the people of Atlantic Canada petition this House that the Prime Minister send the Minister for International Trade (Mr. Kelleher) back to kindergarten for basic Canadian geography lessons. The Minister endeared himself to the people of Nova Scotia several months ago by telling Haligonians the Stanfield textile industry did not exist. Yesterday, zap, he wiped Prince Edward Island out of existence, and with a wave of his magic marker, added one half million more Americans in what used to be the Province of Newfoundland.

The people of New Brunswick live in frenzied fear of the next attempt by the Minister to open his mouth to change feet. The Government should shelve its attempts to promote free trade and should instead promote free geography lessons for Ministers, particularly the Minister for International Trade who has not had the common sense up to this stage at least to look embarrassed for his latest *faux pas*.

May the Minister withdraw gracefully his promotional exhibit and consign it to the nearest—

Mr. Speaker: Order, please. Sixty seconds.

* * *

POLITICAL PARTIES

BRITISH COLUMBIA PROGRESSIVE CONSERVATIVE PARTY MEMBERS OF PARLIAMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I bring to the attention of British Columbians the sleazy politics being practised by the Conservative Party. Since the election, Members of Parliament from British Columbia, and some followers, have practiced the "good cop" and "bad cop" routine on everything from fish to parks.

When the Hon. Member for Vancouver South (Mr. Fraser) supported the creation of a national park in South Moresby, the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway), the Hon. Member for Mission—Port Moody (Mr. St. Germain), and the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg) said it wasn't so. When the Minister of the Environment (Mr. McMillan) publicly supported South Moresby, the same crowd, and more, said it wasn't so.

When the Minister of Indian Affairs and Northern Development (Mr. Crombie) announced a policy of co-management in fisheries along with the new Minister of Fisheries and Oceans (Mr. Siddon), the same crowd, and more, said it wasn't so. When the Minister of Indian Affairs and Northern Development said aboriginal title was likely in British Columbia, B.C. Tories and Socreds freaked out and said it wasn't so. In fact the Tory Member of Parliament from North Vancouver dissociated himself from the Minister and told the press it just wasn't so. What is clear is that the Tory Members of Parliament from B.C. have no voice in Cabinet. They rely on saying it just isn't so, and hope that B.C. voters "believe it or not".

* * *

ENERGY

NORTH AMERICAN ENERGY ACCORD PROPOSED

Mr. William G. Lesick (Edmonton East): Mr. Speaker, as an energy-producing nation Canada must urgently consider new methods to free itself from OPEC price manipulations. The drastic decline in the price of oil has cost thousands of jobs in Alberta, which could climb to 9,000 by June if the price remains low. As we enter trade talks with the United States, we are in the strongest possible position when it comes to our ability to supply energy. Perhaps it is time for us to take another look at a North American energy accord.

Instead of falling prey to OPEC's manipulations, let us build a secure future for western Canada through new accords which secure a larger market for Canadian oil. If OPEC wants to play games with oil, let it not affect us. A North American accord could secure and create thousands of needed jobs and stimulate massive new development, especially in Alberta.

S.O. 21

• (1105)

AIRPORTS

OTTAWA INTERNATIONAL AIRPORT—OFFICIAL OPENING OF RENOVATED WEST WING

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, you will shortly see, as will all Members of the House and all Canadians, that the Ottawa-Gloucester International Airport has a new look.

Yesterday I had the honour to represent the Government and our great Minister of Transport (Mr. Mazankowski) when the Mayor of Gloucester, Harry Allan, and I cut a beautiful blue ribbon to open officially the renovated west wing of the airport in the nation's capital.

Cold, wind-blown, wet or snowy external departures or arrivals during fall or wintery days are gone. There are magnificent functional open spaces, with superb views of all tarmac activities through easily accessible glass walls; better access to all services, including direct access from the parking lot to the loading bays for business travellers with no baggage; special features for the handicapped; and a baby room for mothers or fathers with young ones.

It is not all finished. It is a little bit behind schedule, but it is on budget.

Vancouver has its world-class Expo 86. We now have a world-class airport.

* * *

NATIONAL DEFENCE

BUDGET PROJECTED BY FORMER LIBERAL MINISTER OF FINANCE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday the Associate Minister of National Defence (Mr. Andre) stated in the House that the Lalonde Budget had forecast zero growth in 1986-87 defence expenditures. He was dead wrong—again.

The fiscal plan which accompanied the last Lalonde Budget showed a projected 3.8 per cent real growth for the 1986-87 period, after one applies a 4.9 per cent DND deflator. Given lower than expected oil prices and an actual 1986-87 DND deflator of 3.8 per cent, we see that the DND budget, as projected by Mr. Lalonde, would actually have had 4.9 per cent real growth, contrary to the incorrect and incomplete impression provided by the Associate Minister yesterday; and the Conservative Government is not even meeting the NATO commitment of 3 per cent.

Furthermore, Mr. Lalonde projected total DND expenditures for next year, 1987-88, of $11.14 billion as compared to the latest Wilson projection—

Mr. Speaker: Order, please. Sixty seconds.

INTERNATIONAL ATOMIC ENERGY AGENCY

FUNCTIONS AND OBJECTIVES

Mr. Tom Hockin (London West): Mr. Speaker, I would like to remind the House of the existence of the International Atomic Energy Agency which was established in 1956. The functions of the agency are very relevant in the midst of the nuclear accident which occurred in the last few days.

The functions of the agency are to "seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world" and to ensure that nuclear energy "is not used in such a way as to further any military purposes". This is a quotation from the statute of the agency.

I would ask the Government to urge this agency to be prepared in the future to help in the case of accidents. I would also like to encourage that this agency develop more resources and procedures for dealing with accidents and, above all—

Mr. Speaker: Order, please. Sixty seconds.

* * *

STATUS OF WOMEN

ELECTION OF WOMAN AS PRESIDENT OF CANADIAN LABOUR CONGRESS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, this week a coalminer's daughter from Cape Breton became the President of the CLC. This is a truly notable accomplishment. Not only is Shirley Carr the first woman to achieve this high office, she is universally recognized as a tough but thoughtful advocate for those in our society who need a voice, whether or not they be from within the trade union movement.

Shirley came up through the ranks, understands the problems of Canadian families, and is dedicated to making Canada and the world more humane.

As a highly respected leader in the trade union movement she has established herself as a conciliator *par excellence*. I trust that the Government of Canada will both seek out and listen to the views which Shirley Carr will bring to the public debate of Canada. Her election makes Canada a better place.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, our Government's sustained efforts to boost the Canadian economy continue to bear fruit.

Among other things, five-year mortgage rates have gone down 3.5 per cent since September 4, 1984, a monthly saving of $116, or $7,000 in the case of a $50,000 mortgage.

In addition, mortgage rates have never been this low in eight years.

The Bank of Canada rate is down 3.41 per cent and the chartered banks' prime rate has declined by 2.5 per cent.

Since the Budget was tabled hardly two months ago there has been a 1.25 per cent drop in mortgage rates, while the Bank of Canada prime rate decreased by 2.5 per cent.

Mr. Speaker, this encouraging economic performance by our Government will continue and, between now and 1990, the Government's financial requirements—

Mr. Speaker: Order, please. The 60 seconds are up. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley).

* * *

• (1110)

[*English*]

AGRICULTURE

GOVERNMENT MEASURES TO ASSIST FARMERS

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, the federal Government has shown that it is willing to listen and ready to act for Canada's farmers. During a difficult time for the agricultural community, farmers have been justified in asking for measures of relief. The Prime Minister (Mr. Mulroney) has responded personally by announcing the complete removal of all sales and excise taxes on farm fuel, a freeze on grain freight rates, an increased ceiling on domestic wheat of $11 per bushel, a fast-track approach to farm debt legislation, and Canada's role of advocacy on agriculture at the Economic Summit in Tokyo.

These measures are a clear and timely response to prairie agriculture. While we know that there is more to be done to find long-term solutions for farmers, the agricultural community can count on the Prime Minister and the Government to find the answers.

* * *

[*Translation*]

ENERGY

FUEL PRICE DIFFERENTIAL BETWEEN CANADA AND UNITED STATES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the gas price gap between Canada and the United States has widened to the extent that Canadian airlines would rather buy their fuel in the United States. An analyst has indicated that fuel costs 20 per cent less south of the border. Burning more fuel on the way back to Canada because of full tanks is still cheaper than filling up in this country.

Again Canadians are losing money. Revenue losses on the Canadian market are recuperated by our southern neighbour because the federal Government's gas taxes are too high. The heavier the tax load, the higher the price in Canada and the longer our airlines will continue to buy American fuel. This anomaly is due to the Government whose first responsibility should be to put our country back on a competitive footing.

* * *

[*English*]

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—CALL FOR INTERNATIONAL INSPECTION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, we are witness to a tragedy of incredible proportions. Thousands are reported dead, tens of thousands may be suffering the effects of radiation sickness, and the 2.5 million residents of Ukraine's capital, Kiev, are threatened by the contaminated water reservoir that supplies the city. Intelligence reports indicate that there may be a second meltdown in process.

The nuclear accident at Chernobyl, Ukraine, has endangered the lives of millions of Ukrainians and people of neighbouring countries and will be felt for generations to come. Yet Soviet authorities have not accepted offers of assistance from the United States and Canada; they refuse to provide information. This callous disregard for human life and the environment must be condemned.

It is imperative that the Soviet Union allow an international team on site to inspect the damage and to provide medical and technical assistance. Every effort must be made to alleviate the suffering of thousands of Ukrainians. Continued non-acceptance of international aid is a heinous crime against humanity.

Mr. Speaker: Order, please. Sixty seconds.

* * *

THE PRIME MINISTER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, is the Prime Minister (Mr. Mulroney) somehow immunized against respect for the honesty of most Canadians or is he plagued with some debilitating disease which compels him to promise what he will not deliver, to say what he surely cannot believe, and to so frequently rearrange the facts to suit some new purpose? If so, it is a pathology of evil consequence, not because it damages his credibility for he is but a momentary player, and not just because he discredits politics, but

because he damages the credibility of our country and may in the end cost the lives and compromise the freedom of those who were promised our support.

Remember that ringing declaration at the United Nations that sanctions would be imposed and diplomatic relations broken by Canada if South Africa failed to make fundamental changes in apartheid? Now the Prime Minister says that Margaret Thatcher will lead the fight. Canada's Prime Minister has a new commitment to do a tiny little bit, only a tiny little bit.

* * *

YEAR OF INTERNATIONAL PEACE

MONTREAL MARATHON DEDICATED TO PEACE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, 1986 has been proclaimed by the United Nations as the Year of International Peace. On this occasion a group of very dedicated and highly multicultural people from Montreal, known as Park Extension Youth Organization, have decided to dedicate their annual marathon to honour this very important year for international peace.

[*Translation*]

I think these people are to be congratulated on having had this wonderful idea of inviting the people of Montreal to take this particular opportunity to reflect on the Year for International Peace proclaimed by the United Nations. We certainly need reflection in these troubled times, Mr. Speaker, and I want to offer them my sincere congratulations, because this must be the first organization in Montreal that . . .

Mr. Speaker: Order, please, the sixty seconds are up.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister. The conflict of interest guidelines provide that Ministers shall perform their official duties and so arrange their private affairs in such manner that public confidence ana trust in the integrity, objectivity, and impartiality of Government are conserved and enhanced. In that the Deputy Prime Minister has been telling us day after day that it is up to the Opposition to prove that the conflict of interest guidelines have been violated, I want to ask him the following. Is it not the job of the Prime Minister to ensure that the ethical standards of the Minister of Regional Industrial Expansion are appropriate for him to remain in his Cabinet? Is it not the Prime Minister's job?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no difference in that question from those which have been asked repeatedly over the last four days. I will simply repeat to the hon. gentleman that the Code of Conduct, as it is and has been in place since September 9, 1985, requires that all Ministers comply with that code. The Minister has complied with that code, and that is a fact which he can establish for himself simply by looking at the public records with the Assistant Deputy Registrar General.

GOVERNMENT RESPONSIBILITY

Hon. Bob Kaplan (York Centre): Mr. Speaker, on April 30, the Prime Minister said that there was what he called unproven and undocumented evidence. He referred it to the Assistant Deputy Registrar General who did not look at it. All the Assistant Deputy Registrar General did was have a short discussion with the Minister of Regional Industrial Expansion. Is there not a duty on the part of the Government, knowing the limited investigation which was done by the Assistant Deputy Registrar General, to do an independent investigation and verification of the documented in evidence which is available and condemns the Minister, under the guidelines?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I disagree with that, Mr. Speaker, particularly the last portion of the allegation of the Hon. Member. The duty of the Assistant Deputy Registrar General is to ensure compliance by the Ministry with the Code of Conduct. That is the beginning and end of his responsibility. He has done that. I am satisfied, as is the Prime Minister, that that has occurred.

APPEARANCE OF CONFLICT OF INTEREST

Hon. Bob Kaplan (York Centre): Mr. Speaker, compliance also involves an obligation to avoid the appearance of a conflict of interest. Is the Deputy Prime Minister telling the country that an Assistant Deputy Registrar General is the one who determines whether there is the appearance of a conflict? Surely not. Surely the Government—and it should admit it—has failed in its duty to provide a standard and to maintain it within the guidelines.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am saying nothing of the kind. It is the hon. gentleman who is saying those things. I am telling him repeatedly, as I have been for the last four days, that the Assistant Deputy Registrar General has a responsibility to seek compliance with the Code of Conduct. That is the Prime Minister's responsibility and, in his absence, my responsibility. I have taken the necessary steps to ensure that that compliance has been had, and I have been saying that for the last four days. Indeed, I started saying it last April 7.

[*Translation*]

CROWN CORPORATIONS

REQUEST FOR CLARIFICATION OF PRIVATIZATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would have liked to have directed my question to the Minister of Regional Industrial Expansion, but in his absence I will direct it to the Deputy Prime Minister. With respect to the sale or privatization of Crown corporations like Canadair, would the Deputy Prime Minister confirm that the recommendations of the Minister of Regional Industrial Expansion are submitted to the Task Force on Privatization and ultimately brought to Cabinet, as stated by Mrs. Margaret Rudolf, a Treasury Board official, and contrary to the what the Deputy Prime Minister declared in the House yesterday, when he said that the President of the Treasury Board was responsible?

• (1120)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member is obviously not familiar with the process. I outlined it the day before yesterday and again briefly today.

Mr. Frith: Contradicted.

Mr. Nielsen: Not contradicted at all. Let me set it on the record. First, CDIC will undertake a thorough analysis and conduct follow-up negotiations as appropriate for each of the proposals. Each will be judged objectively on its respective merits. Second, the analysis of the proprosals and follow-up negotiations will be presented to the CDIC board of directors.

Ms. Copps: Analysis?

Mr. Nielsen: —which will in turn present its recommendations to the Minister of Regional Economic Expansion.

Ms. Copps: Pay their dues. Is that the analysis?

Mr. Nielsen: Third, the Minister will then present the CDIC recommendations to the Government's task force on privatization chaired by Mr. Robert de Cotret, President of the Treasury Board.

Mr. Baker: Order.

Mr. Nielsen: Finally, if the Government decides there are proposals worth considering with a view to divestiture—

Mr. Baker: Order.

Mr. Nielsen: —the matter will be taken before Parliament for appropriate consideration.

[*Translation*]

REQUEST FOR CLARIFICATION OF PURCHASE OFFER FOR CANADAIR

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, we want to make sure that all offers for Canadair are given the same treatment.

I would therefore ask the Deputy Prime Minister to confirm whether it is true that Magna International Inc. filed its proposal to purchase Canadair with the Minister of Regional Industrial Expansion instead of filing it with the Canada Development Investment Corporation like the other prospective buyers. This question was not answered yesterday in the House. What is the answer?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am sorry, Mr. Speaker, but I believe I have answered that. There are five candidates that have expressed an interest. All five proposals will be considered in accordance with the process that I have precisely set down in my response to the immediately preceding question. All five of them will be subject to that process, which includes not only the cabinet committee and the cabinet process but also the House of Commons process.

Mr. Gray (Windsor West): Does the Magna proposal go to Stevens first?

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—INFORMATION KIT EXPENDITURES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. Yesterday he refused to answer a serious question on the propriety of the Government spending public funds on matters not yet approved by Parliament. I hope he will deal with that today.

Not long ago the Secretary of State for External Affairs, when he was Leader of the Opposition, said:

> I think that the attempt to spend public money, to manipulate public opinion on public questions that have not yet been decided, is an improper practice that offends the rights of this House of Commons.

Would the Deputy Prime Minister tell the House why this sound principle does not apply to the propagandistic, one-sided case put out by the Government in favour of free trade?

Mr. Hnatyshyn: The truth hurts, Ed.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I should set the Hon. Member straight. He knows that I didn't refuse to answer the question yesterday. The Minister responsible was here—

Mr. Broadbent: I asked you the question.

Mr. Nielsen: —and he answered. In his absence today, I will answer it on behalf of the Government. I can see no productive reason for departing from the answers he gave yesterday in response to a series of questions that were put to him on that matter. He being the Minister responsible answered fully and, I thought, very adequately.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister is either inadvertently misleading the House or he didn't listen to what the Minister said yesterday. He didn't deal with that question. He answered other questions.

When the Deputy Prime Minister was on this side of the House and the Secretary of State for External Affairs was Leader of the Opposition they both made the case that a Government of the day ought not to spend public money promoting a policy of the Government until it has been approved by the House of Commons and Parliament. Considering that was their position then, why does it not apply to the same Party when it forms the Government of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman may feel that the Minister did not answer the question yesterday. I believe he did. If he chooses not to believe that he did, that is fine.

Mr. Broadbent: Has Parliament approved the policy?

• (1125)

Mr. Nielsen: It has been part of our longstanding tradition that, while the Ministry is required to respond, the nature of that response is not open to question by opposition Members.

Mr. Broadbent: I do not know what the Minister has been drinking or eating this morning.

Some Hon. Members: Oh, oh!

Mr. Speaker: No, no.

Mr. Broadbent: I mean coffee.

Mr. Speaker: Order. The Hon. Member knows better. Just a question, please.

DEPICTION OF PROVINCES ON INFORMATION KIT MAP

Hon. Edward Broadbent (Oshawa): I hope that my last question on this will get some answer. The outrageous map which is conveyed in the same kit depicts one province of Canada as part of the United States, and totally omits another province. Will the Government at least have the decency to show consideration for the Canadians directly affected in Atlantic Canada by at least withdrawing the kit and correcting the map before it is circulated?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I will draw that representation to the attention of the Minister responsible, Sir. In the meantime I can inform the hon. gentleman that indeed I have been drinking this morning: four cups of coffee, two glasses of milk, and one glass of orange juice.

Mr. Broadbent: Then you ought to change.

* * *

THE ADMINISTRATION

MAGNA INTERNATIONAL—REQUEST FOR TABLING OF DOCUMENTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister. Due to his desire to assist opposition Members of Parliament in their responsibilities, would he table in the House of Commons all agreements, loan guarantees or grants that the Government of Canada has concluded with Magna International or its subsidiaries? Would he also table in the House copies of the minutes of the meeting of the board of directors of the CDIC which discuss the subject matter and the terms of reference of the proposed sale of Canadair? Will he table that information?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is a seasoned Member and knows that there are processes and forums which he should address in order to achieve the objectives which he wants to achieve in the House of Commons.

Mr. Deans: This is one of them.

Mr. Nielsen: The Estimates of the Ministry will be before committee and he can ask all the questions he wishes there. In any event, the detail which the hon. gentleman has outlined seems to be of a nature which would be more properly an Order Paper question.

Mr. Gray (Windsor West): You can answer that "yes" or "no".

DEPUTY PRIME MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I respectfully suggest to the Deputy Prime Minister that his continual stonewalling and refusal to provide information to the House is leading Canadians to conclude that this is a cover-up. Will the Deputy Prime Minister explain why he refuses to give important information which may remove the cloud of doubt hanging over the head of the Minister of Regional Industrial Expansion? Why does he refuse to give us that information, or is there a cover-up?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, any clouds that are around

are in the mind of the hon. gentleman and those like him who have been asking this kind of question. As an experienced Member of the House he knows that he has available to him processes which he can employ in order to achieve the objectives which he states he desires.

* * *

[*Translation*]

CROWN CORPORATIONS

PRIVATIZATION OF CANADAIR—MINISTER'S PARTICIPATION IN CABINET COMMITTEE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister, in the absence of the Minister of Regional Industrial Expansion.

Since the Minister of Regional Industrial Expansion is a Member of the Cabinet Task Force on Privatization, is it the Government's intention that the Minister sit on this Committee when it will be considering the CDIC's recommendation for privatization of Canadair?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know what are the calendar commitments of the Minister. It seems to me that the question itself has considerable future dimension because the proposals by the five candidates, as we know them today, have to go through four different stages. As far as I am aware, they are not even through the stage of the CDIC board of directors.

• (1130)

REQUEST FOR MINISTER'S REMOVAL FROM CONSIDERATION OF PRIVATIZATION PROPOSALS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, whatever the Minister of Regional Industrial Expansion knew last May, he now knows that his interests have received a very major financial benefit with the intervention of the Chairman of Magna International. Can the Deputy Prime Minister therefore explain to the House why that Minister has not been removed from all further consideration of the sale of Canadair? Mr. Stronach, the Chairman of Magna International, has been excluded from participating in meetings or receiving any information from the CDIC Board of which he is a member because of the fact his company is bidding for Canadair. Why the disparity?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman states a whole clutch of allegations as though they are absolute, beyond any shadow of a doubt, fact. I do not accept that clutch of allegations made by the hon. gentleman at all.

Mr. Cassidy: They are fact, Erik. You should know it by now.

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—COMPLIANCE WITH CODE OF CONDUCT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the same Minister. On April 30, 1986, in reply to my colleague from Humber—Port au Port—St. Barbe, the Minister said that the Code of Conduct for Ministers has been complied with by the Minister in question. I want to be absolutely clear what that means. Does it mean that from now on Ministers or their spouses are free to seek or obtain financial advantage from companies doing business with their respective Departments?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the compliance which I have stated and restated over the last four days means exactly what it means and exactly what I said, and not the twist which the hon. gentleman wants to put on it.

REQUEST FOR PUBLIC DECLARATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Deputy Prime Minister and the Minister of Regional Industrial Expansion are now aware that the interest-free loan in question was provided. In view of that, will there be a public declaration under Section 35(1) of the conflict of interest guidelines which requires that Ministers are supposed to declare a direct or indirect benefit in excess of $200? Now that we know that, is there going to be such a declaration pursuant to the guidelines, yes or no?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman's statements and the premise in the hon. gentleman's question are false.

Mr. Boudria: They are not false. He knows. We talked about it in the House.

Mr. Speaker: Order, please.

REQUEST FOR DISCLOSURE OF FAMILY'S DEALINGS WITH MAGNA INTERNATIONAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the same Minister. The conflict of interest guidelines say that public office holders have an obligation to act in a manner which will bear the closest public scrutiny, an obligation which is not fully discharged by simply acting within the law. Given that, why does the Deputy Prime Minister not require the Minister of Regional Industrial Expansion to disclose all of the details regarding his family's dealings with Magna International or any of its principals?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, compliance with the Code of Conduct requires that the Minister divest himself of his assets and place those assets in a blind trust. There has been that compliance.

Mr. Tobin: His wife is managing it.

Mr. Nielsen: The details of that trust are not public for obvious reasons. All of the arrangements made to establish the trust are public and available for inspection by the hon. gentleman and any other member of the public who chooses to inspect those records.

NATURE OF DEALINGS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, would the Deputy Prime Minister consider the implications of the principle I read to him that public office holders have an obligation to act in a manner which will bear the closest public scrutiny, an obligation not fully discharged by simply acting within the law? Will he recognize that there is a serious cloud hanging over the Minister as a result of dealings with a corporation not at arm's length from his Ministry? Will he not now require that Minister to meet that particular principle and disclose to this House of Commons and the public the nature of the dealings between his family and Magna International?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): My answer must be the same, Mr. Speaker. The requirement and responsibility are to ensure that all Ministers of the Crown comply with the Code of Conduct tabled in this House September 9, 1985. That responsibility has been discharged. The Minister has complied with that Code of Conduct.

ORIGIN OF LOAN

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the same Minister as well. Did he request the Assistant Deputy Registrar General to trace the $2.6 million interest-free sweetheart loan to the Minister's company to determine whether or not the money originated with Czapka's numbered company, Magna International, or the Hanil Banking Group of Korea?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member is an experienced Member of this House. Indeed, he is a former Minister. He knows very well that that is not the responsibility of the ADRG. Not at all. He should know better than to put that kind of question.

PRIME MINISTER'S RESPONSIBILITY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the response is quite true but does the Minister not agree it is the responsibility of the Prime Minister, and I take it delegated to the Deputy Prime Minister, to ascertain those facts so the public can have more faith in our public officials?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not propose to accept the allegations that the Hon. Member and his colleagues in the opposition Parties are throwing around with such abandon.

Ms. Copps: They are facts.

Mr. Nielsen: The Hon. Member for Hamilton East says they are facts. She has her version of the facts, I have my version of the facts.

Some Hon. Members: That's right!

Mr. Nielsen: Normally they really are not facts until they appear on the front page of *The Toronto Star* or *The Globe and Mail.*

* * *

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—ADVICE FOR TRAVELLERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Can he bring the House up-to-date on any information pertaining to the accident in Ukraine which he has received subsequent to his statement of last night? Can he explain why the information contained in that statement is still not being made available on the hot line? If you call the hot line you are still referred to the embassies of the respective countries you may be inquiring about concerning the wisdom of travelling to them.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will try to give the Member, the House and the country the full information I have. I say to the Hon. Member, and I know he is aware of this, that our information is coming in literally on the hour. We did an update last evening which indicates that Heads of Mission in Poland were to analyze the situation as to whether family members of mission personnel as well members of the Canadian community in Poland should withdraw from the country for the time being. That decision has been taken and that withdrawal is under way.

Regarding the hot line, I checked that again yesterday. The difficulty we are having with the information concerning whether or not people should travel is that we are getting it from the countries involved. We do not see danger in western Europe beyond the one I have mentioned. Further questioning would relate to Bucharest and Moscow.

CONDITIONS WITHIN 800-KILOMETRE RADIUS OF ACCIDENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am wondering why at least the information in the statement with respect to the 800-kilometre radius is not available on the hot line. What steps is the Minister taking to lean on the travel insurance industry to get them to consider the situation in those countries within the 800-kilometre radius as a legitimate reason for people cancelling their travel plans without penalty?

• (1140)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there is no question that if this Government is

erring at all, we are erring on the side of safety. That is my obligation. I regret very seriously as a Health Minister that my attempts to convey to Canadians the best health information from the Soviet authorities have not been more fruitful. I think on a world-wide basis that feeling is generally being expressed. We are trying to give whatever information we have available.

What I cannot do is give more detail from countries such as Austria. We have had a lot of questions about Austria. Our information at the present time is that it is safe to travel there. The prudence we have been expressing has been related to the 500-mile radius, or the 800-kilometre radius, and specifically Poland and the two other centres I mentioned.

SAFETY OF VISITING CANADIANS AND LOCAL POPULATION OF KIEV

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the secrecy and misrepresentations of the Soviet Government on the nuclear tragedy in Ukraine, what efforts are being made by our Government to inform visiting Canadians and the local population in the Kiev region of the seriousness of the situation? What assurances and updated information can the Minister give to Canadians with relatives in the region?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, to the best of our knowledge the Canadian consul who arrived in Kiev yesterday was the only representative of a foreign Government who was allowed into the area up to that point in time. That has been because of a lot of Canadian effort. He was equipped with emergency credit cards and other authorizations to get any Canadians out of the area.

As I said yesterday, I am advising Canadians not to go into the area as visitors. As far as the local citizens are concerned we cannot do anything about that as it is under U.S.S.R. jurisdiction, but CBC International is conveying as much information as possible. Mr. Speaker, I thank you for your patience. I am meeting with the Ukrainian-Canadian Committee today at Winnipeg at approximately four o'clock to discuss further—

Mr. Speaker: Order, please. I tried to grant you a little more latitude but it is time to go on.

* * *

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—MAILING ADDRESS OF BLIND TRUST SUBSIDIARY COMPANY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Deputy Prime Minister. I would like to ask the Deputy Prime Minister how he expects Canadians to believe that the Minister in question has put his interests and assets in a blind trust when a wholly-owned subsidiary of York Centre Corp., by the name of Highlands of King Investment Group, on a public document which we received today lists the mailing address of the wholly-owned subsidiary as one Sinclair M. Stevens, R.R. 3, King City, Ontario, Canada. How is that a blind trust in the Government's perception of what a blind trust is?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member can make her allegations. What is required is compliance with the Code of Conduct by the Minister. That compliance has been had, and I have been saying that for the last four days.

NATURE OF BLIND TRUST

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the simple fact is nobody believes the Deputy Prime Minister.

Mr. Speaker: Order, order! The Member's comment is out of order. Just a question, please.

Ms. Copps: Mr. Speaker, how can the Deputy Prime Minister expect Canadians to believe that the Minister in question has his assets in a blind trust when his wife is running one of his subsidiaries, his law firm is attached with their own offices and the telephone number is a number of other subsidiaries, and when, in fact, his own name is listed as the mailing address of one of his subsidiaries? How is that a blind trust?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I feel I have an obligation to answer questions. I do not feel I have an obligation to respond to personal insults, either directed to me personally or to others in this House.

* * *

AUTOMOTIVE INDUSTRY

JAPANESE AND KOREAN COMPANIES' INVESTMENT IN CANADA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is intended for the Minister of Regional Industrial Expansion, but anyone on the government side who is not at Expo, and I am sure there must be somebody over there to whom the question can be addressed, can answer. The Government has on numerous occasions cited with some pride the fact that $1 billion worth of investment in Canadian plants has been made by Honda, Toyota, and Hyundai, in spite of the fact there are no value added or parts purchases commitments. Will the Deputy Prime Minister tell the House how much tooling and other capital equipment, which constitutes the majority of the investment that will be made, will be sourced in Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I cannot provide that information. It is obviously the kind of detail that might find a

more appropriate response on the Order Paper, or await the return of the Minister who can respond in that kind of detail.

SOURCING OF CAPITAL EQUIPMENT AND TOOLING

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, perhaps the Deputy Prime Minister can confirm, and this does not require a complicated answer—

Mr. Speaker: Order, please.

Mr. McCurdy: Will the Deputy Prime Minister confirm that virtually none of the capital equipment and none of the tooling will be sourced in Canada, that perhaps at a maximum $100 million of the billion dollars is going to be spent to the benefit of the Canadian tooling and capital equipment manufacturers?

Mr. Speaker: Order. The Minister may want to reply, but it is difficult to find that supplementary to the first answer.

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, if I heard correctly the beginning of the first question and the second question which was related to it, I would say that Hyundai, in its negotiations with Quebec, always said that it intended to make as much of its purchases as possible in Canada. As for automobile parts, Hyundai maintained throughout the negotiations that it wanted to come as close as possible to the terms of the Auto Pact and to purchase as much as possible from Canadian suppliers. I have no reason to believe that Hyundai was not sincere and I have no doubt that it will keep to what it has already said publicly.

* * *

[*English*]

PUBLIC SERVICE

INDEXATION OF PENSIONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, in the absence of the President of the Treasury Board I direct my question to the Government House Leader. Myself and others in this House have been asking this for many months now, and since this week seems to be one for repetitive questions I ask on behalf of superannuates, RCMP and military retirees, when are they finally going to hear an announcement concerning indexation of their paid for pensions?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the opportunity of responding to the Hon. Member in the absence of the President of the Treasury Board who is on important government business today. I would like to advise the Member that there is progress being made between the President of the Treasury Board and the representatives of the people for whom he speaks and also with respect to public servants generally. The matter is before Cabinet receiving attention, and I hope it will not be too long before some firm statement can be made by the President of the Treasury Board on behalf of the Government.

* * *

NATIONAL DEFENCE

PRODUCTION OF WHITE PAPER

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I would like to direct my question to the Minister of National Defence. Can the Minister screw up enough courage and accuracy now—

Mr. Speaker: Order, order, order. The Hon. Member has been around long enough to know that personal comments such as that are out of order.

Ms. Copps: It's okay to call somebody a character assassin though.

Mr. Speaker: Order, order. Just a question, please.

Mr. Hopkins: Can the Minister of National Defence tell us now in a very clear statement when he will be issuing the long, and many times promised, White Paper on national defence, or are all the broken promises of the Government causing them to smother in their own rhetoric and confusion?

• (1150)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I could be immodest enough to say to the hon. gentleman that if he wishes to view my credentials in the courage department, I would be glad to meet him any day on that score.

As to the date of the White Paper, that has not yet been set but is being worked upon.

CONTENT OF PROPOSED WHITE PAPER

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, we know it has been promised many times. If this elusive White Paper does finally come out, will it be one comprehensive document or will it be a series of papers crafted or designed to avoid embarassing issues for the Government such as commitments to real growth in the capital budget to which it has not been commited in realistic terms since it took office?

Mr. McDermid: Wait for it.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not accept that at all. I would invite the hon. gentleman to compare the record of his own Party when it was in government for over 16 years and to view the wreckage which was strewn behind that Liberal Government over those years to the desperate point at which

the Armed Forces find themselves today. The problem we have to cope with now is trying to put things back together again after the way in which the destroyers in the Hon. Member's Party left them after 16 years.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—JOB IMPACT STUDIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns his Government's policy on free trade. Studies done in Quebec indicate 320,000 jobs are at risk. Studies done in Ontario indicate that 300,000 jobs are at risk. Would the Deputy Prime Minister explain the quotation from page 30 of the document released yesterday which states: "All studies confirm that Ontario will be the greatest net beneficiary" of free trade? Is that true, and is that the reason why the 84 studies will not be released to the public or to this House?

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I wish to tell my colleague that, unfortunately, we cannot comment on studies if we did not get them and that, in any case, both the previous and present Quebec Governments have stated that the studies are incomplete.

[*English*]

REQUEST THAT STUDIES BE RELEASED

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister with respect to the 84 studies. Yesterday, Canada's Information Commissioner, Inger Hensen, said that there is no valid explanation in existence for the Government's delay in releasing those 1984 studies. Would the Deputy Prime Minister tell the House why, in relation to all the debate which has gone in this House, he and his Government will not release those 1984 studies? What are you hiding? And are you hiding it from the west, the north, or from some other part of the country?

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Minister for International Trade gave a very good answer to that question yesterday. He said that he and the Secretary of State for External Affairs were looking at the studies and would very shortly publish those which cannot jeopardize the position of Canada in future negotiations.

[*English*]

ENVIRONMENTAL AFFAIRS

PCBS—MOBILE WASTE DISPOSAL UNIT

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of the Environment. As the Minister knows, the E.S. Fox Company in my riding of Welland has developed a state-of-the-art-mobile waste disposal unit capable of destroying PCBs. This mobile unit will be in use very shortly, perhaps this weekend, at the Love Canal site in New York State.

Would the Minister tell the House what the possiblity is for authorized use of this unit in Canada, in particular for the pollution problem site in the Niagara River?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the hon. gentleman is correct. The mobile unit in question with respect to PCBs is being put into use at the Love Canal site this summer, I believe, but on an experimental and pilot project basis. My own Department is co-operating very actively with all concerned in that connection.

The actual permissive authority as far as the possible use of this unit in Canada is concerned resides with the Ontario Government in connection with which public hearings undoubtedly would be required. My own Department would provide all the technical and expert back-up required.

* * *

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

HEALTH PAYMENTS TO PROVINCES—MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of State for Finance. Can the Minister tell us how the provinces are supposed to meet their commitments with regard to overflowing emergency rooms, beds for chronic patients, the care of senior citizens and the salaries of health care workers when they have to make up for a reduction in real terms of $8 billion in assistance from the Federal Government?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I believe this question comes in response to the Quebec Budget which was released last night. I would like to point out again to the House that the payments we are making to the provinces, including the Province of Quebec, for health care and post-secondary education, are continuing to increase at a faster rate than inflation.

STATEMENT MADE BY QUEBEC FINANCE MINISTER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I find that absolutely extraordinary. Does the Minister agree with

the statement made by the Finance Minister of Quebec, that because the federal Government owes the province of Quebec $148 million, the province of Quebec is obliged to resort to taxation to compensate for the shortfall resulting from federal cut-backs? Does the Minister agree with that? And will she meet her commitment and promise, and pay Quebec what she owes it?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think the statement—

Mr. Epp (Provencher): It was your formula.

Mrs. Finestone: No, no, you broke it. Come on.

An Hon. Member: Did you finish your question?

Mrs. Finestone: He didn't keep his word. More broken promises.

Mr. Speaker: Order.

Mrs. McDougall: I think the statement made last night by the Minister of Finance for Quebec reflects some misunderstanding of the formula which was arrived at last year. All the provinces are treated equally and Quebec received half the equalization payment. But because the Quebec economy is doing so much better, the percentage does not work out quite the way it did in the first place. But Quebec is also doing well under the policies of this Government.

* * *

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—SITUATION OF CANADIAN TRAVELLERS

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Yesterday the Minister said in response to my question: "At the present time there is not a health risk for travellers to Poland in terms of radiation effects from the nuclear disaster in the U.S.S.R." This morning *The Ottawa Citizen* announced a joint statement by the Minister of State for External Affairs and the Minister of National Health and Welfare withdrawing diplomatic staff and families because of the continuing uncertainty of the dangers remaining downwind—

Mr. Speaker: Order, please. Is there a question?

Mr. Benjamin: Will the Minister of National Health and Welfare clarify just what is the situation with regard to travelling Canadians? Will he see to it that the same efforts which are being made on behalf of families of diplomatic staffs made regarding Canadian travellers to Poland?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have said in the House, and in fact the critic for the Hon. Member's own Party has said the same thing, that if we could get more up-to-date on site information it would be very helpful. I did an update last night along with the Secretary of State for External Affairs. I can say to the Hon. Member this morning, as I did last night, that not only are we moving out families, we are contacting the Canadian community in Poland. From a point of view of prudence, we are advising Canadians not to travel to Poland at this time. That is the point we have been making since last night. What the Hon. Member is asking me is somehow at this time to be able to get IATA or international airlines also to refund money—

Mr. Speaker: Order, please. Supplementary question.

TRAVELLERS' AIRFARE COSTS

Mr. Les Benjamin (Regina West): Mr. Speaker, may I ask the Minister if he will arrange that the powers of the Government be used, since I gave people travelling on a flight to Warsaw today the Minister's advice of yesterday, and see to it that when those people have to return and are penalized with extra airfare that they obtain refunds or are allowed cancellation insurance?

• (1200)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, along with the Secretary of State for External Affairs, and I am sure the Minister of Transport, we will take whatever steps we can to protect Canadian travellers. I regret that that information has to be updated, which is what we are doing. As I have told the Hon. Member, we are doing it on the basis of the conditions and the information that we are receiving. Some airlines have, in fact, offered refunds. I cannot state today whether all airlines are doing the same thing.

* * *

POINT OF ORDER

HANSARD—TIME OF DELIVERY

Hon. Herb Gray (Windsor West): Mr. Speaker, copies of yesterday's *Hansard* were delivered to Hon. Members in their seats in the House rather than being distributed at the usual time, which is early in the morning, to their offices. With *Hansard* turning up at about 11.50 a.m. it is very difficult for Members to prepare properly for Question Period and to prepare generally for debate. I ask you, Mr. Speaker, to take steps to see that this is not repeated.

Mr. Speaker: I sympathize with the Hon. Member's concerns. We had a glitch this morning. I am trying to ensure that it does not happen again.

EQUALITY RIGHTS

On the Order: Private Members' Business

March 3, 1986—Mr. Robinson—That, in the opinion of this House, the Government should implement the recommendations of the sub-committee on Equality Rights of the Standing Committee on Justice and Legal Affairs:

(1) That all trades and occupations in the Canadian Armed Forces be open to women.

(2) That Canadian Armed Forces practices relating to the employment and promotion of women be monitored by the Canadian Human Rights Commission and that progress in revising policies in the manner we recommend be evaluated by the Commission at regular intervals.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there have been discussions between the Parties. I think that if Your Honour were to put the following draft order to the House you would find that it would be unanimously accepted. I have provided copies to the other two Parties and I have a copy for the table. It states:

That, notwithstanding any Standing or Special Order of this House, the item listed as number one on the Order of Precedence of Private Members' Business in today's *Order Paper and Notices* shall be placed at the bottom of the said Order of Precedence for the next sitting day; and

Provided that the House shall continue with the business before it at 4.00 o'clock p.m. this day until the ordinary daily hour of adjournment.

Mr. Gray (Windsor West): Mr. Speaker, this proposed order represents the results of consultations between the House Leaders. We are prepared to agree to it.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

TRANSPORT—PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, pursuant to Standing Order 99, I have the honour to present the seventh report of the Standing Committee on Transport. The report deals exhaustively with the Canadian National Railway pension system and specifically answers, in detail, certain fears and certain complaints of many pensioners of the CNR system. It also makes recommendations for future administrations of the fund.

ENERGY, MINES AND RESOURCES—PRESENTATION OF REVISED FIRST REPORT

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, pursuant to Standing Order 99, I have the honour to present the revised first report of the Standing Committee on Energy, Mines and Resources.

[*Editor's Note: See today's Votes and Proceedings*]

PETITIONS

ASSESSMENT OF CN MAINTENANCE FACILITIES—MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, you will be pleased to note that this is the twenty-first time I have been up, and the last, on petitions relating to the CN shops in Moncton. Once again this petition points out to Members of the House of Commons the fears which exist in our community with regard to the assessment currently being conducted by Canadian National. The petitioners are asking Members of Parliament to pay attention to the situation and to attempt to prevent in any way any downgrading of these facilities, which would have a drastic effect on the employment picture in southeastern New Brunswick.

REINSTATEMENT OF UI BENEFITS

Mr. Albert Girard (Restigouche): Mr. Speaker, I have a petition to present signed by citizens of Restigouche. They state in their petition that the Unemployment Insurance Commission is saying that Mr. James Bertin of R.R. 1, Nash Creek, New Brunswick, is not eligible for UI benefits due to the fact that he received vacation pay and severance pay. The petitioners humbly pray and call upon Parliament to have Mr. Bertin's UI benefits reinstated beginning with a two-week waiting period after March 11, 1986.

PRICE OF GASOLINE

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I have the honour to present a petition signed by 89 residents of the federal riding of Portage—Marquette. The citizens express their concern about federal taxes applied to gasoline. They ask that Parliament consider withdrawing all of these taxes and call a First Ministers' Conference to discuss methods by which provinces could also reduce their taxation levels.

* * *

[*Translation*]

• (1210)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 490.

[*Text*]

CONFERENCE ON NATIVE BUSINESS AND ECONOMIC DEVELOPMENT

Question No. 490—**Mr. Penner:**

1. To date, was money allocated by the Treasury Board for the proposed National Conference/Trade Show on Native Business and Economic Development and, if so (*a*) what amount (*b*) from which departments and/or programs (*c*) what amount has been expended?

Order for Return

2. What contribution agreements have been signed to date and (*a*) with whom (*b*) what was their value, in each case?

3. What contracts were signed and (*a*) with whom (*b*) what was their value, in each case?

4. What amount was received to date, for activities related to the proposed Conference by (*a*) Argyle Productions (*b*) Seneca Communications Inc. (*c*) Onchiota Corporation?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): 1. Yes, in the form of grants and contributions to the sponsoring organization.

(a) The federal government's financing ceiling for such grants and contributions is $2 million.

(b)

DIAND:	$1.5 (committed)
Other federal departments	.5 (proposed)
Total	$2 million

(c) $120,000

2. One. (a) Native Business Summit Foundation of Canada, (b) $120,000.

3. Three contracts

(A)	(B)
Argyll Business Consultants	65,000
Onchiota Corporation	65,000
Seneca Communications	65,000

4. Amounts received:

	By Contract with DIAND	From the Native Business Summit Foundation
(a) Argyll	65,000	23,000
(b) Seneca	65,000	15,000
(c) Onchiota	65,000	15,000

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 491 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 491 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

NATIVE BUSINESS SUMMIT FOUNDATION OF CANADA

Question No. 491—**Mr. Penner:**

1. On what date was the Native Business Summit Foundation of Canada established and what is its (*a*) budget (*b*) role and function?

2. Is the government funding the Foundation and, if so, in what amounts and from which department(s) and program(s)?

3. Who is on the Board of Directors of the Foundation?

4. Who is on the Executive Committee of the Foundation and are there any *ex-officio* members on the Committee and, is so, who are they?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Monday, April 28, 1986, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a Legislative Committee; and the amendment Mr. Murphy (p. 12683).

Mr. David Berger (Laurier): Mr. Speaker, the purpose of Bill C-96 before the House today is to reduce federal contributions to post-secondary education by 2 per cent as of April 1, 1986. The Conservative Government wants to take more than $8 billion away from the provinces over the next five years.

For the province of Quebec, my own province, this reduction introduced by the Conservative Government represents more than $2 billion. We have seen its effect on the Budget brought down by the Government of Quebec last night, when that Government was obliged to levy a surtax on company profits for the year 1986-87, to compensate for the potential loss in

transfer payments to the province. The surtax levied by the Quebec Government is expected to raise about $152 million during the current year, which equals the amount lost as a result of federal cutbacks.

Mr. Speaker, as far as I am concerned, this is one of the most important Bills we have had for debate in this House. Education should be at the top of the list of a national Government's priorities.

For some time, Canadians have realized, and I am sure you will agree, Mr. Speaker, that education forms the very basis of our social, economic and cultural wealth. That is why Canadians, through their Government, have provided almost universal access to the various forms of post-secondary education and the various training programs available.

Today, international competition compels us to take a very close look at the very foundation of the wealth of our society, and I am referring to education in every form, and especially higher education.

This Bill shows that the Government does not understand what is at stake. It is clear that the Government has its priorities all wrong. Instead of leading the way in post-secondary education, the Conservative Government has shown Canadians, by this Bill and by what it has done since the election for research and education, that education and research are not one of its priorities and that they are not important to the Conservative Government.

We know that this has been a rather controversial issue for many years. We also know, Mr. Speaker, the important role played by the federal Government in post-secondary education. I think we should remember the facts.

Mr. Speaker, under the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, the Canadian Government pays 80 per cent of post-secondary education costs. This is the legislation we are amending with the Bill now before the House. Pursuant to the Act, the federal Government's fiscal transfers have soared since 1977, such increases being geared to the country's rising Gross National Product. And of course we know that certain provinces did not give the same priority to education and used these federal Government funds for other purposes. It is common knowledge that some provinces spend transferred education or even health funds on road construction or other provincial priority projects.

Mr. Speaker, this situation has led to a crisis in Canadian universities and colleges, and conditions have been growing worse since 1978. The Liberal-Government-sponsored Johnson report highlighted some of the consequences of this crisis. First, the Gross National Product share allotted by Governments to universities and colleges dropped from 1.35 per cent in 1977-78 to 1.24 per cent in 1984-85. Here again this can be traced back to provincial policies, because the federal Government contributions have always matched GNP growth.

During the same period, Mr. Speaker, university and college registrations went up 27 and 36 per cent respectively, and Government assistance for basic operations rose by only 2.5 per cent in real terms. Real expenditures per student have been decreasing steadily since 1977 and 1978.

The result is obvious, Mr. Speaker—the quality of teaching is affected. The number of students per teacher is increasing considerably. Teachers cannot give the same kind of attention to their students. Equipment is getting more and more obsolete. Over the last few months and years, the situation has been described by many as close to a national crisis. I will come back to this in a moment.

After the last elections, the Liberal Government commissioned a study by Mr. Al Johnson. I would like to point out a few highlights of his report. First, he made a recommendation that is quite complex, but in essence it suggests the Federal Government should make a commitment to maintain its contributions to post-secondary education at a level commensurate with the increase in the Gross National Product and should ask provinces to maintain the same rate of increase.

Whether the Government accepts the solution recommended by Mr. Johnson or not is of little importance. What I find shocking, Mr. Speaker, is that this Conservative Government, through its actions, completely abdicates its responsibility to post-secondary education. It does not even recognize that responsibility, although it was very clearly identified by Mr. Johnson.

I would like to quote from the current Act, which is referred to by Mr. Johnson on page 4 of his report.

There is a section in the Act under which the Secretary of State (Mr. Bouchard)—who unfortunately is not here today, and I do not know if his Parliamentary Secretary is here either, although I hope he or she is—anyway there is in the Act a section under which the Secretary of State shall, and I quote:

> "as an essential and continuing indication of the interest of the Government of Canada expressed by the funding arrangements in respect of the post-secondary education financing program . . . consult with the governments of the provinces with regard . . . to post-secondary education."

In other words, Mr. Speaker, that section recognizes the "essential and continuing indication of the interest" of the Canadian Government in post-secondary education.

To show how little the Tory Government understands the essential role of the Canadian Government and of Parliament in this area, I need only quote from an article published in *Le Devoir* of February 6, 1986, where the Secretary of State is quoted as saying: "Provinces are getting federal monies but it is their responsibility to allot it according to their priorities." There is not a single word concerning the Federal Government there. But interestingly, only two months later, in an article published in *La Presse* on April 14, 1986, the same Secretary of State seemed to have learned a lot of things during those two-odd months.

The reporter Mr. Jannard quotes Mr. Bouchard, the Secretary of State, as saying:

The Federal Government has a role in education which is more than simply providing provinces with money without looking at where the funds are going—

And then Mr. Bouchard says this:

Following the growing recriminations of students, deans, professors in colleges and universities, the Minister confides that sometimes he gets rather impatient and that if the Prime Minister agreed, he would initiate discussions with the provinces which could create some frictions.

But what is going on, what is it they want? That was on April 14, 1986 and now the Government is tabling a Bill which entirely ignores the federal role played in education, which is inconsistent with the legislation now in effect and with the statements made by the Secretary of State himself. It is rather amusing to read what he said:

—I understand today the position of Pierre Trudeau or Serge Joyal who had a portfolio under the previous Liberal administration.

This is quite a reversal on the part of the Secretary of State, except that we have noted that his comments are not reflected in the Bill before us, which is inconsistent with what he said in that article only a few weeks ago.

Then what is the consequence of the irresponsibility shown by the Conservative Governement? Firstly, it is tranferring its deficit to the provinces; secondly, it is taking unilateral action without seeking the advice of the provinces. Needless to say, Mr. Speaker, the Conservative Government is also violating the promises and commitments it made during the last election campaign, but this is nothing new, because we are used to broken promises since the very first day after the last election. It is a routine Canadians are quite used to by now. They know where to stand. They will not forget those broken promises when the next election comes.

● (1220)

[*English*]

I should like to quote from an article which appeared in *The Toronto Star* on January 31, 1986, wherein David Vice, President of Northern Telecom, who had appeared before a Senate committee stated the following:

Canada needs a "dynamic, well-supported system of education, with recognizable centres of excellence" to stay competitive in the world economy—

He raised the same problem to which I referred earlier in my remarks. Also he said:

"Instead we find crumbling structures, inordinately high student-faculty ratios and poorly equipped laboratories.

The emergence in Canada of distinguished research and teaching centres—comparable to Harvard, the Massachusetts Institute of Technology, or Stanford—seems next to impossible."

He went on to say that no aspect of the solution to the country's economic ills would be more important than the subject of our educational system. He called for a reordering of priorities. In fact, he called upon the Prime Minister (Mr. Mulroney) to spend more money on education and less on other areas. As well he called upon the Government and the provinces to convene a national conference on the crisis in higher education and to work together to develop a national policy.

We see no leadership of this nature from the Government. On the contrary, as I have said, we have seen a total abdication of its responsibilities in the area of post-secondary education. We see the Secretary of State (Mr. Bouchard) suddenly awakening in the month of April and realizing the responsibilities of the federal Government in the area of post-secondary education, the vital role which it plays. He now says that he understands how Pierre Trudeau and Serge Joyal acted and felt in their day. However, we have a Bill before us which contradicts completely the role of the federal Government and the words of the Secretary of State.

In the same article it is indicated that he would take on the fight only if the Prime Minister would allow him. We can only conclude from that that it is the Prime Minister who does not give a damn about the future of education in Canada.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I have a question for my hon. colleague. I have here an editorial written by Michel Roy which appeared in *La Presse* on March 11, 1985, and which says the following:

When the existing agreements (1982-87) were negotiated in 1981 and 1982, the central Government—

In other words, the previous Government of which he was a Member.

—was doing everything in its power to reduce the massive provincial transfers. Indeed, these transfers were increasing at an incredible rate while the problem of the federal deficit, which has now reached $35 billion, was getting worse.

He wrote this in 1985.

The decision was made to limit the costs of established programs—

Since this new provision had been met by loud protests, Ottawa had agreed to extend until March 31, 1985, the tax revenue guarantee. The provinces had therefore known for three years that they would not receive the amounts they had expected for 1985-86. This was not a decision made by Mr. Mulroney and it is not a surprise for Quebec.

Naturally, it would be useful to improve the equalization system whose purpose is to bring about a more equitable distribution of revenue, to promote equality of opportunities and to ensure an acceptable level of services.

However, at a time when the central Government is launching a much needed fight against our monstrous national deficit—

A deficit which was created by the Party of the Hon. Member.

—the moment would not be appropriate for an increase in federal transfers to the provinces, which are in a better financial position than the Federal Government.

I would like the Hon. Member to comment this editorial.

Mr. Berger: Mr. Speaker, I can see that the Hon. Member is skilled in reading editorials. However, it would be nice to hear her own opinions occasionally. I can simply refer her to a graph contained in the Budget of the Quebec Government tabled yesterday evening which shows the impact of the action taken by the previous Liberal Government on the financing of established programs in relation to Quebec. We can see that there is a slight decrease over a period of five or six years, but there is a very substantial decrease up to the year 2000. I may not be expressing myself correctly, but there is a rather minimal decrease for the next few years. However, if we look

at the impact of the action taken by this Conservative Government, we find a total abdication of responsibilities by the Federal Government as concerns post-secondary education and health care.

In its budget, the Quebec Government states that the Federal Government, by applying this formula another 11 years, could also withdraw from the financing of health care.

Mrs. Mailly: Mr. Speaker, the Hon. Member has failed to answer my question. I wanted him to comment on an editorial which claimed that over the past three years, the provinces had . . . that they would not get for fiscal year 1985-86 the amounts they were counting on, and moreover that it was not the Prime Minister (Mr. Mulroney) who had made this decision, but that steps had to be taken because of the monstrous deficit, to use the author's expression.

The Hon. Member has failed to answer my question, Mr. Speaker.

Mr. Berger: Mr. Speaker, I will simply tell the Hon. Member that I do not agree with the editorial writer's interpretation of the deficit.

It seems to me that the Hon. Member for Gatineau (Mrs. Mailly), through the article she is quoting, is giving us an interpretation which does not reflect the issue as a whole. Could she indicate to us what the Government is going to do to reduce the deficit on our hi-tech products? She must certainly be aware that we are faced with a deficit of some $12 billion and that if this deficit was—

An Hon. Member: It is not relevant.

Mr. Berger: It is quite relevant. If we could eliminate this deficit, we could create in Canada some 120,000 jobs in hi-tech industries, and your deficit which you keep on mentioning would disappear very rapidly.

Mr. Prud'homme: If it is for a question, Mr. Speaker, I will yield the floor to my colleague the Hon. Member for Mount Royal (Mrs. Finestone).

• (1230)

[*English*]

Mrs. Finestone: Mr. Speaker, I would like to congratulate the Hon. Member for Laurier (Mr. Berger). He made an excellent representation which showed a very sound understanding of the issues. His constituents are certainly well served.

Does he agree with the statement made last night by the Finance Minister of the Province of Quebec, Mr. Gérard Levesque? He said:

> At a time when our population is aging and costs are going up, Ottawa was withdrawing from the financing of essential services.

Mr. Berger: Mr. Speaker, I want to thank the Hon. Member for her kind words. I will pass them on to my friends. Of course I agree with the Minister of Finance from Quebec. He is a Liberal. He has his priorities well placed and he knows what he is talking about.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Berger: He has been in the National Assembly for 25 years. Unfortunately we do not have much of that kind of experience in this House of Commons. We have just heard from some of these rookie Members who obviously have not woken up to the realities of life in this country.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I should like simply to ask my hon. colleague, since there are going to be other debates this afternoon, if he could define what some people call consultation. What does that mean in his mind, because this is what provincial premiers have been complaining about? What does consultation mean in his view?

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his question. Perhaps I should reply to him by saying instead what consultation is not.

I would like to remind Hon. Members of the House about the words of another great Liberal of this country, the Premier of Ontario, who stated, during the Federal-Provincial Conference in Halifax, in reply to the Prime Minister (Mr. Mulroney), and I quote:

[*English*]

> I think it takes an unbecoming amount of temerity to unilaterally break an agreement we are all counting on.

This was just before the following indignant Mulroney counter:

> I would think it takes an unbecoming degree of temerity to suggest we are any less committed to hospital beds or schoolrooms—to these noble promises than anyone else.

The Premier of Ontario put the Prime Minister of Canada in his place very quickly by saying what I quoted earlier:

> I think it takes an unbecoming amount of temerity to unilaterally break an agreement we are all counting on.

We know how the Prime Minister can be so eloquent. He has the gift of the gab as we say back home. He refused to call this a cut. Mr. Peterson said:

> You don't call it a cut. You could call it a breach of faith. You could call it breaking a promise.

Mr. Boudria: Tories break promises?

Mr. Berger: As Gertrude Stein once said: "It is a rose by any other name".

Mr. Bill Kempling (Burlington): Mr. Speaker, I join the debate on Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act. Under the terms of Part VI of the existing Act, the federal Government provides financial

assistance to provinces in respect of health care and post-secondary education. These provinces receive substantial federal financial support because of the national interest of these vital services. As previously stated by government Members, this Bill will result in a more moderate and sustainable rate of increase in Establishing Programs Financing in future years.

I would like to respond to the allegations that EPF transfers have been reduced. Let us be clear about this from the outset. Federal transfers will not be reduced this year or in any other year. They will increase and increase substantially. While actual increases will depend upon economic performance and population change, these transfers will grow about 5 per cent each year. We consider these increases to be fair and reasonable. This 5 per cent average growth rate of increase in EPF over the next five years will be greater than the estimated 3.2 per cent average annual increase in federal programs expenditures generally. As you know, Mr. Speaker, according to the budgetary program we are going to hold Government expenditures to an increase of 3.2 per cent across the board. In this instance, the transfers under EPF will be 5 per cent.

Total EPF transfers over the next five years are expected to amount to over $90 billion or about $25 billion more than over the previous 5 year period. The EPF transfer this year will amount to $16.7 billion. This is expected to rise by roughly $1 billion each year to reach a total of about $20.6 billion by 1990-1991. These increase should allow provinces to improve health care and post-secondary education services.

The legislation provides that the contribution will be determined in the same manner as before, except that effective April 1, 1986, the escalator will be reduced by 2 percentage points for 1986-87 and subsequent years. That reflects the drop in inflation to its present level. Fundamentals of EPF have not been altered by this legislation. Under the terms of the Established Programs Financing Arrangements, provinces receive equal per capita federal contributions. Increases in the transfers are linked to growth in the economy as reflected in the gross national product figures and to increases in the population of each province.

The federal contribution is not determined by provincial expenditure. I mention this only to caution anyone labouring under the impression that the old pre 1977 cost sharing arrangements for provincial medical care, hospital care insurance and post-secondary institutional operating costs are still in effect. This approach was rejected in 1977 by both levels of Government in favour of the present arrangement.

• (1240)

This Bill should come as no surprise. It is an integral part of the Government's fiscal program and implements an important decision announced by the Government some time ago. Members will recall that in November, 1984, the Minister of Finance (Mr. Wilson) released an agenda for economic renewal which said in part that if the federal Government is to contain its expenditures in general it is appropriate to ask whether transfers to the provinces should be insulated from policies of restraint. In the Budget speech of May, 1985, the Minister of Finance said the following:

> To spread the burden of expenditure reduction fairly, the Government will also be seeking to limit the rate of growth of transfers to provinces to yield annual savings of $2 billion by the end of the decade. There will be no absolute reduction in federal transfers. Even after this adjustment, federal transfers to provincial governments will grow significantly over the balance of this decade.

To slow the existing EPF growth rate a number of proposals were discussed with the provinces. The Minister of Finance consulted with his provincial counterparts throughout 1985 immediately following the May Budget, and with the first Ministers in September, November, and December. Anyone who says that there has not been consultation is not aware of the facts. There has been a substantial amount of consultation with the provinces over that period of time. This legislation reflects the outcome of these extensive consultations.

The EPF provides clear and compelling evidence of the importance the Government attaches to quality health care and post-secondary education and to our country's medical and academic communities. Moreover, the support provided through EPF is augmented substantially by other federal expenditures on students' education, training, health research and so forth. The Department of the Secretary of State and the Departments of National Health and Welfare and Indian Affairs and Northern Development, among others, are involved in augmenting federal support for education and health.

The Department of Finance is also involved in helping to defray the costs faced by the infirm and elderly, and in assisting students through various provisions of the Income Tax Act. We all became familiar with that when we reviewed the recent Budget of the Minister of Finance. The federal Government's support for health and post-secondary education is wide-ranging and comprehensive.

I want to emphasize the significance of federal transfer payments, both as an integral element of the Government's comprehensive deficit reduction program and as a vital bridge to national reconciliation. Federal cash and transfers to the provinces total roughly $27 billion. These transfers are not only large, but have been growing rapidly and will continue to increase in the years ahead. Over the period from 1957 to 1986 these transfers have increased at an average annual rate of nearly 17 per cent. The comparable figure for Canada's GNP over the same period is just under 10 per cent. Further increases in EPF of this magnitude simply could not be sustained.

To secure economic growth in Canada and to provide jobs for Canadians the Government has consistently sought to encourage private initiative to improve the effectiveness of government and to control the national debt. Public debt charges are growing in size and gaining in momentum. If allowed to roll on unimpeded, they will threaten our very ability to contribute to the vital social services Canadians now

enjoy. We should all remember that we can only provide what we can afford.

To bring the growth of debt under control the Government has confronted the difficult job of reducing expenditures and increasing revenues in a fair and balanced way. The recent Budget is just the latest of a series of steps taken to reduce the federal deficit, primarily through expenditure reductions. Slowing the rate of growth of EPF transfers is part of this plan.

This legislation cannot be reviewed in isolation. It must be seen in the context of the hard economic and fiscal circumstances which compel Parliament to consider these measures. Given our limited resources, indeed, given a lamentable legacy of living beyond our means, I would argue that the annual increases of about 5 per cent are fair and even generous, and that $90 billion over the next five years represents a significant federal contribution to the betterment of health care and post-secondary education in Canada. I am satisfied that this legislation is both fair and equitable.

I would like to conclude my remarks by making three points. First, I suggest that the change is fair and reasonable because no balanced and comprehensive deficit reduction program could exclude transfer payments. Federal transfers to other levels of Government constitute a large portion of the total federal expenditures. If transfer payments were excluded from the imperatives of Government restraint, other programs in areas of exclusive federal jurisdiction would have to bear an unreasonable and disproportionately heavy burden of restraint. Of course, as I indicated earlier, we are in a position of reassuring provincial Governments that EPF entitlements will continue to rise in each and every future year and that EPF increases will actually exceed the average annual increase accorded to federal programs over this whole period. As I said, the average federal program, as was set forth in the Budget, will be allowed to increase by about 3.2 per cent and these transfer payments will increase 5 per cent over the next five years to a total of $90 billion.

The second point I want to make is that it can be demonstrated that this change is an equitable way to proceed, and that all regions and provinces are being treated equally. Unlike equalization payments which give important supplementary financial support to benefit those Canadians who reside in less wealthy provinces, EPF entitlements will continue on an equal per capita basis and will provide basic support for services to all Canadians regardless of where they live. No province will be affected any more or any less than any other under the terms of this legislation.

The third point I want to make, Mr. Speaker, is that we have provided for an orderly transition. A national goal of $2 billion in annual EPF savings by 1990-91 will not be achieved by abrupt and radical reduction imposed overnight. Provincial governments have been given adequate and advance notice and an adequate opportunity to adjust to these new arrangements. The dynamic fiscal arrangements and mechanisms developed over the years between the federal and provincial Governments have evolved in response to changing economic conditions and to allow provinces to meet the changing social needs of their residents.

Circumstances today dictate that Canadians rightly demand a balanced and comprehensive program to limit and control federal expenditures. Surely it is essential that the growth of transfers be modified to bring the rate of increase more in line with other federal expenditures. I believe that we have done so in a way which is both fair and equitable.

I ask all Hon. Members to reflect seriously upon these remarks. I look forward to a fruitful discussion both here and in committee. I respectfully ask that Parliament give its consent to these measures so that we may proceed to put in place the arrangements now widely anticipated.

• (1250)

Mr. Deputy Speaker: Questions or comments.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his contribution to this debate. He talked a lot about the federal Government's financial problems, problems of which we are well aware. He did not, as far as I could tell, address the essence of the problem here, which is our university system. Is he concerned about the crisis in our universities today? Does he recognize, as the Johnson report pointed out, that Government support for universities since 1977-78 has increased by only 2.5 per cent? Compare that with the fact that enrollment has gone up by 25 per cent in universities and 36 per cent in community or other colleges. Is he concerned about this problem? What ideas does he have about it? What choices would he offer to the provinces? Should they close universities or raise tuition fees? What is the roll of the federal Government? Should it just say, as it is doing now, that it is going to cut its spending and they can deal with the problem? Does he feel that is a satisfactory way for a national Government to deal with national institutions?

Mr. Kempling: Mr. Speaker, the whole country knows we have a very serious deficit which we have to contain. Everyone has to play a part. If we believe the comments of the hon. gentleman we would have to believe that the administration of the universities is perfect, that provincial financial administration is perfect, and there can be no further savings or efficiencies. I know from my own experience in business how to bring things into order. He knows that from his own experience as well.

Certainly we are concerned about the universities. The quality of university graduates is one of my major concerns. However, when we look at the over-all problem we have, it is incumbent upon us to do whatever we can to effect efficiencies in federal expenditures.

As I said, EPF transfers were growing at a rate of 17 per cent annually. We have now said that federal Government expenditures, which were growing at a rate much higher than 17 per cent a year, are now going to grow at the rate of 3.2 per

cent a year. We are going to keep the increase in transfers to 5 per cent. We are going to give the provinces $90 billion over the next five years. Given advance notice, knowing how much they are going to get, the provinces can plan accordingly and take care of the concerns which the Hon. Member has raised.

Mr. Benjamin: Mr. Speaker, the Hon. Member for Burlington (Mr. Kempling) talked about efficiency in the universities and hospitals. He talked about $90 billion over the next five years. The 1977 formula provided for increases in line with the GNP which is projected to increase between now and 1990 at a rate of 7 per cent. The Hon. Member bragged about an increase in transfer payments of 5 per cent. Under the old formula there would have been a transfer of $97.7 billion instead of the $92.1 billion which they will now get, a cut of more than $5 billion. We all know that the universities and hospitals have pared themselves to the bone financially as a result of pressure by both federal and provincial Governments. How does he reconcile that with what he said about this being a fair proposition?

Mr. Kempling: Mr. Speaker, in financial matters you have to keep your eye on the apple all the time. Our objective in the budgetary proposals is to bring the deficit in line. We have today probably one of the best health care systems in the world, bar none. We are going to see to it that it stays that way. We believe that management and nurturing of the resources directed towards our health care and educational systems can be improved.

We think we are being fair with this formula. It has been agreed to by the First Ministers and provincial Ministers of Finance. The old 1977 formula has been thrown out the window. I think this is a fair and equitable way to proceed to address the problem. The problem is to reduce our deficit to the lowest possible level within the guidelines as set by the Minister of Finance. If we do that, it will be to the benefit of all Canadians.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme). A question or comment.

Mr. Prud'homme: Certainly, Mr. Speaker.

I have listened quite attentively to the Hon. Member, as I always do when he rises in the House. Because he is so knowledgeable about not only the federal administration, but also the various provincial administrations, I should like simply to ask him—

[*English*]

I will ask him in the language he is more familiar with about which services he would suggest that provincial Governments cut; emergency health departments, cancer research programs? We all know he understands very well the difficulties of provincial Governments. He is saying we must go down the avenue of cutting these payments. Would he also be willing to make suggestions to various provincial Governments as to how they should put their houses in order?

Mr. Kempling: My friend has been in this House a good number of years. I greatly respect his views. With all due respect, he knows very well that it is not our responsibility to tell the provinces where and what to cut. We make transfer payments to the provinces under specific arrangements. We are telling them that they are going to have $90 billion over the next five years and it is up to them to cut the cloth accordingly. I know the Hon. Member does not seriously expect us to tell them to cut this health service or that health service or reduce this university course, or whatever he has in mind. That is not our responsibility. We have put forward what I believe is a reasonable proposition. It has been discussed in great detail with the provinces. I think by and large it has their agreement and concurrence.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock today.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, it is a little more than four years since we first debated the infamous Bill C-12 in this House and in the parliamentary committee. That was the Liberal Bill that six and fived transfers for post-secondary education and health care. I remember that debate particularly vividly because I was post-secondary education spokesperson at the time for the New Democratic Party. The Conservatives were then in opposition and joined with me in deploring this cut-back in transfers for education and medicare. The Hon. Member for Kingston and The Islands (Miss MacDonald), who has a university in her constituency, the renowned Queen's University, was particularly outspoken and critical of the then Liberal Government's disastrous policies in the area of post-secondary education and, in particular, their six and fiving of the transfer payments under the Established Programs Financing arrangements. There were certainly at least two dozen members of the Conservative Party, many of whom are still in the House, who joined the Hon. Member for Kingston and The Islands and myself in denouncing the Liberal Government's lack of care and concern about post-secondary education.

Here we are today, just over four years later, with Bill C-96 before us, which hands out even more drastic cuts in the financing of post-secondary education and medical care than did Bill C-12. We have this Bill coming forward, and many other members in this Party have already alluded to this, which no matter how you look at it constitutes real cuts in the funds intended for these purposes. Of course there will be some increase, but the increase there would have been had this Bill

not been put in place would have been, by the end of this decade, something in the order of an additional $5 billion to the post-secondary institutions in this country. It seems to me that that is a cut. If you would have gotten $5 billion and you do not get it now, that is a cut, far more serious actually even than the six and fiving of the increases back in 1981-82.

Those very same Conservatives who argued about the importance of our colleges and our universities to the young people of this country and to the future of this country seem to have lost their voices. Since the election of September, 1984, I do not think I have read a single speech from any of those Conservatives, or, indeed, from any Conservative, including the Prime Minister (Mr. Mulroney), on this subject of the importance and the value of our colleges and universities. There may have been one that escaped my notice, but I cannot recall a single speech about our young people and their education.

I wonder if the Government really has its priorities in order. I wonder if this has been a lapse that they have not addressed these issues, or whether they have just decided that these are not significant and important matters.

On the one hand the Government has been saying that we have to have economic growth, economic development, new secondary manufacturing industries and new knowledge based industries if we are to have a strong economy at home and to be internationally competitive. Indeed, the External Affairs Minister's Green Paper on Canada's international relations has the first words in its title, "international competitiveness". The whole thrust of that part of the Government's economic policy has been to make Canada internationally competitive with nations such as Japan, for example. Certainly that would seem to be, judging from everything the Government has said, a very high priority of this Government. I accept that it is, but if it is, then why in the world has the Government said nothing about helping to provide to the young people of this country the knowledge and the skills that are absolutely essential if its goal of Canada being internationally competitive is to be realized. It is sheer folly to talk about a knowledge-based society and do nothing, or very little, to ensure that that knowledge is developed, expanded for the enrichment of the individuals concerned, of course, but for the enrichment of the whole society and for the salience of Canada on the world scene. I hope during the course of this debate someone on the Government side, because there are some university academics on the Government side, will talk about what has happened under the Liberals to our universities and colleges and what will happen under the Conservatives if legislation such as we are discussing today is passed.

• (1410)

Another aspect which I believe should concern us all, additional to our providing for a real knowledge-based society, is that cuts like this, following on the cuts we had with the six and five program, will increasingly make our university and college system the preserve of the wealthy. That is already happening as a result of past actions of the Liberals. It really breaks our hearts when we talk to people in our ridings who care about education to see almost the same situation as in the 1940s or 1950s. These people feel there will be no chance of their sons and daughters getting to college or university because of the increasingly prohibitive costs. We cannot cut back on public funding of education without having to raise tuition fees and limit enrolments. We cannot do that without our having to say to our young people: "I am sorry. You are going to have to finance an awful lot more of this yourself". If they are lucky enough to get into college or university, they come out with a debt of perhaps $30,000. I know families where the thought of taking on a debt of $30,000 is unthinkable. They cannot see that as a real option for them.

We are already going back and we are going to go back even farther to where we were three decades ago in terms of accessibility to our colleges and universities. We are restricting accessibility with admission increasingly going to the haves and being denied the have-nots, whether on the basis of income or region because, of course, in some regions the situation is worse than in others. Surely we are going to hear something from the Government as to whether or not education, and I am emphasizing post-secondary education, is a human right in this country. This is a country rich in history, resources and talent, native talent. I have always argued that talent is randomly distributed throughout a population. It is not just lodged with those who have means. That Canada, of all countries, would deny the basic human right of an education, is intolerable.

In addition then to my first argument, that if we are going to live in the new information society, which is highly knowledge based, we must prepare our young people for it, my second argument is that even if that were not the case, there is a basic human right to education at all levels in Canada. Therefore, accessibility must remain or become once again a fundamental principle in the funding of our education system.

There is a third point I would like to raise today in this debate. If we continue these cut-backs, which I may say are having a drastic effect on our graduate schools as well as our undergraduate and professional schools, we are going to lose talents we have already developed in the past. It is becoming increasingly difficult for a young person who has achieved a PhD to continue doing his research in a university or, indeed, in any other atmosphere. He is simply not getting those opportunities. He is driving a taxi or doing something else.

Indeed, the numbers of young people in our graduate programs are drying up. If we could just cast our vision ahead, say, five or six years, we will find, as many experts have pointed out, that we will not have the young people ready for university and college teaching and research. We are going to need them and we will not have them. Those who are able to do that today and cannot get jobs because of all the cut-backs are going to lose all the knowlege and talents they have developed. Then there will be no more teachers following them. Certainly by the mid-1990s, Canada, as it did many, many years ago, is going to have to again import all its skills

because it will not have developed its own or kept in tune those who have recently been in graduate schools.

I feel it is just not good enough to say: "Well, this is a provincial responsiblity. Let the provinces do it". For one thing, I do not believe the provinces, and my own province especially, are all that concerned about a knowledge based society. Nor do they care about that. However, apart from that it is not a good thing to leave it only up to the provinces, because education is a national matter. Indeed, with respect to the papers on international competitiveness of the Minister for International Trade (Mr. Kelleher) and the Secretary of State for External Affairs (Mr. Clark), education becomes a matter of international importance if Canada is going to play a significant role in trade, diplomacy and politics on the international scene.

When we debated Bill C-12 four and a half years ago almost all of us at that time, and I refer particularly to some Hon. Members of the Conservative Party, realized the significance and importance of post-secondary education, research, libraries and laboratories, of accessibility of young people and of their basic human rights. I think we all realized that then. That is why we were so outraged by Bill C-12. Where are those voices today when our outrage should be even greater, given the much greater impact on the universities and colleges of Bill C-96? This Bill means that billions and billions of dollars will not go toward building the type of society we used to say we wanted to build. This is the case whether we talk about the young people, the academics, the libraries or the laboratories. I ask Hon. Members to take another look at what we are doing. I ask them to undo it before it is too late.

• (1420)

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Gatineau (Mrs. Mailly).

[*Translation*]

Mrs. Mailly: Mr. Speaker, in her speech the Hon. Member showed that she feels very strongly about education, which is not surprising considering the extensive experience she had when she was, I believe, President of Simon Fraser University. Am I right? However, I have a question.

Is it not true that under the system of fiscal transfers we are discussing today in this Bill, a contribution is made by the federal Government to the provinces, according to a specific agreement, and that it is up to the provinces to use these funds according to their priorities?

In other words, if a province decides that education is a high priority, and it should be, as the Hon. Member said so eloquently, then why, despite the fact that we are going to contribute even more money through these fiscal transfers—we are reducing the rate of growth but not the total amount we are going to grant the provinces, the provinces themselves decide what their priorities are . . . According to the Constitution, education is a provincial matter. The federal Government is not responsible for ensuring the quality of education. We help with the financing.

So I do not understand why the Hon. Member seems to be making the federal Government responsible for the future of education in this country, the future of our teachers, and all this when in fact it is a matter that falls under provincial jurisdiction.

[*English*]

Ms. Jewett: Mr. Speaker, I thank the Hon. Member for her question. I would like to remind her that Parliament accepted some responsibility for higher education years and years ago.

Ms. Mailly: Some!

Ms. Jewett: No, a great deal. Even before that our original grant system to the universities of the country did not go through the provinces. I speak now of the time after the Second World War when these funds went directly to the institutions. We made it clear then that federal spending took precedence in the field of post-secondary education, a field of such national and international significance.

Later, when we revised the system to a shared cost system it was done on the condition that the provinces spend the money on the purposes for which it was granted. This is a system we dropped in 1977. It was a conditional system and it should never have been dropped. Members of the New Democratic Party were the only ones who said it should not be dropped. The other two Parties in the House did not feel the same way about the issue and it was dropped. After that the provinces had to spend the money on its intended purpose or else they would not receive it.

I also remind Hon. Members that although some people said this was unconstitutional no one, including Mr. Duplessis, ever challenged in the courts the exercise of federal spending power. I think that is a significant point. Thus, I cannot accept the Hon. Member's argument that only the provinces should be concerned in this matter. It has never been a case of just the provinces being concerned.

I would point Hon. Members to what we did for the veterans after the Second World War. We instituted the most marvellous program ever instituted by any country. It was done strictly with federal funds. This, of course, applies to the post-World War II era. I agree that prior to that we did not have as much responsibility. However, no one was involved prior to that time. Our educations were paid for privately. It was only when we all realized that this was a public need and a basic human right that Governments became involved.

One of the great things about the Canadian educational system is that it does not have extremes. It does not have lousy little universities at one end and Harvards at the other, but we have some excellent institutions. I refer to Laval, Montreal, UBC, Toronto and so on. It is because we have had such a large public concern regarding education that we have such a high class system. All I am asking is that we continue to have such a system.

Mr. Tupper: Mr. Speaker, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) pays the House a minor disservice when she says that there are few members of the Government speaking out in support of education and research. In fact, I believe she said that she could not recall a single speech in this regard. I would point out to her that the present Minister of State for Science and Technology (Mr. Oberle) and his predecessor have spoken out on many occasions, both in the House and elsewhere, in support of the importance of science and technology and in support of education and research. The same is true with respect to the Hon. Member for Guelph (Mr. Winegard) and the Hon. Member for Nepean—Carleton (Mr. Tupper). So there are many government Members who appreciate the value of post-secondary school education. They know what it can give to the country and they are supportive of it.

Having said that, I would like to ask the Hon. Member a question. Between the time she was President of Simon Fraser University and today would she share with Members of the House what proportion of funding for post-secondary school education in her province is in fact being used for that purpose and how much is being used for the building of roads?

Ms. Jewett: Mr. Speaker, perhaps because the Hon. Member is new to the House he does not know that I have probably been the most critical British Columbian of the Socred Government in British Columbia for not having passed over to colleges and universities all of the increase in funds, such increases as there were. British Columbia, unlike other provinces, has a terrible record in this regard. I have criticized this trait since time immemorial and I continue to criticize it. The proportion of funds from the provincial budget which is directed to health and education is decreasing. I believe it is the only province in which this is happening.

Having said that, the point I am trying to make, and the one which I am trying to emphasize, is that there should be a system of accountability. There used to be such a system. In debate on Bill C-12 the Tories joined myself and other members of the New Democratic Party in saying: "Let's have a system of accountability". Up until 1977 we had such a system. When I mentioned Conservatives not speaking out in this regard I was referring to those Conservatives who were so exuberant in their speeches four years ago. The Hon. Member for Nepean—Carleton (Mr. Tupper) was not in the House at that time. I mentioned specifically the Hon. Member for Kingston and the Islands, since we had such a terrific campaign going against the six and five program back then. What has happened since then is that I do not see any demand for accountability being made by members of the Conservative Party. Will someone from the Conservative side rise to say: "Yes, the system was better prior to 1977 when one could not get a dollar unless one spent it for the purposes intended"? Will someone please say that we are going to have a system of accountability?

• (1430)

The only thing we won from the Liberals in 1984 was that the provinces were to table annually how they spent the money. It was a declaratory policy but not a real policy of accountability.

Mr. Thacker: Mr. Speaker, I would like to ask my friend opposite if she would be prepared to acknowledge the substantial difference between what happened a couple of years ago when the 6 and 5 was brought in, at a time when the inflation rate was 12 per cent to 15 per cent, and what is happening now with the present Bill which will transfer an additional 5 per cent, at a time when the inflation rate is 4 per cent. That is a substantially different situation than the one of two years ago.

Ms. Jewett: Mr. Speaker, later in the day, one of my colleages will bring the particular figures before the House. I do not have the exact figures in my mind right now. Generally speaking, although what the Hon. Member has said is true, that the inflation level was much higher then than it is today, it appears as though the six and five program was a more serious and damaging policy than the present policy in Bill C-96. However, the Hon. Member will find that the actual loss in dollars between now and 1990, should this policy be passed and stay in place, will be double or triple the actual loss under Bill C-12. We can provide the actual figures but, since I do not have them in front of me, I will leave it for the moment by saying that the difference between what was lost under the 6 and 5 program and what will be lost under Bill C-96 is in the billions of dollars.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, Bill C-96 before the House today does not reduce fiscal transfer payments to the provinces. It merely moderates the rate of growth of these payments, and it is important to make this distinction. Up to now, Opposition Members have been talking about cutbacks and reductions, and also about a lessening of our responsibility with respect to the provincial areas to which we contribute. The truth of the matter is, Mr. Speaker, that Bill C-96 moderates the rate of growth of these payments but does not reduce them. In fact, they are going to increase.

According to the legislation, the annual average growth rate of EPF transfers over the next five years will be about 5 per cent. The federal Government expects to transfer to the provinces more than $90 billion in cash and in fiscal support, in other words, in total EPF tax points during this period. Conversely, transfers totalled about $65 billion over the last five years. It is therefore erroneous, Mr. Speaker, to say that we are reducing our commitments to the provinces. On the contrary, this is a clear indication of the Government's commitment to provide substantial support for provincial health and education programs.

EPF transfers help to finance provincial programs such as hospital insurance, health insurance, additional health care

and grants for post-secondary education. The provinces allocate funds according to their own priorities, as I said earlier to the Hon. Member for New Westminster—Coquitlam (Ms. Jewett). To give some idea of the amounts involved in these transfers, Mr. Speaker, I would like to quote a few figures.

For the fiscal year 1985-86, federal transfers to other administration levels amount to $20.1 billion in cash payments and $7.2 billion in tax points—a total of $27.3 billion. Mr. Speaker, cash transfers account for 19.4 per cent of all federal outlays, which is another way of saying that they are a major federal expenditure.

Needless to say, the revenues which make it possible for the central Government to spend money come from the same working taxpayer who pays his or her share of provincial taxes as well. We must keep everything in perspective when we say that 19.4 per cent of all federal outlays are earmarked for such fiscal transfers: they represent the third largest Government expenditure, after the public debt service and program expenditures.

Over the past 18 years, Mr. Speaker, since 1957, these transfers have been increasing at an annual rate of 18 per cent, whereas Canada's Gross National Product yearly growth has been slightly below 10 per cent. Mr. Speaker, this is one factor which the Opposition is prepared to gloss over, for under the formula we are supposed to take the GNP growth into consideration. And yet these expenditures have been increasing at a much faster rate than the GNP in the last 18 years. Disregarding for a moment the cost of servicing the national debt—our huge national debt which is the source of so much concern and which, as it happens, forces us to slow down the growth of these transfers—transfer payments rank first among ever increasing federal expenditures.

Even so, Mr. Speaker, Established Programs Financing is not the main provincial transfer program, not by a long shot. However, it is the one where costs have increased the most these last few years. This involves a payment per capita to the provinces which covers approximately 50 per cent of the expenditures of provincial Governments for, as I have already noted, health insurance, hospital insurance and the operational costs of post-secondary education institutions. EPF transfers have increased based on the growth rate of the GNP during the previous three years in relation to population growth.

Based on present projections, they would increase by over 7 per cent a year during the next five years under the existing formula. To make savings and reduce the deficit, this growth will be reduced by 2 per cent. This will result in savings of $2 billion in 1990-91, but this will not begin this year because the previous formula has been maintained for 1985-86. We are beginning this year. In 1990-91, there will have been a $2 billion savings, which will help to reduce the deficit. The rate of growth will be reduced only slightly and will remain much higher than inflation or the rate of growth of the economy.

Therefore, Mr. Speaker, I must emphasize that we are not reducing transfer payments to the provinces. To say so is incorrect. EPF transfers will continue to increase quickly, at a much higher rate than other program expenditures of the federal Government. Provincial transfers will amount to $90 billion during the next five years, which is $25 billion more than during the five previous years. It is therefore a canard to say that we are reducing these expenditures.

Our commitment to health care and post-secondary education is stronger than ever. These transfers, which will represent nearly half of provincial expenditures, will continue to be paid into the provincial coffers. It is to the advantage of all Canadians that the provinces provide health and education services while showing some financial responsibility.

In this context, Mr. Speaker, I would like to speak about the Quebec provincial Budget tabled yesterday in which the Finance Minister said that, according to his own figures, since he had been expecting a rate of growth of X per cent and X million dollars, there would be a shortfall of $2 billion because of this bill. He has announced that, to compensate, he would impose a surtax on business.

There might be some expectation that the Federal Government will say: "That is really too bad!" However, for my part, I find it really too bad to use this type of creative accounting because the Provincial government has known since November 1984 that the new formula would mean a lower rate of growth.

In addition, Mr. Speaker, we have done much to improve the financial conditions of provinces generally. For example, we are aware of the fact that some of them are in underdeveloped areas of the country. They are subjected to financial constraints similar to those of the federal Government. We are also aware that Quebec has to reduce its expenditures. Incidentally, Mr. Gobeil, the provincial Treasurer, said quite adequately in his statement a few weeks ago that they have to reduce their deficit and such is the objective of the budget introduced yesterday. We are aware of their conditions.

However, we should not forget that it is specifically because we are conscious of the problems of have-not provinces that an equalization system has been set. I realize that the opposition often confuses both. I think that even yesterday, the Quebec Minister of Finances confused them. The equalization system and fiscal transfers are not the same thing. Equalization payments are made under a formula to be reviewed. In the past, the provinces were not consulted about how to come up with such a formula, but we are to do so now.

When we conclude a new agreement in 1987 at the expiry of the present one, we will consult the provinces, as we are now doing, about perequation payments which are quite different from transfer payments. They should not be confused.

The provinces will also enjoy substantial increases in their revenues during the next few years as a result of measures announced in the May budget and in view of the fact that tax revenues increase to the extent that our economy is growing.

We often meet with laughter when we keep repeating about the 580,000 jobs created. We also meet with laughter when we suggest we have the lowest interest rates in 8 years. However, Mr. Speaker, it is because we are moving with fiscal and financial responsibility that there is now the kind of interest rates that allow average Canadian families to buy homes. Hardly two years ago, rates were hovering around the 22 and 23 per cent mark and people were losing their homes.

Mr. Speaker, the move in this legislation must be viewed in the context of our overall financial responsibility and our commitment to put our affairs back in order.

Concerning the deficit, Mr. Speaker, I quoted earlier for the benefit of the Hon. Member for Laurier (Mr. Berger) an editorial that appeared in *La Presse* over the signature of Mr. Roy, who seems to be a sensible individual. He had this to say, and I quote:

Since that new provision met with violent protest—

He was referring to the amendment to the formula used by the Federal Government. And for that reason—

—Ottawa agreed to extend to March 31st, 1985, the fiscal revenue guarantee. This means that provinces have known for three years they will not be getting the amounts they were expecting for fiscal 1985-86.

As I mentioned before, he also added the following:

Mr. Mulroney did not make that decision. And it is no surprise to Quebec.

I want to repeat that because yesterday, in the Quebec budget, there was an attempt at imputing motives to the Right Hon. Prime Minister (Mr. Mulroney), motives that are not his.

Therefore, Mr. Speaker, I would like to conclude by suggesting that this legislation fits into the framework of our overall fiscal responsibility.

Up until now, we have already seen the positive results of all the steps we took in that economic area. As I said, we have seen job creations, lower interests rates, our goals for deficit reduction were reached, and we have a program for reducing the deficit. It is very well known, Mr. Speaker, that without deficit reduction, without lowering of our national debt that is a heavy burden on the Canadian Treasury, we will not have the required economic recovery.

It is absolutely necessary for the provinces as well that this economic recovery and expansion should take place, because they also need at the federal level a sound fiscal environment and responsible policies. Indeed, they suffer a lot, just as individual taxpayers naturally do, when interest rates are high. They suffer again enormously when the unemployment rate is high and when people end up on welfare after having used up their unemployment benefit entitlement.

• (1440)

Therefore, the purpose of this Bill is to enhance the future of our social programs, the financial responsibility of our Government and our country, and the full development of our potential.

Mr. Speaker, this Bill should not be considered as an *ad hoc* measure, in a void, but in the context of very serious, determined and even courageous programs, judging from the various responses. We can read about it on the front pages of newspapers when people act responsibly, just as we can read about it when others act irresponsibly, as Members of the Opposition often do. Courage was therefore required to take steps such as these.

Mr. Speaker, I find it deplorable when Members of the Opposition, anxious to hit the healines, use slogans and criticism which are so simplistic that they really obscure the reasons for introducing this Bill in the first place.

To conclude, Mr. Speaker, I should like to ask my hon. colleagues of the Opposition to refer this Bill to the proper legislative committee as soon as possible, so that we can deal seriously in committee with a some aspects of the legislation which perhaps might be improved upon. I urge them also, instead of moving more amendments seeking to postpone for another six months or a year the referral of this Bill to the proper committee, to send it at once to this committee for serious work and consideration.

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

Mr. Prud'homme: Mr. Speaker, I shall be very brief. Is the Hon. Member aware of the fact that the purpose of the amendment calling for a six-month delay is to enable us to get a clearer picture of the situation? I understand that we might be able to improve the Bill in committee, but experience in the past 18 months has shown us what happened with any attempt to improve bills in Parliamentary Committees. I chaired one of them, and I did not take part in the vote. But no substantial amendment moved by the Opposition, if my memory serves me right, by either party was accepted.

In suggesting this six-month delay, we are therefore trying to give the Governments that will be directly involved a chance to make a last appeal to the Federal Government.

Would the Hon. Member therefore not agree to give the Government a chance to postpone for six months the implementation of that Bill in order to allow it to better scrutinize the impact of the Bill? There is for instance a new recently elected Government in Prince Edward Island, whatever its political colour may be. This new Government will now have to review the financial books of the province and will want to know the impact, the possible benefits, what the expected benefits were and what they will be now. It is therefore not just for the sake of delaying things that we—like the other party in this House—are calling for a six-month postponement. We are indeed trying to enable the main parties involved to come to grips with the situation. There is evidence of this in the budget tabled yesterday by the Government of Quebec which said: Look, we are going to bring in new taxation of $148 to $152 million, if I

remember correctly, unless the Federal Government curbs its plans.

So would the Hon. Member, a Minister to be someday for sure—everyone hopes so—would the Hon. Member like—

An Hon. Member: It took a while in your case.

Mr. Prud'homme: You see, I have already got smiling faces all over the place, but I also have sad ones at the same time, because if she is appointed, someone else will not.

However, having said this as we are on a Friday afternoon, I would not want the Hon. Member for Blainville-Deux Montagnes (Mrs. Landry) to be sad because the Hon. Member for Gatineau (Mrs. Mailly) is considered by some as a possible future Minister, but I ask the Hon. Member for Gatineau if she would care to comment on the aim and goal of the "six months"? Would the Hon. Member care to comment on those "six months"?

Mrs. Mailly: Mr. Speaker, the Hon. Member knows full well that in the Parliamentary process a bill referred to a legislative committee can be amended in some minor way but not in substance. If a bill has been introduced in the first place, it is because it is part of an established policy on a given subject. That is when its main thrust was discussed. When it comes to the committee, the general direction of the Bill cannot be changed.

I am sorry that he mentioned the Bill on employment equity. I had the privilege of sitting on that committee which he chaired, very well I would say, and we were able to make very useful amendments. But you cannot expect to change a Bill drastically. Such is the Parliamentary process.

As to the situation in Prince Edward Island, Mr. Speaker, I would like to say to the Hon. Member for Saint-Denis (Mr. Prud'homme) that the provinces can use the money as they see fit. Consequently, it is up to the new Government to set its priorities according to its needs. We are not to be the victims of a change of circumstances and, besides, Mr. Ghiz seems to be a very responsible person. He will know how to make the necessary choices to ensure that education and health in his province are adequate for his taxpayers.

Mr. Boudria: Mr. Speaker, does the Hon. Member for Gatineau (Mrs. Mailly) remember that during the election campaign the Conservative Party made a number of promises and I have them here, Mr. Speaker—

[*English*]

I have them in this little book entitled *"338 Tory Promises"*. Out of those promises, 113 were to spend more money; five promises were to spend less money; 2 promises were to increase revenues and 26 promises were to decrease revenues. Does the Hon. Member recall those promises? Does she recall that the Government promised to reduce the revenues to the provinces, or does she remember, like I do, that the federal Conservative Party promised at page 29, Article 6 in the *"338 Tory Promises"* to consult with the provinces, groups, individuals and the health care professionals in making improvements to the system? If the Hon. Member recalls that promise, how can the Government make improvements to the system by taking away the money?

• (1450)

Mrs. Mailly: First, Mr. Speaker, we are not taking away the money, as I said before. We are reducing the rate of increase of the payments. Second, I do not know which book the Hon. Member is referring to. I do know of one book because I was the executive director of our national policy advisory committee and we published a good book which contained solutions to the problems that the Liberal Government had created. I remember that book. I do not know which book the Hon. Member is referring to.

Mr. Boudria: It is a book of 338 Tory promises.

Mrs. Mailly: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had a very good chance to observe the work of this Chamber when he was a staffer on the Hill. He knows that in this House we like to keep a high level of discussion on serious matters. I am sad to see that he is sinking again to little high school tricks. I would have thought that by now he would have grown in maturity in this House in exercising, if only his lungs. Rather than discussing these matters seriously, he wants to bring up the same old chestnuts.

In the book we prepared for our campaign we said that we would bring fiscal responsibility to this country, and we have. We said that we would create jobs, and we did. We created 580,000 jobs at the last count. We said that we would reduce interest rates because they were very harmful to low income families, to small property owners, to small businesses and to the whole economy. We have done that. Interest rates are at the lowest level in eight years. I believe the interest rates are now under 9 per cent, Mr. Speaker. We also said we would bring a better climate of relations between the federal and provincial Governments. We are doing very well, except it seems the Government in Quebec, which is a Liberal Government, seems to be picking up where the federal Liberals left off when they were fighting with the previous Quebec Government. I deplore that.

[*Translation*]

Mrs. Mailly: I think that it is really regrettable. We had succeeded in establishing a climate—not by agreeing to everything—whereby we could talk in a civilized way with the provinces, but now that Liberal Governments are being elected in the provinces, we are back to square one. It looks like the Federal Liberals have passed all their bad habits to the new provincial Governments who are now starting the bickering again.

[*English*]

Mr. Boudria: Mr. Speaker, I have a supplementary question. In reply to the Hon. Member when she was wondering what the source of the Tory promise was, that particular

promise came from a 46 page policy manual for Tory candidates known as the *Pocket Politics 1984*. I know that the Tories want to forget about their promises of 1984, but we in the Liberal Party are going to remind them of those promises. Those are the commitments by which this Government was elected. It is those rules under which the Government is going to be held accountable.

Finally concerning the quality of debate, I have no lessons to take from a Tory as to the quality of debate. This is a Government laden with conflict of interest, patronage, cynicism and broken promises. I take no lessons from the Tories.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: I do not want this to be taken off my alloted time for answers.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) has the floor.

Mrs. Mailly: Well then, I will use up my time.

This Hon. Member has shown precisely, what I said earlier, that he is immature and uncivilized.

Mr. Boudria: Is that so!

[*English*]

The documents the Member mentions, I repeat, Mr. Speaker, were solutions to problems that had been created by the previous administration over 16 years of mismanagement. We are doing our best trying as quickly as possible to remedy these problems. I think the Hon. Member, rather than associating himself with the previous Government, should be trying to give a new look to his Party, a much better one than he is trying to give.

Mr. Boudria: I can't give it a worse look than it has right now.

Mr. Deputy Speaker: Order, please. Resuming debate.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak to Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary and Health Contribution Act. I would like to be able to say that this Bill is wonderful and will provide endless opportunities and hope and a chance for our country's children to be able to dream the dreams which we used to dream. I would love to be able to say that the Bill reflects the commitment and involvement of a very concerned Government elected by majority vote. Sadly, I cannot do that. I would like very much to be able to say that this Bill will respond to the concerns of the growing number of elderly in our society who will have increasing health needs. I would love to be able to say that this Bill will respond to the changes through high technology which will bring good medical care to all citizens across the land. However, there is no equity or equality in this Bill. It will certainly cause a diminution in the services which we will be able to offer to our youth, our older citizens, and the sick in our society. I find this to be a very sad Bill.

• (1500)

The Government has made cuts to youth job-creation programs. The Government tried to deindex old age pensions. It partially deindexed family allowances, and it cut Katimavik. Now the Government is cutting back on funding for our universities through transfer payments to the hospitals. It is cutting the potential for the delivery of proper health services.

I listened to the Member across the way with a degree of sadness. I do not think she understands the total impact of this Bill. While she recognized that increased dollars are being spent, she did not recognize that there is a massive increase of dollars which are not going to the provinces. Later in my remarks I will indicate that if I were in her shoes I would be most discomfitted to have spoken about the leadership in Quebec in the way in which she did. I think that is very poor judgment on the part of a Member of the federal House.

In 1984 the Leader of the Tory Government said: "Long-term job security and job creation for Canada's youth is a priority of the Progressive Conservative Government". The Member may not like to hear those promises. May she choke on them unless they are fulfilled. With over half a million young Canadians tragically unemployed we are crippling our future abilities as a nation. The Prime Minister (Mr. Mulroney) promised "jobs, jobs, jobs". The Member ensured that we recalled that the Government created 500,000 jobs. That would be lovely if they were full-time jobs which met the a growing needs in the market. The youth and adults of the country believed those promises. However, we have had a great deal of cuts with regard to permanence.

Education is the key to the future of Canada and our young people. They are inextricably tied. If our youth are properly trained and educated to face the future, Canada will be the beneficiary. If our youth gain the required education they will, through their imagination and intelligence, be stimulated to think, invent and produce, and to make Canada's economy much stronger and healthier. Not only will our economy be stronger and healthier, Mr. Speaker, but so will the entire Canadian population. Our culture, values, and quality of life will be enhanced by exposing our youth to post-secondary education.

Statistics have indicated that the level of one's education indicates the level of one's potential achievement in society. The higher the level of education, the better the chance of becoming successful in today's society. Much of our future is in the hands of our youth. If we are to be competitive in the future, we must have well educated young people. Our young people must be given access to post-secondary education. What legacy will be left to our young people with the application of

the policies in this Bill? I do not think they augur well for the future.

If we want to enhance and express our Canadian cultural dimension and exclusivity, we must train students to become far more qualified. As we move toward bilateral trade and free trade it is key that Canadians know, see, hear, and write about who we are. We must put great emphasis on post-secondary education because we are being invaded by American television, books, programs, and advertising. If we do not want to become the fifty-first state we must invest in post-secondary education for the development of professors, educators, artists, writers, and film makers who can express what is indigenous to Canadians. We must transmit our heritage and culture with a great deal of pride and sensitivity. If we do not promote that excellence we will not carry it on. It is vital that we enrich our natural heritage and reflect our societal values through the post-secondary level of education.

As we examine the global village, let us look at the international scene and compare our degree of competence and productivity to that of the Americans, the Europeans, and the Japanese. In every instance we do not compare well. If we want to compare well, we must invest in education and research and development in order to become competitive in the international scene. Let me turn to the situation which the Americans are facing as a result of a lack of emphasis and money spent on education.

In America's largest cities, 8 per cent of those entering the workforce test out as functionally illiterate. They cannot read at a fifth grade level. We can ill afford a repetition of that in Canada. The average American 17-year old learns half as much mathematics as the average Japanese 17-year old. Given such science and math scores it comes as no surprise that Japan produces twice as many engineers per capita as the United States and that with twice as many engineers on the payroll Japanese products seem to be better engineered.

In America, test scores, both for those leaving high school and going on to college and for those leaving college and going on to graduate school, have fallen 10 per cent in the last 15 years. It is sad that this is the role model we follow. America once had a labour force with educational ability equal to that of the best, but no longer is that the case. West Germany, Japan, and many other small countries far surpass the United States because they put their energies into the field of education. In Canada we have not yet reached these tragic figures.

For these reasons I urge the Government to reconsider this Bill and to take it back for more thought, study, and consultation. We want to have the best and the brightest in this country. We want to give them the fullest of opportunities. Through the transfer reductions in this Bill, education funding will be cut. The provinces expected to receive an 8 per cent increase in funding from the Government of Canada in cash and tax points. They will now receive an increase of only 6 per cent. The provinces will receive less than they had anticipated and planned for. That is the reality.

My hon. colleague in the New Democratic Party, who was previously the President of Simon Fraser University, spoke in a very thoughtful and considered way about the history of the development of post-secondary education. I will not go into that area. Over the years both provincial and federal Governments have cut funds for post-secondary education. It is time that stopped. Enough is enough. We cannot afford the consequences of poor quality university education.

• (1510)

In 1986-87, Quebec will experience a shortfall in transfer payments of $82.3 million. It will be $174.9 million in 1987-88, escalating to $277.2 million in 1988-89, $389 million in 1989-90, and $512 million in 1990-91. If it continues the way it has been presented in this Bill, Quebec will suffer a loss of $647.6 million in 1991. The total cumulative loss over those six years will be in excess of $2 billion for post-secondary education and health care. Tell me, if you are a provincial Minister of Finance or Premier, how on earth are you supposed to be able to fulfil your commitments to *M. et Mme. Tout-le-Monde* and the province's youth? I would like to know. The Hon. Member for Gatineau (Mrs. Mailly) seems to know better than the Premier and the Minister of Finance of Quebec. She ought to offer her services as a consultant to the province. She says there is no impact on the province. She feels that because Monsieur Lévesque is a Liberal Minister of Finance, he is not really aware of the consequences of what he is talking about. I find that utterly disgraceful.

By 1991-92, these cuts proposed by the Conservatives will mean a loss of $8 billion to the provinces. The Conservatives object to calling this a cut. When I get $8 billion less than I expect to get I call that a cut, even if it may be a decrease in the amount of increase that I am getting.

How should the provinces make up for that loss? Should they cut the number of hospital beds or emergency departments? Should they cut health care for senior citizens? Should they cut cancer research programs? Should they close hospitals down? Should they force senior citizens and the handicapped to pay user-fees? Should they close down universities? Should they reduce the number of educational departments? Should they terminate all research at universities in the field of high technology, which we need to give us the degree of excellence required? Should they close professional schools such as medicine, dentistry and architecture? The University of Toronto has just closed down its School of Architecture. Should we close down the computer and high technology departments in our universities? Should we close down good research programs? Should we increase tuition fees? Shall we eliminate scholarship grants? We of course do not have to consider P.E.I. and some of the Atlantic provinces because the Conservatives just dropped them off the map. We now have a few more dollars to spend. A wonderful way to save money. Let us take into consideration what the Quebec Minister of Finance, M. Lévesque, had to say about this and how the Premier saw the issue. What they have said is—

[*Translation*]

Bill C-96 will cost Quebec $2 billion in six years. The federal legislation, and I now quote Claude Picher from the Montreal newspaper *La Presse* of Friday May 20. He said the following:

In the province of Quebec, Bill C-96 will result in a shortfall of some $2 billion over the next six years.

The main purpose of the Bill is to reduce federal contributions to the financing of health and post-secondary education programs. "It makes no sense", said the Quebec Minister of Finance.

For the past nine years, federal transfers have increased from year to year at the rate of growth of the economy. Ottawa wants to change the formula so that the increase in its contributions will be the same minus 2 percentage points.

This proposal has brought about a real confrontation. In his budget documents, the Quebec Minister of Finance speaks bluntly about the "inconsistency" of the budgetary proposals of the Federal Government.

That is to say, the Conservative Party opposite.

Thus, he recalls, Ottawa made a commitment last year to withdraw from oil and gas taxation in the producing provinces. By 1990-91, that measure will represent a revenue loss of $3.9 billion for Ottawa, that is more than twice the amount of cuts to be made that year in all provinces, in the health and education areas.

Incidentally, it shows the priorities of this Government. He goes on to say:

In Quebec alone, for 1986-87, the Bill will result in a shortfall of $82 million.

In the same breath, the province of Quebec strongly objects to federal cuts in equalization payments.

I will not go into the details because the lady gave us a background on the matter. In fact, equalization payments are also at stake and there was no consultation, Mr. Speaker. This Government says it is always prepared to consult, to improve the climate of federal-provincial relations, but suddenly, without any warning, the decision is made without consultation. Mr. Speaker, there is a lesson to be learned from this.

[*English*]

In the Atlantic region this has had a very serious impact. I am sure my confrères will discuss that. Health care is a very serious responsibility. During the 1984 election campaign, at a Quebec Conservative caucus meeting held in Sherbrooke, the Conservative Party promised to respect the federal obligation to finance health care in the provinces through EPF funding. They would provide additional funds to the provinces on a parity basis to create and enhance those programs identified by a national conference of provincial Ministers of Health as the ones most likely to improve the general health of Canadians. They would limit the cost of the system in the long run. All I can say is that I do not know where the consultation was, but it certainly has not been heard or seen by most of the Ministers. I am sure they would love to know when that meeting took place. What will the provinces do? Will they impose user fees? Is that what the Minister of Finance wants? Are our universities going to go down the drain? Are they going to charge more fees?

• (1520)

Let me say in conclusion that the formula prescribed in the 1977 Act, which will be amended by Bill C-96, provided that provincial transfers for post-secondary education and health care programs would increase at the same rate as the GNP. The provincial Governments used to plan ahead and develop five-year plans on that basis. The time has come for a little leadership. We should not throw away our investment in our universities and our belief in the universality of health care in a fit of absence of mind.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I want to thank my colleagues for listening today to the debate on post-secondary education and health care financing.

It is too bad that Opposition Members, and especially the Liberals, seem to want to make this a political debate by introducing the overall equalization agreement the federal Government has with the provinces.

I don't know whether we can talk about collusion with the Quebec Liberal Party, but in any case, yesterday the Quebec Minister of Finance blamed his tax increases on the federal Government.

An Hon. Member: It's the same gang.

Mr. Leblanc: Exactly. I could not agree more with my colleagues who said "it's the same gang". It is really too bad.

Yesterday, the Quebec Minister of Finance tried to confuse people by having them believe that the Quebec supplementary tax was due to cutbacks in transfers between the federal Government and the provinces. I think it is petty of them to put the blame on another Government. They should first set their own house in order and try to administer the province, because, as a Member from Quebec, I know the province has a lot of potential and can develop a lot quicker than they think, and that it does not have to blame the federal Government.

As far as transfers are concerned, Quebec will be receiving more than $9 billion from the federal Government in 1986-87. This transfer will cover equalization payments and established programs financing.

The sole purpose of Bill C-96 before the House today is to limit the growth of transfer payments. For established programs financing alone, Quebec will receive over $4.3 billion in 1986-87.

The growth in funding allowed under the new legislation will, over the next five years, mean $1.2 billion more than would have been the case without any increase at all.

When Opposition Members, especially the Liberals, say that we are reducing funding in this area, they are wrong. We are increasing funding and increasing it quite a bit, and we are aware of the needs of Canadians and we are showing this by

helping the field of education. And that is why we will continue to increase, not reduce funding.

What a lot of hypocrisy on the part of the present Opposition, which would have the people of Quebec believe that the federal Government and the Conservatives are nasty people who make nasty cutbacks. They are wrong, because we are increasing our funding, and I will explain a little later how we are doing this.

Mr. Speaker, the average increase over the next five years will be 5 per cent per year. This is a lot more than the increase in the cost of living, and also a lot more than the increase in our Government's general expenditures. Mr. Speaker, our expenditures increase about 3.6 per year, and here we are granting an increase of about 5 per cent a year. So imagine when someone says we are cutting back and we are nasty to the provinces and callous about areas such as education and health care. That is totally false, so much so in fact that we are making an additional effort by increasing it more rapidly than we do our own federal Government Budget. I am sure Quebecers and Canadians in the other provinces will agree that we are doing more than might be expected, and that they will ignore these claims of the Liberals who are again trying to score political points and confuse the whole issue related to this Bill.

Although the Minister of Finance (Mr. Wilson) had to give serious consideration to limiting the growth of transfer payments for Established Programs Financing when he made his November 1984 economic statement and delivered his May 1985 Budget address, it is a fact that Quebec will be getting more over the next few years. For example, in 1986-87 Quebec will receive about $250 million more for Established Programs Financing.

The difference will become obvious if I give some figures: 1986-87, for example, $4.328 billion; 1987-88, $4.563 billion; 1988-89, $4.798 billion; 1989-90, $5.37 billion; and 1990-91, $5.277 billion. Any way you look at it, this is not chicken feed. It is a lot of money, and nobody can argue with that. The evidence is there, these are official Government figures. Financial education assistance is going up regularly every year. The Hon. Member for Mount Royal (Mrs. Finestone) said earlier that we are cutting back, that we are not aware of costs for training teachers, and so on. That is utterly false. We will proceed at a faster rate, considering the means we have.

Several Opposition Members have been trying to make people believe that we are cutting back, I repeat—I will quote from another table I have here. Among other things, $3.1 billion for health in 1986-87; $3.2 billion in 1987-88, and here I make a distinction between health and welfare versus education to clear up the record and contradict my Liberal colleague from Mount Royal who stated a moment ago that we are reducing transfer payments for education. Well now, for education alone: $1.2 billion in 1986-87, $1.3 billion in 1987-88, and $1.4 billion in 1988-89, or $100 million more a year for education. The picture is the same in the health sector, so let us not distort the facts.

The Opposition seems to forget all the agreements signed by the federal and provincial Governments. During the electoral campaign, we said, and someone spoke about promises a while ago, that we would make sustained efforts to bring about a reconcialiation with the provinces. There used to be constant conflict. No progress was being made between the provinces and the Federal Government. It was essential to find solutions to be able to work together maturely. In this regard, for instance, there have been agreements between the Quebec Government and Canada. For tourism development, $100 million have been invested by the Canadian Government in co-operation with Quebec. This is very important and we wanted to co-operate in this regard. For industrial development, $350 million; for communication businesses development, $40 million; for cultural materials, $40 million; for forestry development, $300 million; for scientific and technological development, which was mentioned earlier and where research has come to a standstill, $100 million; for transport development, $177 million. This adds $1.2 billion to the $9 billion mentioned earlier. Just imagine! The Opposition says that we are not co-operating with the provinces, that we want to reduce transfers for education, and so on. This is absolutely false. I want to tell the people of Quebec who are listening to me that we are making sustained efforts and that we shall have a healthier financial management because of this cooperation. It will be even more economical since we are saying: Here, Quebec, you must administer such or such a sector and we shall administer another, which means that the administration costs will be lower and that there will be more money for development, research, education and health care.

As for research and development, under the Liberal administration, money was being spent. There is nothing easier than to spend money, and the quality of the service used to be evaluated by looking at the amount of money spent, even though there is often very little relation between the two.

After being in the private sector for 15 years, I know that you can sometimes accomplish a lot with very little money. This is not what was happening before. Millions, hundred of millions and even billions of dollars were being spent haphazardly and wastefully because the Government did not take the time to make a careful study and to evaluate how this money should be spent.

We consulted the provinces, universities and large businesses and told them: How could we co-operate on research and development? For example, should research be done in universities? Should we undertake basic research or look into areas which could yield a profit as soon as possible? This is where the big difference is. It has been shown that, with less money, we have created more jobs in less time. This is the intelligent way to spend our money. This is how public funds should be administered. And it is important when the opposition seems to suggest that decreasing expenditures mean inferior results. It is absolutely false. We have evidence to that effect. In a few months, there will be 1 million more workers in

Canada. A million is a lot when we consider that there are 26 million inhabitants in Canada.

Mr. Speaker, that is what I wanted to explain today because it has become a political debate and it should not be so.

Mr. Speaker, with respect to the financing of established programs, the federal Government has acted in co-operation with the provinces, contrary to what the opposition has been trying to make us believe. I have made inquiries and I can tell you that we have extensively consulted the provinces.

In November 1984, for example, soon after the elections, there was a meeting of the Ministers of Finance. The question of a ceiling on the growth of programs was dealt with as it is in Bill C-96 and the Ministers of Finance are fully aware that the federal Government in order to control the deficit has introduced the bill now under consideration. There were two, three or four meetings with the Ministers of Finance and with the premiers to see how the distribution would be made. Now, they should not tell us that there was no consultation, because there was a lot.

This is the reason why, Mr. Speaker, I have risen today to support Bill C-96 and I am convinced that the provinces will readily accept it if they are well-informed.

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Mount Royal (Mrs. Finestone).

• (1530)

[*English*]

Mrs. Finestone: Mr. Speaker, I notice that the Hon. Member has made the speech he wanted to make so he can have it printed and distributed. However, that does not mean it is perfect in its content. I would like to ask the Hon. Member two questions. First, does he or does he not agree with what the Finance Minister of Quebec said last night in his Budget Speech, and I quote:

> Bill C-96, now before Parliament, will also deprive the province of funds for post-secondary education and health care—At a time when our population is aging and costs are going up, Ottawa is withdrawing from the financing of essential services.

Does the Hon. Member agree or disagree with the Finance Minister of Quebec?

[*Translation*]

Mr. Leblanc: I am definitely not in agreement, because I feel he did not understand. That is the problem. He did not understand we are making tremendous efforts to foster education. He did not understand, because there is an increase rather than a reduction, we are still increasing that at the rate of 5 per cent a year over the next five years. Since he is not here to defend himself, I will not insist too much because this would be talking about somebody who is absent from the House. But I can tell you that I do not agree, and above all I have a feeling there is some connivence between you and him.

An Hon. Member: Quite right, yes.

Mr. Leblanc: As I had an opportunity to know you, I know you worked for this party in the past, so I am hardly in a position actually to—

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Hon. Member for Montreal-Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, I submit the Hon. Member in his comments, as he will see if he reads them over, in absolutely out of order. It is just as if we were accusing them of conspiring with the Parti Québécois during the last election. I think that is not in keeping with the quality of this debate.

Mr. Deputy Speaker: That may not be relevant to the debate.

[*English*]

The Hon. Member for New Westminster—Coquitlam (Ms. Jewett).

Mrs. Finestone: Am I not entitled to a supplementary, Mr. Speaker?

An Hon. Member: No, that's enough.

An Hon. Member: That's enough, Sheila.

Mrs. Finestone: He has already put his feet in hot water. All right.

Ms. Jewett: Mr. Speaker, I will not get involved in these political wrangles, for the moment anyway.

Mr. Jourdenais: Have you anything to say?

Some Hon. Members: Oh, oh!

Ms. Jewett: On the political wrangling? New Democrats are above that. I want to ask the Hon. Member for Longeuil (Mr. Leblanc) how he can actually say there will not be decreases. We all know that there will be 5 per cent increases. However, we also know that the increases would have been substantially more if we did not have this Bill. What the Bill is doing is cutting back on what would have been increases. I will just give one example.

The Speaker is not paying any attention anyway.

Mr. Jourdenais: Again I have to say he knows you have nothing to say.

Ms. Jewett: Excuse my back, Mr. Speaker.

According to the Finance Department, in the Estimates of November 1985, the province of Quebec, to take it as an example, under this Bill if it is passed, in 1986-87 will receive $81.9 million less. In 1987-88, it will receive $174.9 million less. In 1988-89, it will receive $276.9 million less. In 1989-90 it will receive $388.8 million less, and in 1990-91 it will receive $512.9 million less. That makes a total of $1,435.4 million

which health care and post-secondary education in Quebec will not receive if this Bill is passed. Would the Hon. Member not agree with that?

[*Translation*]

Mr. Leblanc: As you know, Madam, there is nothing to be taken for granted in life. If we reduce growth, it is because that growth was found to be too high. This is quite an accomplishment, because the Liberal Party had previously said the growth should be 10, 13 or 15 per cent. But to them money was no problem, they had lots of it. This is one thing we found out about, because we found ourselves with a $230 billion accumulated deficit for a 25 million population. So we had to put matters straight. This is what we are doing. But despite all that, we are still increasing support in education and health faster than we are doing in any other area, because in other areas, the average is 3.6 per cent. Of course we can give examples: I should have had ten children, but I had only two. So I had eight less than expected. But I decided I could not afford to have more than two children. It is that simple. So your suggestions are frivolous, they were invented by other people before. We say that growth should be . . . And moreover, we say we should work closer with Government research and development centres, with corporations, with universities. We should work closer in research, which means that with less money, we are going to do more. And so have we done up until now.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme). For a question or comment.

Mr. Prud'homme: First, a comment, Mr. Speaker. I am very pleased with the Hon. Member's remarks. I imagine that the Quebec Minister of Finance will be delighted to hear from the Hon. Member from Longueuil (Mr. Leblanc) that the Quebec Minister of Finance, Mr. Lévesque, has understood absolutely nothing. At 5 p.m. today, I will hasten to send this good message to the Quebec Minister of Finance. It's a comment which, I think, he will appreciate tremendously.

I am told that I could also add the name of the Hon. Member for Gatineau (Mrs. Mailly). Therefore, according to the Hon. Minister and the Hon. Member, the Minister of Finance has understood nothing—I hasten to say "Minister", because I would not want to stir up ill-feelings in the Conservative Party . . . However, I know that the Minister of Finance will be grateful to me for at least reporting faithfully to him what happened in this House.

This morning in *Le Journal de Montréal* newspaper, in an article signed by Normand Girard, we can read the comments made last night by the Hon. Minister of Finance. Nobody can doubt the integrity of Normand Girard, a great parliamentary newspaperman. It's a well-known fact that Normand Girard, as always, faithfully reports what he hears and sees. If you want me to send him a message, I am sure that . . . Fine.

Therefore, I should like to ask my hon. colleague if he has any additional comments to send the Quebec Minister of Finance who, last night, was reported as saying, and I quote:

"Quebec public finances are progressively being caught in a real squeeze", he said after having indicated that the provisions of Bill C-96 represent—

I am still quoting the Minister, as reported in the excellent *Journal de Montréal*:

An Hon. Member: Nonsense.

Mr. Prud'homme: It is printed in my own riding. And I am quoting the Minister as reported by Normand Girard. This seems to annoy my hon. colleague.

"one more step towards total federal withdrawal from the field of the financing of essential services".

In an annex to his Budget Speech, Mr. Gérard-D. Lévesque analyzes at length the whole question of fiscal arrangements and quotes a remark the federal Minister of Finance, Michael Wilson, made on March 23, 1982.

My first question to our hon. colleague is this: What does he think of the statement made by Mr. Lévesque, the Minister of Finance? Also, what does he think of the following statement made in the House of Commons?

The only sign it (the federal Governement) shows of cutting spending is by shifting the burden of the established programs funding on the provincial governments.

Could the Hon. Member comment on these two questions?

Mr. Leblanc: On the first question, Mr. Speaker, I can tell the Hon. Member that in my opinion the Quebec Finance Minister did succeed, because one can read in the papers in black and white, or rather in white and black how they twisted things around and blamed the tax increase —and this has been said many times— on the federal Government.

That is easy to say, yes, very easy to say. I think anybody could have done that. Anyone having to make a budget who shifts the blame on someone else sinks in my estimation.

As for me, if the auditor of my business were to tell me things like that, I would tell him that I did not need him anymore. Because one must never shift the blame on others. And I think this is the comment I could make straight to his face if he were here. This takes care of the first question.

As for the second question, the answer is along the same lines. I have concluded, Mr. Speaker, and I thank you.

Mr. Prud'homme: A supplementary question, Mr. Speaker.

Mr. Deputy Speaker: Order. The period for questions and comments is now over. I am sorry but the period is over. Debate. The Hon. Member for Spadina (Mr. Heap) has the floor.

• (1540)

[*English*]

Mr. Dan Heap (Spadina):

Mr. Speaker, this is a deplorable piece of legislation because the principle of it is one of betrayal. The Bill betrays the provinces of Canada, the provincial governments of Canada and betrays the universities of Canada. It betrays post-secondary institutions of Canada, it betrays the young people of Canada and it illustrates rank hypocrisy in the actions of the Government.

Mr. Speaker, I have to admit that those are not my words. They are the words of the Hon. Member for St. John's West (Mr. Crosbie), the Minister of Justice. I regret that he is not here to say those very words himself at this time. I cannot match the wonderful twang and dialect that he uses when he is on stage; but he did say those words. He said them on February 7, 1984. I can assure you, Mr. Speaker, that on that day the Hon. Member for St. John's West spoke the truth. I have only been here four years. I do not want to get into any disputes with my colleagues about whether there was another occasion when he spoke the truth. But I can assure you, Mr. Speaker, that on February 7, 1984, the Hon. Member for St. John's West said something that was very true at that time, as it is very true today. That is why I regret that he is not here so that we can see whether or not he still remembers the truth.

This is a deplorable Bill and it is a betrayal, just as two years ago Bill C-12 was a deplorable Bill and a betrayal. We have been told by some of the Government's spokespersons that this is not a cut, it is an increase and not a cut. In fact, the short title of the Bill is: "an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977". In other words, this Bill changes what was agreed upon between the federal Government and the provincial Governments almost 10 years ago. That is a cut and it was called a cut by a colleague of the Hon. Member to whom I have referred.

• (1550)

I also wish to refer to what was said by the Minister of Employment and Immigration (Miss MacDonald) in the same debate when she was attacking the then Government about a cut. At that time we were debating the same sort of Bill, a Bill to amend the formula. The formula was supposed to increase the contributions of the federal Government to health and post-secondary education in the provinces in accordance with the growth of the economy.

Two years ago, the Government was cutting back on the increase that would have kept pace with the cost of providing health and post-secondary education services. At that time, the Minister of Employment and Immigration, who was then in opposition, said that, first and foremost, Bill C-12 is still a tax grab by the Government. It is the same kind of tax grab that the Government is getting into with this Bill.

When is a cut or a tax grab not a cut or a tax grab? The answer, of course, is when the speaker crosses the floor and becomes a member of the Government. In fact, this Bill provides for a very serious cut, much more serious than the cut provided by the Bill that was condemned by the Minister of Employment and Immigration and the Minister of Justice two years ago.

A question was raised about an hour ago by an Hon. Member who did not stay around for the answer. Two years ago, a cut was made by then Liberal Government over the protests of the Official Opposition, now the Government, that in five years totalled $911 million, a little under $1 billion, to post-secondary education transfers. We are now facing a cut which in the next five years will total $5.5 billion, six times as much as the cut that was considered so outrageous by the Minister of Justice and the Minister of Employment and Immigration, and on the same basis as they had reckoned it.

There had been an agreement between the provinces and the federal Government on a certain formula by which expenditures for post-secondary education and medical health care would increase in proportion to costs. When the Government cut that back by a figure of less than $1 billion, the then Opposition condemned that as a cut. The Government, the former Opposition, now wants to cut by six times that much and it says that the cut is an increase.

This cut will seriously hurt the young people of Canada and the future of Canada's industries and educational system. I can give examples of this from one province, the province which I represent, namely, Ontario. These cuts will affect three post-secondary education institutions connected to the riding that I represent. It will affect the University of Toronto and it will also affect the University of York, many of the students and staff of which live in the riding of Spadina. The same is true for Ryerson Polytechnical Institute. In the next five years, the Bill being pushed through the House by the Government will cut $2 billion out of Ontario resources for education.

I have spoken before about the very specific deterioriation of education at the University of Toronto. There have been cuts in staff and in vital programs. Whether it is considered vital that students should learn the languages of Canada and the world or learn mathematics and computer programming and sciences, those programs are being cut.

I would like to refer to some of the remarks made by the Premier of Ontario recently. He pointed out that these cuts which will amount to more than $2 billion in the next five years will weaken our country in the very areas where we must marshal our greatest strength. He points out that a cut to Ontario transfers, by the end of the expiry date, will amount to the equivalent of 90,000 hospital in-patients or one million hospital out-patients per year. He has also put it another way. He compared the cuts to 75,000 full-time students at post-secondary institutions being cut out. He went on to point out that it is a fact that hospital insurance costs have risen from 1984 when they were $2 million to $9 million in 1985. That is the cost for 110 hospitals in Ontario which pool insurance costs in order to get the best deal. Costs have more than quadrupled. Those costs will have to be borne by the hospitals.

A famous cancer treatment hospital, the Princess Margaret Hospital, has 202 beds. Studies have shown that that hospital is overcrowded and deteriorating and it is said to be at the risk

of reaching a point beyond which it may not be worth salvaging. The Ontario Hospital Association has estimated the total hospital deficit for the year ending March 1986 as being roughly $50 million. With this cut-back of $2 billion over five years, those hospitals will fall short of making their commitments. The hospitals cannot simply stop paying their mortgage debts or any of their operating debts. They cannot simply cut back on staff without decreasing services. They cannot cut back on the research and teaching that is done for the benefit of people not only from Canada but from all over the world without the quality of that research and teaching declining.

It has been pointed out that there are very few empty spaces in Ontario post-secondary institutes. For example, at the University of Waterloo's electrical engineering program, no student was accepted with less than a 90 per cent average in grade 13. The schools are being very selective. Yet with cuts like this, we will lose some of those students as well. Last year, 2,125 people applied to Queen's Law School for some 150 positions. If we support these cuts, institutions like those will have to take fewer students.

The University of Toronto has announced it is closing its faculty of architecture. That faculty is almost 100 years old and has served not only the City of Toronto and Canada as a whole but the entire world as one of the leading schools of architecture. People who have studied there have become city planners and architects in many cities in Canada, the United States and abroad. However, the University of Toronto has been forced to close that faculty because of the cuts already made by the previous Liberal Government. Now further damage will be done by the Conservative Government which may be recycling an old Liberal piece of legislation and taking responsibility for it itself. If that is not so, then the Liberals had taken an early leaf from the Conservative book and had put forward Conservative legislation which is now being endorsed by the Conservative Government itself.

• (1600)

There is a better way, and my colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), referred to it. Those of us who were in the forces during World War II and came out at the end of it and looked at the options offered to us by the Government of the day, remember that the slogan which every Party had to adopt was the slogan of full employment. We were six years away from the Depression, from the "dirty thirties". The one thing everyone agreed on was that we were not going back to mass unemployment. For any Government to get elected in 1945, it had to promise full employment. Part of the full employment package was a full education package, and part of the specific package for the veterans under the Department of Veterans Affairs was university education. There were other options. One could go into farming. One could go into small business. One could build a house. There was a certain amount available under each of those headings, and there was a certain amount available for university education.

I well remember many of my fellow students at Queen's University, many whom would never have got to university if it had not been for the monthly living allowance and tuition fees which were provided by the Department of Veterans Affairs. We had to study. We had to make a certain grade in order to continue. That was fair and reasonable, and nobody complained. I also remember that some of the graduates of Queen's University, some of those who would not have got there without that help, became leaders in Canada in the academic world, in the medical world, in the sports world, in business, in politics, and in international affairs. Some of the best minds of the country were given the opportunity to show their quality by the allowances given by the Department of Veterans Affairs to students then. It was a good investment; it was a very good investment. It was money very, very well spent by the Government of that day with the full support of the people.

That would be a good investment today as well. I want to couple with that another investment which was made almost at the same time. When I was in the army I received medical care. Fortunately I did not need very much; I did not need it very often. There were some minor things. When I sprained an ankle on my first parachute jump, I was examined by the medical officer of the station to see whether or not I could continue with the training. Fortunately I could. When I had a little dental trouble I got treatment. All this was at the expense of taxpayers. I did not pay a cent. I was healthy. The medical officers in the forces were doing their job. They had the same goal that we had. They wanted a healthy army. We wanted to be a healthy army. We were. It was the same with the other forces.

When the Government and the country understand that we want healthy people, they know that the most efficient way is to pay for it rather than to tell sick people: "Hurry up and get well". The rate of expenditure per capita on health care in Canada is about half the per capita rate of health expenditure in the United States. Yet, the rate of mortality and morbidity in Canada is lower than in the United States. In other words, for fewer dollars we get more health, since we instituted a strong measure of publicly supported health care in Canada, compared with the United States which leans much more to the do it yourself, everyone for himself and devil take the hindmost kind of health care. In the United States, the rate of morbidity and mortality is much higher than in Canada. Therefore, it is false economy for the Government to claim that in the interests of lowering what it claims to be the deficit, in the interests of making our economy more healthy, it will take measures which will make our people less healthy and will reduce educational opportunities for our young people. It is a grave mistake. I hope the Government, even at this late moment, will still have some second thoughts in the matter and not carry on such a foolish program of cuts.

Members of that Party went up and down the country two years ago promising that if they were elected they would restore the funding the Liberal Government cut out. They

promised that they would not just maintain the same level; they would restore the cuts or the money cut out. That was the promise of the Prime Minister (Mr. Mulroney) and his colleagues during the election campaign. It is shameful that now they are in office they have not only broken that promise and not put back the money the Liberals cut out, but that they have done worse than the Liberals ever did by cutting out six times as much, as they have undertaken to do with this legislation. It will be a black day for Canada when Bill C-96 will be declared law.

Mrs. Finestone: Mr. Speaker, I listened with a great deal of interest to what the Hon. Member had to say. Does he think there is a message or a subliminal intention, or perhaps it is rather direct, in the Conservative perspective—and they have the right to have that political philosophy and ideology, except they also have the responsibility to present it in a courageous way—which suggests that young people who want post-secondary education and professors who want to work toward a doctoral degree or a masters degree have to pay the shot, that society can no longer afford it? It is a fair decision if that is their decision, by the way. Are they also saying that there does not seem to be the opportunity any longer for universal health care at the hospital level, let us say, and therefore they think that the proper option is to remove the National Health Care Act and put in place a user fee? Does the Hon. Member think that those are the subliminal messages which we might be hearing behind the $8 billion cut in the EPF payments to the provinces?

Mr. Heap: Mr. Speaker, I am asked whether I think the intention of the Government is to privatize higher education by making the student or the professor pay for any education they get by their own individual efforts, and whether I think it is the intention of the Government to privatize health care. I do not know, but I think it is against the rules for us to try to read the Government's mind. However, I would like to compare this with a policy which I witnessed in a country that I visited last summer, namely, Chile. Since 1973, when the military dictatorship took over, Chile has been following a policy very much like this one. It has been cutting back on education so that there are only half as many professors in Chile as there were 13 years ago. It has cut back on health so that 46 per cent of the children under six years old are malnourished and infectious diseases are rapidly increasing. Now, not to speak for the Government but to quote what the Ambassador said to me—by the way, it is the Canadian Ambassador; we paid his wages—he said that this was the correct policy for the Chilean Government in order to promote its competitiveness internationally, and that Canada must do the same thing. That is only one official, but there seem to be signs that it is the opinion that Canada does not need educated people or that Canada does not need healthy people.

• (1610)

There was a time when the Government thought we needed healthy and educated people to do the proceedings work of production in this country. But it seems there is now a class of people who say: "We will buy what we want offshore from the United States or elsewhere. We do not have to care whether or not Canadians are physically or mentally able to produce." It is a very short road those people would be running if that is their attitude. If it is not their attitude, perhaps it is the attitude of the questioner, but I think they both come down to the same thing. The Government has made a decision not to provide, not to care for the physical and mental needs of the people of Canada.

Mr. Althouse: Mr. Speaker, could the Hon. Member for Spadina (Mr. Heap) describe what happens with the formula that provides post-secondary education and health care to the provinces? He gave some figures. Could he expand on those numbers and perhaps tell us what it would mean in the forthcoming four or five year period as to what sort of losses in revenues will be experienced under this new proposed formula versus the formula that has been in effect since 1977? Could he tell us what sort of losses various provinces might expect as a result of this new conservative approach to federal-provincial financing?

Mr. Heap: Mr. Speaker, it just so happens I have some figures with me that are relevant to the Hon. Member's question. In 1986-87, there will be a loss of $318 million. The next year there will be a loss of $680 million, the next year $1,078 million, the next year $1,520 million, the next year $2,009 million making a total of $5,608.3 million. That is spread among the provinces. Newfoundland in total will lose $128 million; Prince Edward Island will lose $27.5 million; Nova Scotia will lose $195 million; New Brunswick will lose $156.8 million; Quebec will lose $1,435.4 million; Ontario will lose $2,014.1 million; Manitoba wil lose $235.8 million; Saskatchewan will lose $227.4 million; Alberta will lose $530 million; British Columbia will lose $641.8 million; Yukon will lose $4.8 million; and the Northwest Territories will lose $11.7 million.

I do not think there is one of those provinces or territories that can afford to lose that much money from education and health services.

Mr. Lesick: Mr. Speaker, I have been listening to this debate this afternoon and I have noticed a tremendous amount of confusion in the minds of opposition Members and particularly with respect to the Hon. Member for Spadina (Mr. Heap). Opposition Members are always talking about cuts, cuts, cuts in an area in which there has been an increase. That is the problem that I have as I sit here and listen to them.

This is the first responsible Government we have had in 23 years, other than the nine months in 1979. We are trying to balance the budget. There have been cuts, but in this area there are no cuts. The Hon. Member is talking about a supposition, something that may be, and I suggest that the Hon. Member should realize that this is not a cut; it is a lack of an increase. Why not speak the truth, as we know it and as the Member knows it? These increases will be experienced by

all provincial Governments. I cannot understand cuts that are on mythical figures.

Mr. Heap: Mr. Speaker, if I might take those comments as a question, I would refer the Hon. Member to the Minister of Employment and Immigration. She could explain it to him very well. Let me quote some of her words. She said:

> First and foremost, Bill C-12 is still a tax grab by the Government. In the 1983-84 fiscal year the Government is able to reduce its projected transfers to the provinces for post-secondary education by almost $120 million and next year that reduction will amount to $260 million. That is the kind of tax grab the Government is getting into with this Bill.

A tax grab is the same as a cut. As I said, when is a cut or a tax grab not a cut or a tax grab? The Hon. Member cannot understand this because he was not here two years ago and did not hear the eloquent words of the Hon. Member for Kingston and The Islands. A cut became an increase when she crossed the floor.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, as you know, the main role of a Member of Parliament is to defend the interests of people in general and particularly his constituents and his fellows citizens.

I would be remiss if I did not stand up today to speak on Bill C-96, but I feel that I have had to take the floor frequently to defend the interests of my constituents lately.

Two days ago, it was on Bill C-75, which will somehow affect fishermen, farmers and shippers of goods using waterways. Today, we are dealing with Bill C-96, which affects another group of people, namely those who need services, health care, the senior citizens, and of course another major component of our society, young Canadians who need an adequate educational system.

You will agree, Mr. Speaker, that education and health care are two vital areas for the balance and well-being of our people. I feel that if we want to be logical, we know very well that by making cuts in education and health we are jeopardizing the future of our people and our institutions.

Every Canadian province will of course be affected by Bill C-96. Let me tell you however, Mr. Speaker, that some provinces will be hit harder than others, and I mean the Atlantic provinces. This may be, Mr. Speaker, a reflection of the present trend of thought of this Governement with respect to the Atlantic region, which is more or less abandoned. Indeed, we could see—

An Hon. Member: It was given over to the Americans!

Mr. Robichaud: Yes indeed, we could see yesterday, in the propaganda project we were faced with, that Prince Edward Island had simply been left out, and that Newfoundland, as far as it was concerned, had also simply given up to the Americans.

An Hon. Member: Shame!

Mr. Robichaud: Is that therefore how the Government feels with respect to the Atlantic Region?

We are told that this bill provides a 2 per cent decrease in the growth of EPF federal funding starting April 1st 1986. We do know, Mr. Speaker, that the established program funding has been used to fund health care, namely hospital insurance since 1958, health insurance since 1967 and supplementary health services since 1974, as well as post-secondary education since 1977.

Mr. Speaker, the total contribution of the federal Government is expected to be reduced by slightly more than $300 million in 1986-1987 and close to $2 billion in 1990-1991. This will therefore translate for the federal Government into a cumulative savings for 1986-1987 and 1990-1991 of close to $8 billion, and even more than $8 billion.

The $8 billion reduction for the federal Government represents an unprecedented loss and a deficit for the provinces. For some of them, it will be quite difficult to make up that deficit. The Atlantic provinces will not only be heavily affected but also hard-pressed.

However, Mr. Speaker, it should be stated that the provinces will still have some options to mitigate the losses incurred as a result of the cuts made by the federal Government. The provinces will have some choices, that is either to increase their taxes or their deficit or reduce some services, perhaps cut the number of hospital beds.

Mr. Ferland: In French, that is called "rationalizing the administration".

Mr. Robichaud: The Hon. Member who interjected seems to have understood nothing of the matter.

So I repeat the options: reduce the number of hospital beds, or even simply shut down hospitals, or reduce emergency services, or perhaps reduce health programs for senior citizens, or eliminate all research, or reduce post-secondary education or access to that education.

Finally, Mr. Speaker, if we view these as logical options, and of course there are many, there only remains to choose those that will penalize taxpayers the least, because one way or the other, our people, our poor people will pay the price and suffer.

The only result of Bill C-96 is to reduce services to the community, and even our quality of life. This is a sad fact that goes contrary to the Government's good intentions, if there are any. Perhaps that was the real intention of the Government when it said: Here is how we confirm our commitment to give significant support to provincial health and education programs.

Well then, if a $6 billion or rather an $8 billion cut is considered to be a significant support, it is the kind of support we could do without. The Government is basking in its own rhetoric, but certainly it is starting to realize that people are now seeing the difference. We saw this recently in the elections in Prince Edward Island. People can see the difference.

• (1620)

In New Brunswick, Mr. Speaker, it is only a matter of time.

As we know, Mr. Speaker, the premiers have refused to support the proposal of the federal Government to reduce its transfer payments. In spite of what the Hon. Member for Longueuil (Mr. Leblanc) has said, I maintain that the premiers have refused to do so. It is true that these programs are governed by legislation which can be amended unilaterally by the federal Government without the consent of the provinces, but it has always been the practice and the tradition to obtain their consent. There had been a first agreement in 1977 which was amended in 1982 and a new agreement was supposed to be negotiated to come into force on April 1, 1987, but that is not what is happening. Obviously, by introducing Bill C-96, the Government has decided not to respect tradition and to announce unilaterally changes to become effective as early as April 1, 1986, one year before the expected date.

Instead of transferring funds to the provinces, Bill C-96, transfers the deficit of the federal Government to the provinces. Indeed, the Goverment has justified its decision by stating that the cutback is the price that all Canadians and provinces must pay to reduce the federal deficit. What we have to understand in this explanation is that the real cost will not stop at the reduction of the federal deficit. It will cost us much more than that. We shall have to support the stagnation of our post-secondary education system and a reduced access to post-secondary education. We shall have to support the reduction in health care and education services. We shall also have to support the interruption in the growth of our society. Finally, we shall have to support a lower standard of living for the Canadian population, and I am certain, Mr. Speaker, that Canadians will not forget how they are being treated.

Provincial Governments are very conscious of the hole that a $6 billion cut will create in their budgets. In health services, more beds are needed in hospitals, and the aging of the Canadian population is creating new requirements. In education, there are increasing pressures to develop the present system in order to meet the increasing needs of new technologies and those of an ever changing society. This is why the Federal Government has very important responsibilities, and particularly that of ensuring the development, or at least the maintenance, of a minimum quality of service. To refuse this responsibility is to accept in advance a step backwards for Canadian society in fields of endeavour that other countries used to envy us for.

The maintenance of transfer payments at their present level is also important to ensure a balance between regions like Atlantic Canada, including New Brunswick, and the rest of the country. New Brunswick depends to a large extent on federal transfer payments. A cut in those funds would have an immediate impact on provincial revenues and expenditures. The province does not have the funds nor the capacity to impose more taxes to make up for that loss of income.

In the area of health care, it should be mentioned that the implementation of a universal health care system was one of the great achievements of the Pearson-Trudeau era. During the general election of 1984, the Leader of the Official Opposition renewed this commitment to our health care system, a system that needed to be protected and reinforced, but that promise was not kept. It is another broken promise, one of the 338 listed in the file prepared by the Hon. member for Glengary—Prescott—Russell (Mr. Boudria).

According to the Canadian Medical Association, this cut will create two quality levels for health care in Canada, that is, higher quality services for the richer provinces, and lower quality services for the poorer provinces. Mr. Speaker, I must say that the Atlantic provinces are still poorer than some other Canadian provinces. According to statistics emanating from the Department of Finance, the fiscal capacity of some Atlantic provinces is as low as 60 per cent of the national average.

The New Brunswick Medical Association has also indicated its opposition to the Bill. It has explained that over the next five years, the province of New Brunswick will lose several million dollars in transfer payments for health care and that this loss will affect the quality of health care in that province. According to the president of the Society, Mr. Emeneau:

• (1630)

[*English*]

He said that for New Brunswick, which has two-thirds of the ability of most other provinces to pay for its medicare and higher education, the change would allow little option to cutting back in either or both of these fields. After P.E.I. and Newfoundland, New Brunswick already has the lowest level of medical care in Canada. Health care is already underfunded.

[*Translation*]

Cutting even more the funds available will not improve our situation. In New Brunswick, for instance, for fiscal years 1986-87 and 1987-88, the increase in established program financing, based on the 1986 formula, will be lower than the rate of inflation. And by 1990-91, the province will receive from the federal Government $228 million less for health care. The real cumulative loss resulting from this cut between now and 1991 will reach approximately $465 million.

Between 1972 and 1982, the federal Government's contribution reached 47 per cent. In 1985-86, it fell to 41 per cent, and it is expected to fall still more. In view of these disturbing figures, the New Brunswick Minister of Finance stated, and I quote—

Mr. Prud'homme: Is he a Liberal?

Mr. Robichaud: We still have a Conservative Government in New Brunswick. Not for long, but still there for a while.

I quote again the New Brunswick Minister of Finance:

[*English*]

He said the recent cut-back in EPF makes a bad situation worse, and unless New Brunswick gets a substantial increase in equalization over and above that which the current program would provide, the provincial Government will not be able to maintain current levels of service. Indeed, unless New Brunswick gets such an increase in equalization, the federal Government will not be meeting its constitutional obligations and New Brunswick will not be able to provide reasonably comparable levels of public service at reasonably comparable levels of taxation.

[*Translation*]

In other words, if the federal Government fails to substantially increase transfer payments, the province will be unable to maintain its present level of services, eventually leading to cutbacks in services connected with health care and post-secondary education. That is what Bill C-96 proposes to do, and that is why I am categorically opposed to this legislation. We must not forget that health and education are two vital sectors. We are not talking about frills, we are talking about necessary services.

An editorial writer with the Saint John *Telegraph Journal* in New Brunswick quoted the New Brunswick Medical Association, which clearly explained what kind of impact cutbacks and transfer payments would have on New Brunswick.

[*English*]

He said it would not only jeopardize the existing level of health care service in New Brunswick but would make future development of that service virtually impossible. Patients and health professionals would be forced to function in a system barely able to sustain itself and with absolutely no potential for growth. The bottom line, added the reporter, would be an inferior standard of medical care in New Brunswick. That is absolutely unfair and unacceptable and flies in the face of the constitutionally enshrined assurance of reasonably comparable levels of public service in Canada.

[*Translation*]

Mr. Speaker, during the last election campaign, the Conservative Government made a solemn promise, and the people of Canada took them at their word, but it turns out they were only trying to deceive Canadians. How many times since the Conservatives formed the Government did we have to mention that they broke their promises? I wonder how many more times we will have to do so.

An Hon. Member: Never believe the Conservatives.

Mr. Robichaud: Mr. Speaker, the Conservative Party promised to respect the federal Government's obligation to finance provincial health care within the framework of established programs financing. The Conservatives had also promised to give the provinces additional funding, on a parity basis, to establish or improve programs which will be made official during a national conference of health Ministers and health care professionals.

As you know, Mr. Speaker, they simply did not live up to those promises. First of all, they completely forgot their promise to fund health care. Second, as Bill C-96 makes it crystal clear, they act unilaterally without provincial agreement.

The Nielsen report itself indicates that, regardless of choices made, it is absolutely essential that the Government consult the provinces, and I mean consult in a spirit of full co-operation. And that is exactly what they are not doing.

Finally, Mr. Speaker, I can assure you that if the Government keeps acting this way and goes ahead with its Bill C-96, the people of New Brunswick will definitely not forget such shabby treatment.

Mr. Deputy Speaker: Order, please. Questions and comments? Debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

M. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am very pleased today to take part in this debate, and I fully appreciate the fact that Conservative Members opposite also seem to welcome the speech I am about to make in this House.

Mr. Speaker, on February 14, 1986, all Members of Parliament were made aware of the tabling of a Bill respecting the funding of established programs. At the time, the Minister of Finance (Mr. Wilson) said, and I quote: This is an unequivocal confirmation of the Government's commitment to provide a substantial amount of support for provincial health and education programs.

Mr. Speaker, those words were spoken by a Government which was cutting down grants to the provinces. Would you believe, Mr. Speaker, that a Government could act in such a way?

[*English*]

Let us take a moment and examine the effects of these cuts on some of the provinces.

Mr. Lewis: Your colleagues are leaving.

Mr. Boudria: This is for the benefit of Hon. Members across the way, especially those from Ontario, a part of which great province I have the honour and privilege to represent.

Mr. Nickerson: On a temporary basis.

Mr. Boudria: In 1986-87, the Province of Ontario will lose $114 million. In 1987-88, it will lose $243.4 million. In 1988-89, it will lose $387.5 million. In 1989-90, $546.3 million. In 1990-91, $722.2 million. In 1991-92, $916.6 million.

• (1640)

In summary, during that period of time from 1986 and 1992 the Province of Ontario will lose $2,929.9 million. That is the

magnitude of the cuts. We are not here today talking about something small, we are not here discussing a trivial issue. We are discussing a very important issue for those people whom I represent in this House, and for the province that I represent here. Now these cuts—

[*Translation*]

Those cuts, Mr. Speaker, were referred to earlier by a Conservative Member, and I think it is the Hon. Member for Portneuf (Mr. Ferland)—when my hon. colleague for Westmorland—Kent (Mr. Robichaud) also stressed the importance of those cuts in his speech before the House—were referred to as management rationalization.

Mr. Speaker, how come that today Conservative members come and tell us that such cuts amount to management streamlining whereas when they were sitting in the Opposition benches they claimed that the 6 and 5 program—which was minimal in terms of cuts as compared with what we have today—was a series of major cuts? How did this turnabout happen, Mr. Speaker? Is it simply because Conservative Members are now sitting on the other side of the House—temporarily, of course—that they have changed their mind? Is that the reason? Or is it that Conservative Members refuse to defend the interests of their own province in this House and would rather blindly support the government?

Mr. Speaker, we do not know. We may never know. In view of the fact that many Conservative Members will soon be gone we may never have the opportunity to find out. This is why we have to know today, while they are still here.

[*English*]

The Government claims that it announced these measures in the 1985 Budget. We know that that is not entirely true. We know that the Budget Speech did refer to a reduction in EPF contributions, but it made no mention of a date. Therefore, only a general statement was made in the Budget, and it is now used as an excuse for zapping the provinces in this manner.

What did the provinces say about these cuts? You will recall that there was a conference in Halifax in November of 1985. I want to remind you that at that conference the Premiers were really upset with these cuts. Let me remind you, although I am sure you remember it vividly, what the Premier of the Province of Ontario said at that time, and I quote from *Le Devoir*. He said the following:

> This reduction in the funds provided the provinces will translate into a reduction of services. There will be fewer hospital beds, warned the Ontario Premier, David Peterson, who believes as well that by 1990 the province will also lose some 75,000 places in its colleages and universities.

That is what one of the Premiers had to say, the Premier of the province that I have the honour to represent in this House. We have to take that very seriously. I am sure the Member for Ottawa West (Mr. Daubney), who is sitting across the floor and paying attention to this speech—I thank him for that—is taking note of this, and behind the curtain he will be raising this with the Minister of Finance (Mr. Wilson). Let me read further from the same interview. This one is with *The Gazette*, dated November 29, 1985. It states the following:

> You don't call it a cut, you call it a breach of faith. You call it breaking a promise.

That is what the Premier of Ontario said to the Prime Minister (Mr. Mulroney). The Prime Minister shot back the following:

> It is not a broken promise. It is a responsible attempt to deal with a major Canadian problem.

Is that not unusual that when you make promises it is perfectly reasonable to make them, but when you break them it is not unreasonable to break them, that then it is a responsible attempt to deal with a major Canadian problem? If it is such a major problem when it comes time to delivering on a campaign promise, why is it so easy to make these promises during the campaign? Perhaps the Tory Members who will speak after me today will clarify that for my benefit and yours.

Premier Peterson then said to the Prime Minister the following:

> You have not solved the national problem, you are only transferring that national problem to us.

The Government of Canada has taken the problems it has with bailing out banks, foolish spending of funds and doling out patronage and handing them out to the provinces because it cannot handle them. It is shirking its federal responsibility, and that is unfair.

I want to quote now the Treasurer of the Province of Ontario, a man who has the respect of all Members of this House, I am sure. The Hon. Robert Nixon, Treasurer of Ontario and former Leader of the Liberal Party of Ontario, said the following:

> There was uniform opposition to Ottawa's plan. Nobody thought it was a good idea.

That is the Treasurer of Ontario who said that. The Members across perhaps do not believe it because this statement was made by a Liberal, and that is just because they are so partisan.

Let me read to you what the Premier of New Brunswick said. He is certainly not a Liberal. There will be a Liberal Premier in New Brunswick very shortly, but at the present time Premier Hatfield said the following:

> I will have no choice but to increase user fees for health services.

That is what a Conservative Premier said about the effects of this. If the Tories across from us are so partisan that they cannot listen to Liberal Premiers and the Liberal administration of the provinces, surely they will listen to Tory Premiers. It is the Conservative Party during the last election campaign which talked about co-operation and consultation with the provincial Governments. Where is that co-operation now? It is gone. It has disappeared. Maybe it was never there to start with.

We are talking about cuts that will affect universities. We are talking about cuts that will affect health care. The

Members across have said, "Well, the provinces can spend the money as they please". Does it please a province to have to put funds into health care? I would like to think that that is not a pleasure, that that is a necessity the provinces have to provide. Do they derive pleasure in handing out welfare to the unemployed people of this country? That is a need that the provinces are providing. The large majority of those funds have to be given out by the provincial Governments, and they have little or no choice at all as to whether or not the expenditures will be made. It is this Government and this Parliament that has the choice. It is up to us to make the proper choices here today or on another day when we vote on this legislation.

Let me read to you a quote from Doctor Donald Savage, President of the Canadian Association of University Teachers. He said about the proposal of the Government the following:

> Such a measure would result in reductions that would exceed by nearly 20 per cent those implemented by the Liberals and that the Conservatives opposed at the time.

Now, is that not unusual? The Conservatives voted against a Liberal measure and then replaced it with one which cuts 20 per cent more than the previous one. What is wrong with those Conservatives? Their only consistency is that they are never consistent. That is all we can say about them.

• (1650)

Let me take a minute and give some excerpts from the speech of the Hon. Member for Mississauga South (Mr. Blenkarn) which I found in *Hansard*. The Hon. Member when he was in opposition said, and I quote:

> We must have the development of intellectual capacity in the country. The only place in which that can happen is in the post-secondary educational stream. We require universities, technical colleges and community colleges. If we do not train our people, they will be incapable of competing in a highly technical world, will have to use the technologies of others, will truly be hewers of wood and drawers of water, and will have to live to the standards that exist in South Korea and Taiwan.

That speech was made by the Hon. Member when he was urging this House to pass legislation to ensure that there would be proper funding of our university system and for other services we require. What has happened to that Hon. Member? Why is he not coming to the rescue of our universities? He is speechless.

It is not just the people who want to hand out the taxapayers' dollars freely who are urging more funds for our university system. I would like to quote an excerpt from an editorial in the *Star Phoenix* of August 24, 1985. It is entitled "University Needs". It reads:

> When as Conservative and influential a group as the Canadian Chamber of Commerce urges more Government spending, it's time to take notice. The Chamber has been pressuring the federal Government for years to reduce its deficit and improve its debt position.
>
> With about 165,000 members across the country, ranging from cornerstore operators to heads of major manufacturing firms, the Chamber has consistently welcomed any indication that Ottawa plans to cut spending. But this week, Chamber President Roger Hamel urged Science and Techology Minister Tom Siddon to spend more on universities. He said the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for universities to meet the demand for research and development, or even to provide adequate basic instruction for students.

Those are the words of a very Conservative group. Everyone on both sides of the House will acknowledge that. This group is urging the Government and this Parliament to increase funding to post-secondary education. I ask all Hon. Members of the House to take note of that.

I would like to refresh your memory as well, Mr. Speaker, with respect to a speech made by the Hon. Member for Kingston and The Islands (Miss MacDonald), when she was in opposition, concerning the same topic. She said, and I quote:

> I would say that the consequences may not readily be discernible to the federal government, but to the thousands of young Canadians in post-secondary institutions of this country and to the hundreds of people who staff our community colleges and universities, the consequences are very clear. In fact, they are frightening.

That is from page 823 of *Hansard*. That is what the Conservatives were saying when they were in opposition.

In closing I would like to remind the House that the Government made several promises to the people of Canada. In the book of promises, to which I often refer, there are promises regarding research and development. The Government said it would double its research and development efforts to 2.5 per cent of the Gross National Product in the first four years in office. Yet what has the Government done? It is cutting funding to universities which are doing this research at the same time it is trying to make us believe it has the will to live up to the promises and commitments it made to the people of Canada.

[*Translation*]

Mr. Speaker, we, of the Liberal Party, do not support this Bill. We intend to let the Canadian people know that we will never support such legislation. We are calling upon every Member, on both sides of the House, to take the initiative of convincing the Finance Minister (Mr. Wilson) to withdraw this Bill. Should he refuse, all Hon. Members should feel duty-bound to vote against it immediately.

[*English*]

Ms. Jewett: Mr. Speaker, I wonder if the Hon. Member would refresh my memory about the exact date of the speech of the Hon. Member for Kingston and the Islands (Miss MacDonald), if he has it?

Mr. Boudria: Yes, Mr. Speaker, I thank the Hon. Member for that question. I should have brought it to your attention, Mr. Speaker, although I am sure you remember the speech vividly as well as do all Hon. Members. In case someone wants to read the speech in *Hansard*, because it is a very important speech made by the Hon. Member for Kingston and the Islands when she was in opposition, it is found in *Hansard* of January 27, 1984. The speech of the Hon. Member for Mississauga South will be found at page 816 of *Hansard*, and the comments I referred to subsequently, also made by the Hon. Member for Mississagua South, will be found on page 818. I know the Hon. Member for New Westminster—

Coquitlam (Miss Jewett) would like me to elaborate slightly on the speech of the Member for Kingston and The Islands, who said, as reported on page 824 of *Hansard*:

> The Government is willing to endanger the future of the young people in this country, and in many others presently in the workforce who are going to be needing retraining or re-education in one way or another.

So very clearly the Hon. Member for Kingston and The Islands when in opposition wanted to tell all Members of the House how important it was for the Government to increase funding to post-secondary education. She obviously wanted to do that. I am sure that is exactly what she would want to do today. I just cannot wait for her to commence her speech, which I am sure she will want to do immediately after I resume my seat because she was very much in favour of what I explained to you today, Mr. Speaker.

Mr. Deputy Speaker: It being five o'clock p.m., this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, May 5, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honor to table, in both official languages, the Government's response to the following seven petitions: 331-365, 331-367 to 331-372 inclusive.

* * *

COMMUNICATIONS AND CULTURE

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour of tabling, in both official languages, the Fourth Report of the Standing Committee on Communications and Culture, concerning the appointment by Order in Council of Marjorie Halpin as a member of the Canadian Cultural Property Export Review Board.

The Committee considers that Mrs. Alpine has the qualifications and competence required to perform the duties of the position to which she has been appointed.

(*Editor's Note: For above report, see today's* Votes and Proceedings.)

* * *

[*English*]

REPRESENTATION AND ELECTORAL DISTRICT READJUSTMENT ACT (ONTARIO)

On the Order: Private Members' Business

September 24, 1985—Mr. Foster—Second reading and reference to a Legislative Committee of Bill C-249, an Act to readjust the representation of Ontario in the House of Commons and to readjust the electoral districts in Ontario.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there have been discussions between the Parties with respect to Private Members' Business this afternoon. I think that if Your Honour were to put the following motion to the House, you would find that it would meet with unanimous consent. It states:

That, notwithstanding any Standing or Special Order of this House, the item listed as number one on the Order of Precedence of Private Members' Business in today's *Order Paper and Notices* shall be placed at the bottom of the said Order of Precedence for the next sitting day; and

Provided that the House shall continue with the business before it at 5:00 o'clock p.m. this day until the ordinary daily hour of adjournment.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 553.

[*Text*]

TAX EXPENDITURES—CORPORATE TAKEOVERS

Question No. 553—**Mr. Riis:**

From 1979 to date, what was the total value of the tax expenditure arising from the ability of corporations to deduct the cost of borrowed funds used for the purposes of taking over other corporations?

Hon. Elmer M. MacKay (Minister of National Revenue): Statistics are not captured by Revenue Canada on expenses incurred by various corporations.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

POINTS OF ORDER

POWERS OF COMMITTEE UNDER STANDING ORDER— GOVERNMENT RESPONSE

Mr. Speaker: I indicated to Hon. Members who wished to make procedural arguments about another matter that they would be free to make them now. The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Gauthier: Mr. Speaker—

Mr. Deans: Mr. Speaker, I would be prepared to yield to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) since he spoke first on the prior occasion, and then I will follow him if Your Honour so wishes.

Mr. Speaker: On the procedural question, the Hon. Member for Trinity (Miss Nicholson).

Miss Aideen Nicholson (Trinity): Mr. Speaker, I thought it might be helpful if I were to offer for your consideration some precedents on this point. The practice of requesting a Government response to certain recommendations contained in Public Accounts Committee reports has been used for a number of years. I have before me some examples.

The eighth report of the Public Accounts Committee concerning CIDA was tabled on October 22, 1985. Of the eight recommendations, the Government was asked to respond to only three. On February 13, 1986, the Government's response to those recommendations was tabled. On March 26, 1986, CIDA responded to the remainder of the recommendations.

The twentieth report of the Public Accounts Committee dealing with the Canada Post Corporation was tabled on May 30, 1983, in the first session of the thirty-second Parliament. Pursuant to the then Standing Order 69(13), two ministerial responses were received to recommendation 7(a) on September 19 and 27 of 1983.

The last precedent concerns the eighteenth report on the Canadian Dairy Commission which was tabled on March 29, 1983, during the first session of the thirty-second Parliament. A Government response was requested to recommendation 6(a) and one was received on July 11, 1983.

I would like to take a moment to explain why this practice has been followed. It is because reports dealing with departments or agencies sometime refer to broad and related policy objectives and the individual department or agency may not be able to respond to a recommendation because it needs an overall government statement. For example, in the case of the eighth report of the Public Accounts Committee concerning CIDA, the committee was concerned with problems of planning and monitoring procurement which involved economic and regional concerns. Clearly this was an area that needed a Government response since it concerned many departments.

• (1110)

Second, in the case of overlapping or divided jurisdiction, a department or agency cannot provide a response, and this is somewhat the same issue, if the response is directly involved through legislative or ministerial direction. Again, in the case of the eighth report of CIDA, the committee was concerned about divided responsibilities for the Food Aid Program. CIDA is involved with three departments and therefore the committee requested that the Government clarify the roles of the various departments and agencies.

In the case before us, most of the recommendations were addressed to the Public Service Commission which is responsible to Parliament, but there were recommendations concerning the division of responsibilities between the Public Service Commission and the Treasury Board which seemed to the members of the committee to call for a Government response.

Mr. Deans: Mr. Speaker, very briefly, I think the Hon. Member for Trinity (Miss Nicholson) has covered most of the salient points. Suffice it to say, therefore, that I agree with the precedents she has brought forward as being relevant in this particular case.

I would like to make the point that in this particular report, it is primarily referenced to the commission itself, and that in this one instance under No. 15(b), it requests from the Government a certain response. It would be possible, I would say, for the Commission to prepare a comprehensive report without dealing with the question of the Government response. That report could therefore be submitted to the House of Commons.

However, more importantly, in the interest of common sense, I think we all understand that it would be possible for a committee to file a number of separate reports if it were determined that it could not ask for specific responses to specific items within one report. It would be possible for a committee, for example, to have held more than one day of hearings and to report on its deliberations as they affect the Commission and then on its deliberations as they affect the Government. That would stand as two separate reports which of course would have to be responded to in any event. To put a committee into a position of having to go through that rather false procedure rather than to simply allow it to highlight that part of the single report which refers directly to a Government responsibility would, in my opinion, be counter-productive and would not make much sense in the way in which committees operate.

I would respectfully urge, Sir, that you find that it is appropriate in the circumstances and is not in any way denied as a right under Standing Orders for a committee from time to time, on matters that refer directly to Government operations, to draw the attention of the Government to its specific request for a government response to a part of a report which in fact would normally be responded to by the Commission itself.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to thank the Hon. Member for Trinity (Miss Nicholson) for making this clear. I am also in favour of a committee being able to request a Government response to certain recommendations in its report. I think there is a very good case for this if we look at the mandate of the Public Accounts Committee as set forth in Standing Order 96(3), which includes, among other matters, review of and report on the Public Accounts of Canada and all reports of the Auditor General of Canada which shall be severally deemed permanently referred to the Committee immediately they are laid on the Table.

Mr. Speaker, the point I am trying to make is that we have a report dealing with two agents of Parliament, the Auditor General of Canada, who examines all public accounts, and another agent of Parliament, the Public Service Commission, which has certain obligations under its legislation with respect to applying the merit principle. Mr. Speaker, this report contains a recommendation to the Government which is addressed directly to Treasury Board, not to the Commission.

Perhaps upon reading this transcript, the Commission will understand that there has been no oversight on our part and that we are indeed anxious to see the Commission meet the 30 September deadline as requested by the Committee, and that while the Government is being asked to give its response to 15 (b), the Commission will have an obligation to respond to all other recommendations by September 30, 1986.

[*English*]

Mr. Speaker: I thank Hon. Members. That is helpful to the Chair. The Chair will reserve and consider all the arguments.

RESPONSES TO QUESTIONS—MINISTERIAL RESPONSIBILITY—SPEAKER'S RULING

Mr. Speaker: I thought it would be useful if I now respond to the point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans) last Thursday. I would rather do this before Question Period.

In effect, the Hon. Member rose on a point of order to ask the Chair to consider the question of who could answer questions. I think that is the right way to put it. Perhaps the best way I can say this to the House is to start by simply reminding the House that questions are asked to the ministry as a whole or, if you will, to the Government. While questionners may, as a courtesy, indicate the Minister the questionner believes has responsibility for the matter, it is perfectly in order for the Government not to answer and in fact no specific Minister can be compelled or required to answer.

Should the Government decide to reply, it is in order for any Minister who has ministerial responsibility either directly or in an acting capacity to answer for the Government. There is, of course, occasionally a difficulty for the Chair because the Chair may not know who is in an acting capacity. In that case, as has happened in one case, the Chair asks for an explanation as to the capacity in which the Minister was replying.

Finally, because of the over-all responsibilities of the Prime Minister (Mr. Mulroney), it is perfectly in order for the Prime Minister or for the Acting Prime Minister to respond to any or all questions. Again, neither the Prime Minister nor the Acting Prime Minister can be compelled or required to answer any question.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, may I seek clarification on the ruling? Would I be correct, then, in assuming that if the Prime Minister (Mr. Mulroney) were present in the House of Commons, quite clearly he would be the Acting Prime Minister and would therefore be the person who would have to answer if he were answering for anyone in the Government and that therefore the Deputy Prime Minister (Mr. Nielsen), in the presence of the Prime Minister, would not be able to rise and take the place of the Prime Minister since the Prime Minister was already present? The second point I would seek clarification on is whether there can be a Minister other than the Minister who is specifically charged with the responsibility for administering a department or ministry who could be deemed to be acting on behalf of that Minister in the Minister's presence, other than the Prime Minister, were he present, or the Deputy Prime Minister, were the Prime Minister absent. This is very key to some of the problems that arose.

I do understand that another Minister could be designated as an Acting Minister but he cannot be the Acting Minister if the Minister is present. That solves one part of my problem, I think. The other question then is if the Deputy Prime Minister is here but also if the Prime Minister is here, it would be up to the Prime Minister to answer or nobody to answer.

Mr. Speaker: In fairness, the day about which the Hon. Member was asking, the Deputy Prime Minister was here in his capacity as Acting Prime Minister and that is the point of order the Hon. Member raised and on which I have replied. I take it the Hon. Member is now asking me to consider a different point of order.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the House Leader for the New Democratic Party has raised a novel point. The Hon. Member for Hamilton Mountain (Mr. Deans) will understand that in this Government, we have a Prime Minister (Mr. Mulroney) and a Deputy Prime Minister (Mr. Nielsen). Obviously the Deputy Prime Minister assists the Prime Minister in the performance of a multitude of responsibilities.

Mr. Deans: But he has no status in the House of Commons.

• (1120)

Mr. Hnatyshyn: Mr. Speaker, indeed he has status in the House of Commons as Deputy Prime Minister and is so recognized as a member of Cabinet in that responsibility.

Mr. Deans: No, he is a member of Cabinet as the Minister of National Defence.

Mr. Hnatyshyn: Notwithstanding the protestations of the Hon. Member for Hamilton Mountain (Mr. Deans)—

Mr. Deans: I am right, and you know it.

Mr. Hnatyshyn: No.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: I find it difficult—

Mr. Deans: You are wrong.

Mr. Hnatyshyn: I always know that I am on the right course when the Hon. Member for Hamilton Mountain attempts to shout or to interject from his seat.

Mr. Deans: I am not shouting.

Mr. Hnatyshyn: In this particular instance, there has been specific indication from the Deputy Prime Minister (Mr. Nielsen) that he indeed was fulfilling a role as Deputy Prime Minister for the Prime Minister in respect of conflict of interest questions which have nothing to do with the carrying on of a responsibility of any department or line department. In any event, I simply reiterate that the Deputy Prime Minister is precisely that.

Mr. Deans: No, no.

Mr. Hnatyshyn: He assists the Prime Minister (Mr. Mulroney) in the performance of his responsibilities and duties and, accordingly, would have a very broad mandate to answer questions on behalf of the Government in that particular capacity.

Mr. Deans: In that it is a very important point—

Mr. Speaker: Order, please. I do not want this to become a debate.

Mr. Deans: It is a vitally important point. I just want to indicate—

Mr. Hnatyshyn: I will interrupt you.

Mr. Deans: I urge my colleague to interject if he wishes.

There is no such person as the Deputy Prime Minister within the rules of the House of Commons. In order to hold a cabinet position, the Deputy Prime Minister had to be either the President of the Privy Council in the first place or now the Minister of National Defence in order to sit in Cabinet, since there is no cabinet position for which remuneration can be paid as designated Deputy Prime Minister. However, that individual can be designated as the spokesman for the Government and the Acting Prime Minister, as can any other cabinet Minister. The Deputy Prime Minister's role is only within the mind of the Conservative Party.

Mr. Hnatyshyn: No. We have had Deputy Prime Ministers for many moons.

Mr. Speaker: Order, please. This is becoming difficult. Hon. Members are now rising on an entirely separate point of order arising out of a ruling on a different point of order. May I simply reserve on what we have heard so far. Does the Hon. Member for Ottawa Centre (Mr. Cassidy) have a different point of order?

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise on the same point of order. As the Hon. Member for Hamilton Mountain (Mr. Deans) raised his initial point of order arising out of a question which I had put, I am seeking some clarification. I understand that if the Deputy Prime Minister, or whatever title he happens to hold, is in the House, in the absence of the Prime Minister, he is entitled to field a whole range of questions on any departmental responsibility in the same way as the Prime Minister is entitled to intervene.

What I should like to know is whether the Deputy Prime Minister is entitled to do that and to take questions which relate to a particular department at a time that the Prime Minister is in the House, or is the Government obliged—

Mr. Speaker: Order please. That is exactly the question the Hon. Member for Hamilton Mountain (Mr. Deans) just raised. The Hon. Member is simply repeating it. I have indicated that I will reserve on it, with respect.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Friday, May 2, 1986, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Murphy (p. 12683).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, we must now focus on Bill C-96 which affects federal grants for post-secondary education and especially for health insurance, established programs that are financed by the provinces.

My purpose in taking part in this debate is mainly to discuss the particular problems of Quebec, starting with the $66-million loss incurred by that province as a result of the federal Government's decision not to meet its commitment to maintaining subsidies for established programs financing at 95 per cent of what was paid during the previous year.

Apparently, Mr. Speaker, in his Budget last Thursday Quebec's new Minister of Finance, Gérard D. Lévesque made the best defence of or the best statement about the province's difficulties. In his Budget, Finance Minister Gérard D. Lévesque pointed out that Bill C-96 is one further step towards Ottawa's gradual withdrawal from essential services funding. As Quebecers see it, Mr. Speaker, and we in the New Democratic Party share this view, the only way the central Government is going to cut expenditures is by letting the provinces assume responsibility for Established Programs Financing.

According to Mr. Lévesque, Mr. Speaker, this is predatory federalism, not co-operative federalism. This is what Mr. Lévesque is saying now, but who first made that comment? Mr. Wilson—now Minister of Finance—when he was the Official Opposition financial critic, therefore in 1982.

Truth to tell, Mr. Speaker, like all other provinces, Quebec is put in a very precarious position as a result of Bill C-96. This predicament is due to cutbacks in funding and grants for educational and health insurance programs set up by the former Liberal administration. The situation has been made worse by the federal Government's decision not to give the provinces the full cost of those programs and to cut down—at the annual rate of 2 per cent in real terms—its contribution to these provincially administered-programs.

Mr. Speaker, I would remind you that one of the Conservative solemn promises during the 1984 election campaign was to maintain Established Programs Financing. Here is what they said:

"Position of the Conservative Party: We will go back to the 1977 financing formulae, even though we cannot compensate the provinces for losses incurred through the 6-and-5 program."

So the Conservatives were not quite prepared to compensate the provinces for losses incurred in the past, but they did promise to reinstate the 1977 financing formula.

They made that promise during the 1984 election campaign, Mr. Speaker, at the same time as they made a commitment to tackle the deficit. We can therefore assume that the Conservatives had given serious consideration to the problems created by the former Liberal Government and decided they could afford to promise the full reinstatement of the 1977 financing formula in spite of cash shortages and the deficit problem. So what happens now that they are at the helm? Not only do they fail to maintain the programs established by the Liberals, but they also conveniently forget their promises. They simply will not maintain the Liberals' new formula and they will even deprive the provinces of the funds needed to continue the educational and unemployment insurance programs.

Mr. Speaker, Ottawa now pays roughly 40 per cent of expenditures for education, health and post-secondary education. In 1990-91, its share would be only 36 per cent. These are now shared cost programs.

When the federal Government encouraged the provinces to join medicare, it promised to pay half its cost. The same applied to the program to finance post-secondary education. Now, the share of the federal Government will fall to 36 per cent. This means that the provinces will have to pay the rest, or about 64 per cent of the additional $19 billion which will probably have to be spent for health care and education during the next five years. It has been estimated that the new federal contribution will only amount to $1 billion, which will leave the provinces with a reduced and very unbalanced taxation capacity when we compare the situation in Ontario and Quebec, or the Maritime Provinces, or even Alberta now. These provinces will now have to find the other $18 billion.

• (1130)

This is why, Mr. Speaker, everyone, especially in Quebec, is concerned about the position of this Government. The hypocrisy of this Government is also a source of concern. I would like to refer, Mr. Speaker, and I have the quotations here, to the debate on Bill C-97, which, strangely enough, had nearly the same number as Bill C-96 now under consideration. At the time, Mr. Michael Wilson, then financial critic of the Conservative Official Opposition, said that the federal Government wanted to transfer its financing problem to the provinces. It wanted to displace the deficit problem which had taken monstrous proportions, both federally and provincially. For instance, in its last Budget, Quebec found it very difficult to keep its deficit under $3 billion. Quebec therefore has a problem.

Mr. Speaker, in 1982, Mr. Wilson criticized the federal Government by saying that the only thing it was doing to show its desire to reduce its expenditures was to transfer the burden for Established Programs Financing to the provincial governments. The provinces were beginning to have deficits themselves, which made it much more difficult for them to finance these displaced expenditures. According to Mr. Wilson, this was especially true in Ontario and the eastern provinces, which did not have the substantial energy revenues of the western provinces. This has changed, but Quebec continues to have financial problems. This is not co-operative federalism, but predatory federalism, and such methods cannot work in Canada. This is what Mr. Wilson said on March 23, 1982. What he is now proposing in Bill C-96 seems to show that he has forgotten what he said four years ago.

Mr. Speaker, I also found a question asked by Mr. Wilson to the former Minister of Finance on February 1, 1982, about the elimination of guaranteed income. He said that the Minister was prepared to risk major cutbacks in medicare and post-secondary education. Instead of hurrying unilaterally in this sector to force cutbacks in provincial expenditures and services, would the Minister be willing, asked Mr. Wilson at the time, to consider holding two or three federal-provincial conferences on health and post-secondary education to develop agreement on the national objectives of the various government levels in these two important sectors before reducing expenditures and before causing cutbacks in hospital services and post-secondary education? Mr. Speaker, is the present Minister of Finance willing to avoid these cutbacks? Is he willing to call these national conferences to define the national objectives? No, he is not. Just like the previous Government, he is acting unilaterally without considering the impact of his actions on Quebec or the other provinces.

Mr. Speaker, I would now like to quote the comments of Mr. Roch La Salle, the present Minister of Public Works, at the third reading stage of Bill C-77, on April 5, 1982. According to him, one thing was clear, and that was that, a new formula, the federal Government would have been better off than before since it would pay $5 billion less in the following five years than under the old formula. Those facts are inescapable, Mr. Speaker. And we know indeed that the cost of those services that are so vital to all Canadians is increasing and will keep increasing, in tune with the current economic conditions.

Mr. Speaker, the present Minister of Public Works (Mr. La Salle) said the Minister of Finance (Mr. Wilson) has crammed the provinces into a financial strait-jacket because the Federal Government is reducing the deficit by slashing transfer payments to the provinces. He goes on to say that this Bill involves billions of dollars and has very important ramifications for the service areas concerned.

I cannot understand, said the Minister when he was speaking for the Opposition, why the Government did not succeed in reaching a consensus and an acceptable compromise. He concluded by saying: Because of its actions, attitude and arrogance, the Government has succeeded in creating a climate of suspicion.

Mr. Speaker, I could not myself do a better job of saying that than the present Minister of Public Works when he was the Opposition critic. It is because of its actions, its attitude, its arrogance that the Tory Government is now creating all those problems with the provinces, including Quebec. The Conservatives are the ones who made those big promises, those generous promises: They would maintain the 1977 formula. No cuts! They would restore the situation to what it was before cuts were introduced by the Liberals. Mr. Speaker, what we now find is that the Conservatives have turned out to be the new Liberals. They are just so bad as the Liberals who were in Government before September, 1984.

I put the question to you, Mr. Speaker, you are a politician of great ability. You know the situation in Quebec because you are yourself a Quebecer. Could you yourself see any difference between the Liberals under Pierre Trudeau and the Conservatives under Mr. Mulroney? Were Mr. MacEachen's policies when he was Minister of Finance any different from the policies of Mr. Wilson (Etobicoke Centre) as regards those cuts and the funding formula for health and post-secondary education, where Quebec is concerned? Mr. Speaker, if you are really sincere and honest, you will resume your place and respond by suggesting that no, you can see no difference at all, other than you are Tories and the others are Grits. Mr. Speaker, we in our Party can see no difference.

I remember my Leader asking this question during the elections: What is actually the difference between Visa and Mastercard? It was tweedledum and tweedledee, as we say in English. They are the same. It might even be said, Mr. Speaker, that there could be a slight difference in that the Conservatives are worse, because they added other cuts on top of those that were imposed by the Liberals.

Let us now look at the impact of those cuts, Mr. Speaker. In Quebec, for instance, the estimated loss for 1986-87, besides the $66 million already lost by Quebec, will be $81.9 million; in 1987-88, the loss will be $174.9 million; in 1988-89, $276 million; in 1989-90, $388.8 million; in 1990-91, Quebec will lose more than $500 million that are essential to pay for post-secondary education and to keep our hospitals open, to ensure a good level of health services to Quebecers. When the people of Quebec elected 57 Conservative Members during the last elections, it was like chicken voting for Colonel Sanders. Now they will be losing $500 million a few years ahead, in terms of health services and post-secondary education. The total over those five years, Mr. Speaker, will be $2,435.4 million. Now, what does that mean?

I therefore appeal to Hon. Members here, because Conservative Members from Quebec apparently do not wish to get involved in the debate. The guarantees which were given by the Minister of Finance and other Conservative Members to the Opposition, to the effect that such cuts would have just one result. They will decrease Quebec's ability to really enter the post-industrial age, to maintain a capacity to lead with state-of-the-art technology, to maintain its ability to compete in a very difficult world. All this because of the cuts that will be hitting Quebec's post-secondary education and community colleges.

Such cuts, Mr. Speaker, amounting to $2,435.4 million over five years, cannot but affect the province's health services.

Now Montrealers will perhaps continue to enjoy satisfactory health care. However, will the Quebec Government be in position to maintain those same standards in Rimouski, on the North Shore, in the Abitibi and in all other Quebec areas? I would say that the answer is probably no. People will have to travel to Montreal to obtain the services that are unavailable in their own area.

The entire province will suffer from a reduction which will increase as far as hospital beds are concerned.

Mr. Speaker, I ask all the Quebec Members who are here this question: Are you proud of your performance as elected representatives now forming a new Government? You had promised so many things to Quebecers, but they will now suffer still more as a result of additional cuts to those already made by the previous Liberal Government.

Mr. Speaker, I ask those Members to give their views on that prejudicial Bill and tell us what should be done in Quebec.

As we know, Mr. Speaker, the subject matter of the Bill is that payments for the financing of established programs will be cut by 2 per cent per year.

It means that if we have a 5 per cent inflation, the tax points and grants provided by the Government to maintain educational and health services will be increased. Instead of increasing by 5 per cent, they will according to the old formula, that is by 3 per cent. This does not seem much in a one or two-year period. However, as I have shown, for a longer period, the impact increases every year and the total impact for the entire country will be about $6 billion. This is what we are discussing today in this House of Commons and for Quebec which is experiencing problems in terms of subsidization of very important programs for the future of its population and its competition capacity, this represents a loss of $1.4 billion.

Mr. Speaker, I challenge all Tory Members from Quebec. Defend those cuts which I say are indefensible. If no Quebec Member is to rise during the remainder of the debate, I will say that those cuts are indefensible and that not a single Tory Member was willing to fight for them. They all know, those 57 Tory Members from Quebec, and they all admit by not taking part in the debate that those cuts are indefensible.

Mr. Deputy Speaker: Questions and comments?

Mr. Cassidy: No question, no comment? Where are the Members?

Mr. Deputy Speaker: Questions and comments? The Hon. Member for Churchill (Mr. Murphy).

• (1140)

[*English*]

Mr. Murphy: Mr. Speaker, I will take this opportunity to ask the Hon. Member a question. I wish one of the government back-benchers will take advantage of the opportunity as well. This legislation has a negative effect on provinces throughout the country. Promises were made to the Province of Quebec in the past which are not being kept and I think it is ironic that no Member on the Government side, and particularly no Member from Quebec, has asked a question although directly challenged by the Member for Ottawa Centre (Mr. Cassidy) to do so.

This same matter was debated in 1981-82. The Liberals, with a massive majority of Quebec MPs, passed legislation at that time which reduced the federal commitment to post-secondary education, medicare, and hospital services. At that time 74 out of 75 Quebec Members were Liberals and they would not speak up for their province. At that time the Conservatives attacked the Liberals. The present Ministers of Finance (Mr. Wilson), National Health and Welfare (Mr. Epp), and Employment and Immigration (Miss MacDonald) condemned the federal Government for its treatment of the Province of Quebec, among other provinces. They were right in doing so.

Government Members, especially Quebec Members, should read the speeches of the present Ministers of Finance, National Health and Welfare, and Employment and Immigration. Government Members should read how those Ministers criticized the Liberal Government and the Liberal back-benchers at that time. History is repeating itself but no one is standing up for the people in the Province of Quebec and elsewhere who are affected. I ask my hon. colleague to comment on that.

[*Translation*]

Mr. Cassidy: Mr. Speaker, I find this strange. I appreciate that, as Speaker of the House today, it may be more difficult for you to resume your seat and take up the challenge which I have just issued. Nevertheless, you have many colleagues who are now here or watching the debate on TV. It is rumored, because the Progressive Conservative Party has only a one per cent edge on the New Democratic Party, according to the most recent poll, that a number of Conservative Members from Quebec have come to the conclusion that they will lose their seats unless they become very active in their respective ridings.

Mr. Speaker, I feel that the best way for them to demonstrate that they are truly concerned about their constituents' interests would be to rise, not only in their own caucus, but here in the House, to deal openly with the problems created by the decisions originating from the Cabinet. The Cabinet is not made up of strangers, for several Quebec Members are Ministers. There are strong men, such as the Minister of Communications (Mr. Masse), who are Members of the Cabinet and represent Quebec. Mr. Speaker, it may not be necessary for a Quebec PC Member to use the same expressions as I did. We all know that even remarks that are only slightly critical, that address the issue, are better than nothing.

Unfortunately, Mr. Speaker, as my colleague the Hon. Member for Churchill (Mr. Murphy) has just indicated, just as Liberal Members from Quebec were silent in 1982 when we had to deal with the same issues in Bills C-77 and C-12, so are Conservative Members from Quebec now. I deplore this shyness on the part of the Quebec representatives in both the former Liberal Government and the present Conservative Government.

• (1150)

Mr. Deputy Speaker: Debate. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

Mr. Gabriel Fontaine (Lévis): As I was listening to the Hon. Member for Ottawa Centre (Mr. Cassidy) comparing the Progressive Conservative Party to the Liberal Party, Mr. Speaker, I could not help reflect, to their credit, that at least the Liberal Party and the Conservative Party both have definite party platforms and consistent ideas, while the socialist party of which he is a Member has never had any idea of its own and has never done anything except complain about the stands of either of them and particularize certain issues. That is the remark I wanted to make. The platform of the Liberals is to favour and accelerate the collective and progressive indebtedness of all Canadians, whereas that of the Conservatives is to pay the debts accumulated by the Liberals and to encourage the economic recovery.

The Hon. Member for Ottawa Centre is not in a position to advise either me or my Conservative colleagues on the Quebec situation. As a matter of fact, he should have listened to the message which Canadians from Quebec and all the other provinces east of Ontario have sent to this socialist party of his, namely, that they do not care about socialism.

This being said, I am pleased to deal with Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contribution Act, 1977.

As you know, Mr. Speaker, when these arrangements were made, Canada was faced with sky-high inflation rates. At the time, the increases in the federal Government financial contributions to the provinces' established programs were based on rates which were below the sky-high inflation rates of the time. Today, we are indeed proposing a reduction of the growth rate of our additional contributions to the established programs, and we say that our contributions will always be at least superior or equal to the inflation rates, something which did not exist before.

Our Government's contributions will continue to increase, so that over the next five years, our Government will contribute some $90 billion in Established Programs Financing. That is $25 billion more than in the past five years. So let my colleague enquire before he suggests that Quebec will be disadvantaged because of this Government's action.

Since the Hon. Member for Ottawa Centre suggested that we were not delivering what we had promised to the Canadian people during the summer of 1984, I have to tell him that he should know that we are indeed carrying out that message and that we have already had a number of very concrete achievements.

Our message developed along three major lines. Firstly, there was the reconciliation of the various provinces, and we were proud, Mr. Speaker, to sign the Eastern Accord on energy, the Western Accord. And never in the past 20 years, Mr. Speaker, have the relationships between my home Province of Quebec and the government in Ottawa been brighter.

So that is one of the aspects of our message. I can easily understand that the Hon. Member for Ottawa Centre may resent the fact that we are on excellent terms with the Government of the Province of Quebec. You have always banked on a gap between Quebec and Ottawa, but we Conservatives removed that atmosphere of tension and distance.

I would advise my hon. colleague for Ottawa Centre to try and find out about the aspirations of Quebecers and their desire to belong and to participate in the Canadian Confederation.

We also had another theme, Mr. Speaker, which we discussed during the election campaign, and that was our economic recovery. Since we were elected in September 1984, unemployment has gone down significantly.

More than half a million new jobs have been created, and this government did not do it the way the Liberals used to in their days, by implementing ad hoc programs in order to create temporary employment followed by unemployment. We developed a context that allowed businessmen . . . You will never understand what businessmen are, and I am talking to the Socialist Party, you will never understand that because you are the parasites of the Conservative as well as the Liberal party depending on how it suits you, parasites of the workers because you live off their contributions. So you will never know what a businessman is, a person who can handle the capital and the management of a business, you will never understand that. Businessmen, Mr. Speaker, did get our message and decided to invest, and Mr. Bullock, the Chairman of the Canadian Federation of Independent Business, recently stated that there had been an increase of more than 20 per cent in recovery and investment intentions since we took office. This is a true fact that my socialists colleagues should also take note of.

In the package we were offering to the Canadian people, we also said that we were updating our trade relationships with the United States, and you know that the United States trust our sincerity, but they are afraid of our relationships and it was indeed very difficult to get the U.S. Congress to agree to the so-called fast lane for the bilateral trade talks with the United States. Now, the reason they took a very hard line . . . The Hon. Member for Ottawa Centre (Mr. Cassidy) could listen to me, he might learn something and he certainly needs to.

An Hon. Member: He is only interested in television.

Mr. Fontaine: Now, the trade talks with the United States are under way, and those talks will in the first place have a grandfathering effect, as you very well know that 80 per cent of the trade with the United States is unhampered by customs barriers. You should also know that out of a total of $165 billion of goods sold out of Canada, 80 per cent are sold to the United States. This is why it is vital for us, firstly, to preserve our access to that market and, secondly, to enlarge that access to the American market and open up a potential market of 240 million customers to our producers and manufacturers. This also, Mr. Speaker, is what we are delivering to our people. Instead of putting questions to the Conservatives across the aisle, you should do your homework and stop contradicting other people, and that means the people in your own party as well. In fact, that is why you won't have any leadership candidates left in a few months. Well, Mr. Speaker, these were just a few comments I wanted to make to my Socialist colleagues.

Mr. Speaker, my colleague opposite said that the proposed changes would reduce the federal Government's contribution to education from 40 per cent to 36 per cent. What the Hon. Socialist Member should have said is that this Government's

spending on transfer payments will represent about 19.4 per cent of the total Budget. There is no reduction in this Government's spending on transfer payments. The Hon. Member might have added that to date, we have signed an impressive number of agreements with Quebec, including agreements on development of the tourist industry, those were signed and you didn't mention them, agreements on science and technology, those were signed and you didn't mention them either, agreements on regional development, those have been signed and you didn't mention them, agreements on forestry, signed again and not mentioned by the Hon. Member. There is an agreement on agriculture about to be signed, and it soon will be, according to a statement made last Thursday in the House by the Minister of Agriculture (Mr. Wise). It is now with the Quebec Minister of Agriculture, Mr. Pagé, and apparently will soon be finalized. These are some of the things that should have been mentioned by the Hon. Member opposite.

The Hon. Member also implied that our Government was passing on its deficit to the provinces. That is certainly a misleading way of putting it in the House, Mr. Speaker, because we have been reducing the deficit by . . . take some notes, they will come in handy when you write a book before leaving politics—

• (1200)

Seventy-five per cent of the deficit reduction proposed to Canadians will come out of reducing the Government's present expenditures, and 25 per cent out of tax increases. Since we have a deficit of $240 billion, I think it is only fair to ask all Canadians—and that is something you have never understood either—to tighten their belts in order to put our country back on the road to prosperity.

And speaking of this country . . . to ensure their political survival, the Liberals who formed the previous Government were always very fond of thinking up new social programs—in fact, you were in bed with them many times . . . in order to win the votes of Canadian men and women. Today, that is over with. No more borrowing to pander to the voters and mortgage our country's political aspirations. Those days are over.

We now have to fight to reduce our $240 billion deficit and you object to this fight against the deficit. You object to the fact that the Government is asking us, Canadians, to make a few sacrifices. When I hear you, I wonder if you are a true Canadian. Where do you think that the Canadian Government will find the money to live according to our means, to reduce our deficit and to stop letting our children and grandchildren pay for what we are spending today and for the mismanagement of the Liberals who were here before us?

Mr. Speaker, the comments made today by the spokesman of the New Democratic Party are unfounded, and in reply to his questions, I can assure him that the representative of Lévis is 100 per cent behind the policy of his Government because my own policy is based on the economic facts. A country cannot keep borrowing to pay for its day-to-day operations, but this has never been understood by your party either. Canada must develop structures to promote economic recovery, which has already begun, so that there will be more Canadian contractors and businessmen hiring more people. In this way, we shall be able to sell our products abroad. This is why we are working at the same time on our negotiations with the United States. These are matters that the Hon. Member should appreciate and understand before he tries to speak in this House.

In closing, Mr. Speaker, I would like to say that we are going to defend this Bill and that it will pass. I would like to ask the Members of the Opposition to stop their biased comments and to show that they understand the economic facts so that our Bill may receive quick passage.

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I am glad that a Conservative Member has been able to take part in this debate and to speak about Bill C-96 not only to the Members of this House, but also, through television, to the entire Canadian population, especially to say what he has just said. If I have understood him correctly, in the context of this debate, the reason for the deficit is that the previous Government spent too much for post-secondary education, medicare and hospital insurance since these are the issues with which this Bill deals.

Mr. Speaker, when we look at this Bill, we find that it amends before it should an agreement signed by the provinces and the federal Government following lengthy discussions to change the way things were done between 1977 and 1982. This Bill re-opens an old discussion but despite what has been said several times, the 6 and 5 program had a very specific objective and it did not affect social programs, medicare or hospital insurance. However, in this Bill, the rules are being changed in the middle or near the end of the game since there was still one year remaining before the expiry date of the 1982-87 federal-provincial agreements, and the provinces will lose $317 million.

Here is my question to the Hon. Member for Lévis (Mr. Fontaine): If he were a provincial Government Minister and that half way through his fiscal year he were to receive from the federal Minister of Finance (Mr. Wilson) a note to the effect that for the next year alone Quebec would get $82 million less for those projects—$114 million in the case of Ontario—would he reduce hospital services, or would he increase university tuition fees? Would he reduce health care provided under health insurance? What would he advocate, and what would he tell those people, knowing as we do that hospital emergency rooms are overcrowded and that patients have to wait for months before being hospitalized? We know as well that post-secondary educational institutions are very hard pressed as a result of huge cutbacks made over the past few years.

I would like to know what the Hon. Member for Lévis would recommend to the provincial Education or Finance Ministers to balance their budgets after learning half way through their

fiscal year that the federal Government will not live up to its commitments and reduce transfer payments which had been promised and on which the provinces relied to finance their programs.

Mr. Fontaine: First of all, Mr. Speaker, I take the liberty of expressing pride at witnessing the quick transition of the Hon. Member for Laval-des-Rapides (Mr. Garneau) from the back benches to the front row, right next to the Leader of the Official Opposition. I commend him for his performance, but that is about the last congratulations he will hear from me for a while.

I might point out that when he was Quebec Finance Minister, the Hon. Member for Laval-des-Rapides set up various health programs. Well, Mr. Speaker, do you know how much it costs today to keep a patient in a hospital room for one day in the Province of Quebec? As a result of their decisions and the kind of health system we have Quebec, it now costs $550 per day to have someone in hospital in Quebec. This is a result of the action taken by the Hon. Member for Laval-des-Rapides when he was a member of the team managing Quebec.

Secondly, I will point out, in answer to a question asked by the Hon. Member, that the contributions to transfer payments by the Government of Canada remain at 19.4 per cent of its Budget; there is no reduction. I will also point out that the economic renewal which we launched in September 1984 largely makes up for the sacrifices the provinces are now asked to make because that renewal has allowed the hiring of people. Over 120,000 new jobs have been created in Quebec and these people will pay taxes and provide funds to the Quebec treasury.

This is not what the Liberals were doing. They created unemployment which did not bring in any money. They had to compensate with additional transfer payments.

I will also point out to the Hon. Member for Laval-des-Rapides that Canada-Quebec agreements are still being signed and are very generous where Quebec is concerned.

Mr. Cassidy: Mr. Speaker, I know that our time is limited, but I would ask the Hon. Member for Lévis (Mr. Fontaine) who is perhaps quite concerned about the presence of the Socialist Party in the House of Commons to please respond to several arguments which I put forth in my speech.

He also seems to suggest, Mr. Speaker, that what I said was unfounded. He ignores the statements made by the Quebec Minister of Finance in his Budget speech last Thursday. They were not casual comments made by the Minister of Finance, but in the well-considered part of his speech, he criticized the federal Government for its reduced assistance to educational programs and medicare.

Also the Hon. Member, when criticizing the Socialist Party, apparently ignored the fact that according to polls there are now more people in his region, in Quebec, who support the New Democratic Party than the Progressive Conservative Party. This is a historical point in time. But I would like to emphasize the fact that we are starting indeed, we are doing our share to defend Quebecers, much better it would seem than the Progressive Conservative Members are doing.

Mr. Speaker, the Hon. Member suggests we are wrong when we say that the deficit is being transferred to the provinces. I quoted from the comments made by the former Finance critic of the Official Opposition, who is now Minister of Finance. Now, does the Hon. Member really believe that his Minister of Finance was wrong when he made those criticisms three or four years ago? Mr. Speaker, I suggest the Hon. Member should think that over. The fact that he has touched on almost every subject under the sun without directly supporting the cuts made in those payments under the established program funding, indicates the Bill cannot be defended.

Mr. Fontaine: Mr. Speaker, the Hon. Member for Ottawa Center (Mr. Cassidy) once more has missed a beautiful opportunity to remain silent. Is the Hon. Member aware, when referring to polls, that the Socialist Party has no Member whatsoever east of the Ontario border? I would advise him to pay attention at the next election. He will realize that the real poll then will probably result in their losing seats.

Now, when the Hon. Member refers to the speech made by the Quebec Finance Minister, I must inform him that I read the speech and it is on page 14 that he is referring to what Mr.Lévesque stated.

Mr. Lévesque, speaking as a politician rather than a manager, had to put the blame on somebody else for increasing the tax burden of Quebecers. That is quite normal. But Mr. Lévesque is still more competent than you are at managing a province. He knows we are at a point in time when belt-tightening is in order. You also should have understood the over-all gist of his Budget, the thrust being to use restraint and recognize the constraints imposed by the current deficit. Those constraints were put in place when you were in bed with the Liberals, when they were in power.

Mr. Deputy Speaker: A brief question by the Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Mr. Speaker, the Hon. Member has just said that everybody must share in the sacrifices to reduce the deficit. I should like to know why his Government has reduced the tax rates for the most affluent people in our society? Why have they given the capital gains tax exemption if they really think that everybody has to make sacrifices?

Mr. Fontaine: Mr. Speaker, this socialist Member does not understand that people are in business to make profits. Theoretically speaking, it is because of these people who are in business that you, people of the socialist party, can live without doing anything. It is thanks of them. They are the people who have achieved a standard of living which allows you to earn a living while complaining about what others are doing and saying.

You have never had any philosophy or means to develop the human and natural resources of this country. You are nothing but parasites in the society. That is the reason why there will never be any business development under any socialist system anywhere in the world.

• (1210)

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, no Bill that we have considered since the Tories came to power is more important than Bill C-96. I welcome the amendment that we are debating, which calls for this Bill to be read six months hence in order to give the Government an opportunity to reflect upon the Bill.

I believe that this Bill is disastrous. Not only will it have a bad effect on every Canadian because it endangers our health and our education, it will affect our future in every sense.

The Conservative Government in Ottawa did not ask or consult with the provinces, but unilaterally decided to advise the provinces that the federal Government will cut the expected federal transfer payments to the provinces. Those payments which are to be made for health and education will affect everyone in our country.

The Tory Government in Ottawa did this in spite of the protestations of the provinces and despite the appeals from those who work in the field of education and in the field of health. They warned of the disastrous repercussions coming from this Bill.

Over the next five years the Government will slash $6 billion from these promised transfer payments to the provinces, $4 billion of which should have gone to health and $2 billion of which should have gone to post-secondary education. The Conservative Government in Ottawa is making a grave mistake for which all of us will eventually have to pay. Some of us will pay sooner, in health, and some of us will pay later, in education.

The Government's first grave mistake is that it has shamefully broken almost all of its promises.

An Hon. Member: That is not true.

Mr. de Corneille: Second, it is taking from the weak and giving to the strong; taking from the poor and giving to the rich. The third grave mistake of the Conservative Government is that it is short-sighted. It is cutting back on our richest and most precious treasure—our people.

I said that the Tories had broken their promises and one of the Tory Members across the way said that this was not true.

I will illustrate how the Government has betrayed the people of Canada by not keeping its promises in regard to post-secondary education. Prior to the 1984 election the Canadian Association of University Teachers asked the Government what the future would have in store in the field of post-secondary education financing if the Tories were elected to power. The Prime Minister (Mr. Mulroney) supported the official Conservative response before the last election that: "We are committed to sustaining the current federal financial commitment according to the formula set out in the 1977 agreement." In order to ensure that the Tories were not misunderstanding or hedging on that question, the Canadian Association of University Teachers asked a second question to elucidate on the answer to the first question. They asked if the Conservative Party supported the continuation of the Established Programs Financing Act in its present form with regard to post-secondary education and, if not, what they believed should replace the EPF transfers to the provinces for post-secondary education.

The Tories replied that they fully supported the original 1977 funding formula and the legislation providing for that. Prior to the last election, nothing could have been more clear than that promise made by the Conservatives. Those were their words, not in one answer but in two.

• (1220)

We know that the Prime Minister did not keep his promise. He broke it. The proof of that is found in Bill C-96. He did not keep his promise since this Bill changes the 1977 funding formula. It cuts the formula back from what was approximately 7.4 per cent to a figure of 5 per cent. Worse than breaking a promise, the Government has broken its agreement with the provinces. Before the end of the fiscal year, March 31, 1987, the Government has cut back in terms of its agreement. This move is not only a breach of promise but it breaks an agreement which was in existence between the Government of Canada and the provinces.

Obviously, the Tories do not care one whit about the promises they made during the election campaign. As my colleague from Laval-des-Rapides pointed out, the breaking of this agreement with the provinces leaves them in a situation of finding themselves with an unfulfilled promise. A breach of promise and a breach of agreement are totally unacceptable to the morality of this country. Beyond any question, this is inexcusable.

In fact the Tories admit that they have changed the formula. This is a devastating and savage attack on the medical care programs of the provinces. I wish to point out that even when the Liberal Government was carrying out a special short range attack on inflation in its famous and successful 6-and 5-program it never touched the medical side of the transfer payments. Indeed, at that time the Tories vigorously criticized the Liberals for imposing a cap of 6 per cent for the first year and 5 per cent for the next on the post-secondary education section of the transfer payments. As Don Savage, the Executive Director of the Canadian Association of University Teachers, pointed out, the Liberal Government caps were temporary. They were in place for about two years. The Conservative cap of 5 per cent is permanent. This is what Mr. Savage had to say about the matter:

In the 1984 election the Conservatives promised to maintain the 1977 arrangements. Now they are subverting them.

The Government is subverting them in this Bill. That is the tragedy of it.

How the Tories complained about the way the Liberals cut back to 6 per cent and 5 per cent in order to fight inflation for two years with regard to a section of these transfer payments! Not only did they swear that if they were elected they would go back to the old formula but they said that they would increase support for post-secondary education and for research. The following are the words of the Conservative Member of Parliament for Mississauga South (Mr. Blenkarn) who pleaded the case eloquently in 1982. He said:

We must have the development of intellectual capacity in the country. The only place in which that can happen is in the post-secondary educational stream. We require universities, technical colleges and community colleges. If we do not train our people, they will be incapable of competing in a highly technical world, will have to use the technologies of others, will truly be hewers of wood and drawers of water, and will have to live to the standards that exist in South Korea and Taiwan. It is a competitive world. If we do not keep up and keep ahead, our standard of living will drop to those of other countries.

We must keep our universities and colleges staffed, growing, capable of doing research and development and training people. That is a priority.

Those are the words of a Conservative Member of Parliament spoken at a time when the Liberal Government was in power. He was criticizing that Liberal Government for a temporary cut of transfer payments to 6-and 5-in order to fight inflation. His Government has now placed a permanent cap of 5 per cent on the matter. The Hon. Member for Mississauga South knows that this move is disastrous. However, we do not hear him complaining now about Bill C-96 to say that, in fact, his own Party has reneged on the priority of which he spoke.

The following are the words of the present Minister of Employment and Immigration (Miss MacDonald) as she said them prior to the Tories being elected. She said:

What really seems clear to me from the Minister's speech this morning is that the Government, divorced as it is from the real world, does not seem to be aware of the growing crisis in Canadian post-secondary institutions.

After one more quotation I will stop torturing my Conservative colleagues across the way. The following are the words of the Hon. Member for Brandon—Souris (Mr. Clark) who said:

We need more consultation with the provinces. We need the development of a national education strategy. Above all, we must understand that this is not the time to reduce in any way the vital resources which the federal Government has been transferring to the provinces.

That is what was said then by those members of the Government who were criticizing the cuts. Until that time the actual escalators which the Liberals brought into effect for the years 1970 on were 11 per cent, 10 per cent, 10 per cent, 11 per cent and 12 per cent. We then brought in the 6-and 5-program. Of course, this certainly indicates that the previous Government was providing escalators which were at least much larger and more significant. Nonetheless, the Tories considered that that record was not good enough.

Where are these Tory MPs now when their Government, their Party, and their Prime Minister have broken faith with the provincial Governments and, above all, with our youth, the future of us all? Why do Conservative Members of Parliament not speak up now as they did before the last election and try to do something to save our educational system?

I have said that the Tories stand condemned for three reasons. The first is for their breach of promise, upon which I have elaborated. The second is that they make the strong stronger but, tragically, in doing so they make the weak weaker. The Government has a knack, not only in its Budgets but in its programs, for making the rich richer and the poor poorer. As my colleague, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), said so eloquently on April 25:

In my own Province of Newfoundland there will be a reduction of $7 million in 1986-87. Newfoundland will get $7 million less than it had expected. It will have to find that money within its own economy. Over a five-year period the province will receive $48 million less than it expected. That is in the province which has the highest unemployment rate in the country and an economy which is very, very vulnerable, and which has already experienced cut-backs in government programs. It has seen the lay-off of public servants. It has seen the world oil price plummet, which has put in jeopardy the one great hope which the province had, that is, the development of Hibernia. Newfoundland and other provinces like it will be forced to look to their already weakened economies to make up the disparity in funding.

In his attempt to come to grips with inflation at the federal level and to lower the federal deficit, the Minister is passing the problem on to the provincial economies. I am not alone in taking this position. It has been echoed by the Premier of Newfoundland.

This is the concern which we have. There is no doubt whatsoever that it will be students and the economically poorer provinces who will suffer the first and the most as a result of this cut and others imposed by the Government. I say this, whether or not we are referring to student loans, bursaries, tuition fees, or the quality of facilities in education. Because of this regressive Tory policy the poor will get poorer and the rich will get richer. There will be poorer education and fewer opportunities for the poor.

• (1230)

In November, 1985, Premier after Premier protested the action of the Government and said that the reduction in the growth of federal funds for health and education was made without consultation. Take, for example, some of the concerns expressed by Tory leaders in the provinces. Terence Donahoe, Nova Scotia's Minister of Human Resources Development and Training, said the following as quoted by *The Globe and Mail* of January 28, 1986:

—if Ottawa goes ahead with a reduction in grants, "it simply will emasculate the post-secondary education system. It is going to be chaos and chaotic. Regardless of whose numbers you are going to use, the system is simply going to fall apart.

How can the Tory members of the Government here in Ottawa say that it is not true that this will have devastating effects on the provinces or that the provinces understood and agreed with this? How can they possibly put that notion forward when we heard from Newfoundland Tory Premier Brian Peckford, as reported in the same article, the following:

We will have to limit students going to our universities and everybody won't have a free chance to go to university.

Saskatchewan Tory Premier, Grant Devine, said:

Before you ask teachers and nurses (to bear the cuts), you got to carve up a bit.

The Tory Premier of New Brunswick, Richard Hatfield, said:

I don't have a choice. I can gouge the economy or I can gouge social programs.

Howard Pawley of Manitoba also protested, as did the Premier of Ontario.

Practically every Premier protested this action of the federal Government. Tory Members are acting as if this was only part of the course of nature. It is not. As Patrick Kenniff of Concordia is quoted as saying, "If you think education is expensive, try ignorance".

Canadians will not fall for this kind of explanation or for this kind of Government. That is one of the reasons for Tories being turfed out in province after province. Tories are burying our talents in the ground rather than risking them by investing in the health and education of our people.

The Bill that cuts back on what the provinces were promised for post-secondary education and health care is mean. It hurts the weak and the young people. It does all of those things that Tory MPs from Kingston and the Islands, Mississauga South and Brandon—Souris said, while in opposition, should not happen. Those exact things are happening under the Tory Government.

This measure will not lower the deficit as the Premier of Ontario, David Peterson, so rightly said to the Prime Minister (Mr. Mulroney). He said:

You are only transferring the national problem to us.

Yes, the Prime Minister is not eliminating the deficit, he is just passing the buck. He is passing it on to the provinces and the provinces often have to pass it on to the young people. The young people have to pay for the deficit with their careers and their futures. The Government has passed the buck to them.

The Government was not listening to Ed Anderson or Don Savage of the Canadian Association of University Teachers, or to the Association of University Colleges of Canada, or to John Casola of the Canadian Federation of Students. Despite the recommendations of the famous Johnson report and the findings of the Bovey Commission in Ontario, the Royal Commission in Nova Scotia, the Wright report and the Macdonald Royal Commission report, the Government is not listening and is not offering leadership. We need leadership in this area.

The Leader of the Official Opposition (Mr. Turner) has been going across the country speaking and listening to university students, professors, and administrators. He is profoundly concerned about post-secondary education. As the Leader of the Official Opposition, he has been alerting the country to the need for a national approach to post-secondary education. He is insisting that we need a way to get the provinces and the federal Government to co-operate and to make sure that the money the federal Government transfers to education in the provinces is spent on education, unlike what happens in the Province of B.C. He wants to make sure that federal incentives to the provinces be arranged for research and development and that the promised targets for research and development are reached. He wants to see that attention is given to strengthen centres of excellence, that business and school co-operation is encouraged, and that we increase our effectiveness in spending. That is the program of the Leader of the Official Opposition. That is what this Government is not doing for us. It is not offering leadership. It is simply cutting back on its promises and even on its agreements.

Mr. Garneau: Mr. Speaker, I would like to congratulate the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) on his excellent speech. In a province like Ontario, for example, this change in the transfer payment will mean the loss of close to $3 billion by the end of 1991-92. Although the Province of Ontario is probably one of the richest provinces in Canada, does the Hon. Member think that the Ontario Government can accept this cut and manage to keep the same level of services, or will the Department of Education, for example, have to cut back on university services or increase tuition fees? Perhaps the Hon. Member could comment on that.

Mr. de Corneille: Mr. Speaker, yes, the price the Province of Ontario alone will have to pay in the period indicated in loss of promised revenues for post-secondary education certainly will be, as pointed out by the Hon. Member for Laval-des-Rapides (Mr. Garneau), $3 billion. Obviously this will mean that there will be a lessening of the quality of education and a deterioration in the capital assets of the universities.

It is a shocking fact that the library of Queen's University is now rated 85th among those of North American universities. This obviously means that that university is not finding the funds necessary for capital expenditures. This is just one example of what is happening.

We think of Queen's University as being one of the great universities in this country. It is now suffering these kinds of set-backs. Imagine what the other, newer universities in the province must now face in terms of required capital expenditures and operating expenses.

Obviously, in answer to my colleague's question, the situation that exists in the Province of Ontario is grave. Already the Premier has given an additional $50 million to the universities. That Government is looking at this problem and is trying to find a solution.

The other solution suggested by my colleague was to increase tuition fees. That was something that the Bovey Commission of Ontario began to think might be necessary because of the cut-backs in promised support. Obviously this means less access to universities for the poorer students. Why do I say that? Are there not student loans? There may be student loans, but parents will probably not allow their children to run up debts that are so high if the price of tuition

goes out of sight. This is a very serious cut-back to the future of our young people, and the students from less affluent homes will continue to bear the brunt. The children of the elite will get to university but the children of those who are in the working and middle classes will have to suffer. They will not get the education and they will then become the hewers of wood and drawers of water, thanks to the Tories.

Mr. McCurdy: Mr. Speaker, I listened with interest to the speech made by the Hon. Member for Eglinton—Lawrence (Mr. de Corneille). Of course we agreed with him when he called for a revolt in the Tory ranks in protest against the legislation that is before us today. I am also appreciative of the revelation that the Leader of the Liberal Party is now engaged in the kind of consultation process with universities in which we have been engaged for some 18 months now.

• (1240)

I listened with particular interest to the Hon. Member when he referred to the 6-and 5-cuts which were perpetrated by the Liberal Government. Those cuts clearly hurt the post-secondary educational system in Canada and made their own contribution to cutting back accessibility. The Hon. Member indicated that they were not permanent changes as were the changes suggested in the legislation before us. I was quite reassured to hear that. I just want to know when the money was put back.

Mr. de Corneille: Mr. Speaker, my hon. friend will find that it immediately and automatically reverted back because the legislation was only for the periods of 6-and 5-. Inevitably there was some loss over that period, but the formula reverted back automatically to the original formula which remained in place. If the Hon. Member examines the legislation more closely, he will find that it automatically reverted. In fact for one year the Tories brought in about a 7.4 per cent formula which followed the existing formula automatically.

What I am criticizing is that for the next year, the year leading up to March 31, 1987, they have cooked up a new formula which breaks the existing agreement that does not expire until March 31, 1987. They are not only breaking their election promise to keep the 1977 funding formula, they are also breaking into the middle of an agreement period which does not expire until March 31, 1987. It is disgusting for any Government to break faith in terms of an agreement which exists between the Government of Canada and the provinces.

I should like to refer to the activities of the Right Hon. Leader of the Opposition. Ever since he was elected to the House he has been active and has shown a total involvement in the whole area of youth and post-secondary education. Hardly a month has gone by that he has not visited a large number of universities and colleges to listen, to speak with, and to assess the problems in that area of our future.

I thank the Hon. Member for his question and the opportunity to make that clarification.

Mr. McCurdy: Mr. Speaker, I have a supplementary question. Just to ensure that the facts are clear, I proffer a further question to my hon. colleague. Were the six and five cuts made with the unanimous consent and enthusiasm of the provinces? Was the $350 million which was involved ever returned to the universities? Is the loss in those two years appreciably less than the two-year loss which the post-secondary educational system will experience as a result of the Bill before us? Finally, was there an organized effort on the part of the Official Opposition in the form of a task force, such as the one established by the New Democratic Party, to speak with young people about the problems of post-secondary education?

Mr. de Corneille: Mr. Speaker, I am not familiar with the activities of the New Democratic Party. I am not aware in detail of what it has been involved in, in terms of its tours, trips, and research. I hope the NDP will share it with the House by reporting on the matter.

I should like to deal with the more important question the Hon. Member asked. I pointed out that obviously the funds lost during the 6-and 5-, during the period of time in which we dealt with the inflation emergency, were lost for good. Since our dear friends in the NDP never govern and never have to be responsible, they enjoy the opportunity to criticize any efforts which are made to deal with economic problems, whether they are made during a Liberal or a Conservative regime. When the subject of inflation arose, I do not remember them taking any kind of responsible action in that respect or making any supporting efforts to find a program to bring down inflation. However, I have to point out that the 6-and 5-measures were successful. They were temporary, they were taken off, and we returned to the present system.

As a final comment, I am not satisfied that enough was done in the past, even though the Liberal Government made an important enough contribution to post-secondary education and showed that the federal Government had an important role to play. We do not need to do less, as was suggested by the Tories. I suggest that we need to do more. The Right Hon. Leader of the Official Opposition has shown leadership in this question, not only by throwing money at post-secondary education but by working out ways whereby we can work with the provinces to ensure that the money given to them reaches the targets, to ensure that the provinces themselves can participate, and to ensure that there is an over-all approach to the important areas of financing universities and colleges, of financing economically important research which helps business, and of pure science and the social sciences, all of which are important to the future of the country.

Mr. Deputy Speaker: I must remind Hon. Members that from this point onward speeches will be limited to 10 minutes.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I cannot say that I am pleased to be speaking on Bill C-96 because it is a Bill which we do not want to see before the House. It attacks two absolutely essential programs in terms of

health care and post-secondary education. Also it shows a betrayal of promises made by Conservative Party Members when they were in opposition and repeated at length during the 1984 election campaign. They indicated that they would respect and indeed return to the EPF formula of 1977.

We see a chipping away of our social programs in the case of the old age pension, from which they backed off, the family allowance, and the child tax credit. It is a 3 per cent attack. They do not have the nerve to attack 100 per cent of the program. They want to reduce it by 3 per cent per year. Here we have a reduction in the order of 2 per cent per year. Perhaps it does not seem all that serious, but people must realize that it is a cumulative 2 per cent and that it is in vitally important areas. With a rising elderly population, we can expect in any event that health care costs will rise. In the area of post-secondary education, the Government says that we need a well-trained labour force and well-educated people in order to stimulate the economy, to develop research, to develop technology, and to compete in the modern world. The Tories are going in the wrong direction.

The problem arises out of the projections which have been made for growth in expenditures under the Established Programs Financing Act, 1977. The agreement which was negotiated with the provinces and entrenched in legislation was that there would be increases in the federal contribution in line with the Gross National Product and population growth. The projected increase was 7 per cent. With the proposal before us in Bill C-96, the object is to cut 2 per cent, leaving 5 per cent. Under the old formula the provinces could have expected $97.7 billion between 1986-87 and 1990-91. Under the new formula, if Bill C-96 passes, they will receive $92.1 billion, or $5 billion less than they were led to believe they would receive. For Ontario that is roughly $2 billion less than it expected.

Let us look at the breakdown between health care and education. Roughly 68 per cent is for health and 32 per cent is for post-secondary education. Both will be hit very badly. Let us remember that when the Liberals hit these two programs with their 6-and 5-measure, the Conservatives in opposition said that it was wrong and that the programs should not be attacked. Now we have the Nielsen report of the Conservative study team. It recommends against Established Programs Financing because:

> It restricts flexibility of provinces in responding to pressures within their health systems.

• (1250)

This is a euphemism. Yes, it indeed restricts what provinces can do in order that Canadians will get some protection against extra billing and privatization. We need that kind of protection.

The Conservatives in their campaign handbook said:

> We would return to the 1977 funding formula.

During the campaign itself the Tories said:

> We are committed to sustaining the federal financial commitment according to the formula set out in the 1977 agreement—we believe that financing of post-secondary education is an important priority for both levels of government.

We see Tory Governments provincially cutting post-secondary education, and we see it being done federally.

Before the Established Programs Financing Act of 1977, programs were cost shared on a 50/50 basis. Since then the federal share has dropped. In the first year of operation, 1977-78, the federal share went down to 48.7 per cent. By 1982-83 it was 42.6 per cent, in 1986-87, 41.0 per cent, and the projection for 1990-91 is 36.0 per cent. Yet throughout this time we see health care costs rising simply because of demographic changes. Elderly people require more health care. This legislation does not take their needs into account. Health care technology is changing. If we are going to give the best quality care to people, there will be increasing costs.

The Canadian Medical Association says this legislation will create a two-tier health care system as between rich and poor provinces, and:

> The dream of Canadians having access to reasonably comparable health services, no matter where they live or travel, appears to have been abandoned by the Government of Canada.

> Health care is already underfunded. Hospitals operating on a financial deficit have become the norm. Hospital beds are not available, emergency departments are overcrowded with patients stored in the corridors and many patients wait for months for admission to hospital as waiting lists grow longer.

In the poorer provinces there is already a crisis situation. This Bill will make things worse.

Manitoba has been leading the fight among the provinces to maintain services as they are. All provinces are critical of cuts of this nature. The Manitoba Government has made it very clear that it thinks that health care and post-secondary costs should be brought into line with economic growth, but it cannot be done overnight. It cannot be done by one level of Government acting arbitrarily and unilaterally. There has to be orderly progress.

In the case of post-secondary education in many provinces, we see universities and colleges attacked by their own provincial Governments. Universities and colleges are being attacked both ways by cuts federally and provincially. Students are suffering as a result. Tuition costs have gone up. Universities are much less accessible than they were before. There are limitations on enrolment. It is not just the largest and most prestigious universities that are limiting enrolment. Whole programs are being cut.

I notice in Toronto that the Ontario Institute for Studies in Education is to be closed. The situation in B.C. is much more dramatic with really serious cut-backs throughout universities and colleges there.

Let me quote from a report prepared for the Secretary of State of Canada (Mr. Bouchard) on the federal financing of post-secondary education, by A. W. Johnson. A number of absolutely key points are made about the changes that we have seen in recent years. Let me quote:

Federal-Provincial Fiscal Arrangements Act

The proportion of the GNP made available by government to Canada's universities and colleges for their core operations has been declining since 1977-78, the year the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act was passed—from 1.35 per cent in that year to 1.24 per cent in 1984-85.

The proportion has probably gone down since then but these are the latest data available. The report goes on:

Between 1977-78 and 1984-85, enrolment in universities increased by 27 per cent, and that in colleges by 36 per cent.

These are substantial increases. It continues:

During the same period government support of core operations, expressed in real terms, increased by 2.5 per cent.

That is shameful and it means that real programs have had to be cut, classroom sizes go up, purchases of equipment and library supplies and all of that have suffered as a result of expenditures not keeping pace with increasing enrolment. The report goes on:

University tuition fees, when expressed in real dollars, have been rising in every province since 1981-82—except in Quebec.

Enrolment limitations—services which are vital to research and higher education, library services, research equipment, computer services—are falling behind, in many cases seriously so.

I see that my time is up, Mr. Speaker. Let me close by saying this is shocking legislation. It attacks all people by attacking the health care system, elderly people in particular. It is unwise legislation, it is hitting young people who want post-secondary education, and the Government has the gall to say that young people and a trained labour force are needed in order to stimulate the economy and to make Canada competitive in the world. But we will not have that so long as universities and colleges do not get the funding they need. That is the situation as it is right now. We have a Conservative Government going in the wrong direction, absolutely contrary to the promises made in the election campaign, absolutely contrary to everything it said in opposition.

We are going to oppose this Bill. We have taken the view that the Bill should be sent back for study for another six months in order to give a chance for the federal Government and the provinces to work out better terms, ones that will respect the needs of Canadians. We should not proceed with Bill C-96 as it is now.

Mr. Deputy Speaker: On debate I will recognize next the Hon. Member for Winnipeg—St. James (Mr. Minaker).

Is it the pleasure of the House that I call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock today.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE SENATE

APPOINTMENT OF MICHEL COGGER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it is not what you know but who you know. The Prime Minister (Mr. Mulroney) proved that last Friday night when he appointed his close friend and backroom schemer, Michel Cogger, to the Senate to represent the Province of Quebec. Whatever happened to the sanctimonious platitudes of the summer of 1984 which were repeated in the House of Commons in September of 1985? The Prime Minister was to "reform this instrument of our national life".

So proud was the Prime Minister of his friend, Cogger, that he appointed him at 6 p.m. on Friday after the lights had dimmed in the Press Gallery. Perhaps the statement of the Conservative Leader on May 24, 1983, was the most accurate. He said: "There will be jobs for Liberals and NDPs, too, after I have been in power for 15 years and I can't find a single living, breathing Tory left to appoint".

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FORESTRY

CALL FOR ESTABLISHMENT OF SEPARATE MINISTRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, this week is National Forestry Week in Canada. The Conservative Government has committed the sum of $4 million to be spent over the next two years on advertising designed to create public awareness of the importance of our national forests. Canada needs more than public relations and election promises if our forests are to continue providing jobs and resources for our future.

Last June the Committee on Fisheries and Forestry passed a motion as follows: "This committee urges the Government of Canada, in the strongest terms, to establish a separate federal Ministry of Forestry and a Standing Committee on Forestry". My amendment, which also received all-Party support, added: "—and a national forest and forest industries Act". Action on this motion would constitute practical and far-reaching recognition on the theme: "Your forests, your future".

* * *

THE LATE ALAN BORDEN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise to pay tribute to Alan Borden who lost a courageous battle last Wednesday, April 30, 1986. Alan was the immediate past-president of B'nai Brith Canada. In 1978 he was instrumental

in arranging to have a Jerusalem pavillion in the Metropolitan Toronto International Caravan. He also led with excellence the fundraising activities of the B'nai Brith Foundation. His vision was also evident in Israel where, thanks to his initiative, a Mother and Child Health Care Centre was established in Tel Aviv for disadvantaged people.

Alan will be remembered by his many colleagues at B'nai Brith across Canada and internationally. Alan Borden will be missed most by his wife Betsy and their two daughters, Samantha and Lindsay, his parents, Harvey and Ruth Borden, and many other close relatives. May his family be comforted among the mourners of Zion.

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RESPECT FOR LIFE WEEK

WORK OF PRO-LIFE MOVEMENT

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I would like to draw to the attention of Members that this week has been designated Respect for Life Week in Canada. The goal of this week is to heighten public awareness of the work of the pro-life movement in Canada. The pro-life movement embodies the concerns of millions of Canadians who view the right to life of the unborn as a fundamental human right.

Several years ago over one million Canadians signed a petition to this Parliament to afford legal protection for the unborn. Every year in Canada over 65,000 pregnancies end in abortion. This needless waste of life must be addressed by all of us as concerned Canadians working to reform attitudes and to change laws. During this Respect for Life Week may we, not only parliamentarians but all Canadians, rededicate ourselves to the respect for every human life.

* * *

NATIONAL DEFENCE

WHITE PAPER—TIMING OF PUBLICATION

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have questioned the Associate Minister of National Defence (Mr. Andre) in committee, and last Thursday and Friday I questioned both the Associate Minister and the Minister of National Defence (Mr. Nielsen) on when the Government will release its long promised White Paper on defence policy. This is the paper which was to fulfil Tory promises and give the Armed Forces a glorious tomorrow. Tomorrow has come and gone, but there is still no policy paper. Straight forward questions have been met with smart aleck replies. Diversionary tactics are used to confuse the issue and the Ministers look increasingly silly as it becomes more apparent each day that the Emperor has no clothes. The Government wrapped itself in promises of 6 per cent real growth in the defence budget, but the Minister of Finance (Mr. Wilson) tore this off and exposed two ashen-faced Ministers protected only by the wilting promises of a Government which cannot be trusted. The Tory defence cupboard is bare. It is apparent, Mr. Speaker, that despite their self-righteous protestations the Ministers are bare as well.

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[*Translation*]

AGRICULTURE

NEW DAIRY POLICY

Mr. Gabriel Fontaine (Lévis): Today, Mr. Speaker, I want to bear witness in the House to the Quebec dairy producers' very high level of satisfaction toward our farm policy. They are aware of the dairy policy which has now been established for the next five years. Hon. Members will remember that the former Liberal administration used to hold our farm producers hostage by making public every 12 months a new dairy policy or maintaining the status quo.

Moreover, since May 1, 1986, these same dairy producers are entitled to a 5.5 cents a litre exemption on the fuel they use for agricultural purposes.

Our Party has faith in the future of agriculture. Since September 1984, it has worked together with small and medium-sized farms, and our Government will continue to get involved in the Quebec agricultural industry, as all Quebecers will appreciate when the Province of Quebec has examined and accepted the Canada-Quebec farm subsidiary agreement.

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• (1405)

[*English*]

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister of State for Multiculturalism (Mr. Jelinek) has challenged the multicultural policy developed over the past 15 years. He appears to believe that grants supporting cultural retention have led to the social, economic and political isolation of minorities to the detriment of Canada. It is not the support of programs within minority communities which inhibits their participation in Canada, but rather the feeble efforts of Government to encourage that participation.

Even while high rates of unemployment hurt minorities most while exacerbating the scapegoating of the same minorities, the Government adopts employment policies which can but make matters worse, while itself failing to provide leadership

in the hiring of minorities in the Public Service. Indeed, cuts in the Public Service promise little hope for future progress. Cynicism abounds in the form of employment equity instead of mandatory affirmative action, promises, not kept, of greatly increased minority appointments, and immigration policies which sacrifice families to money. This Government still perceives one third of our people as on the outside looking in.

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PENSIONS

CALL FOR REFORM OF PRIVATE SECTOR

Mr. Joe Reid (St. Catharines): Mr. Speaker, as with the weather, there is much talk about pension reform in the private sector, but with little action. In the context of current legislation, the time is now for that sector to increase substantially the numbers covered. Provision must be made for a more mobile workforce, giving earlier vesting rights and increased portability. Pension fund assets now exceed $125 billion. The time has come when such funds may not be subject to unilateral use or abuse, or even to the risk of third party claims. So long as those funds are subject to corporate benefit and tax breaks, it is the individual employee who should be protected. Even an allocation of one-third of the amount of those funds would greatly assist those early retirees who live on fixed pensions, a pre-CPP plan, and pre-inflation dollars.

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[*Translation*]

MONTREAL BOTANICAL GARDEN

ESTABLISHMENT OF COMPUTER SYSTEM

Mr. Guy Ricard (Laval): Mr. Speaker, I would like to pay tribute to a major Quebec and Canadian institution, namely, the Botanical Garden in Montreal. Ever since it was established in 1931, this international centre for botanical study has been a source of enjoyment for several generations.

The botanical garden is starting another season of activities aimed at increasing our knowledge of horticulture, nature and ecology generally. Beginning this week, a computerized system will enable the many visitors to discover the various facets of plant life and horticulture. Thanks to this world first, the botanical garden in Montreal will be at the forefront of horticultural information.

From Quebec flora to the interrelations which make it possible for men and plants to live side by side, there will be points of interest for all. Moreover, the largest monocoque greenhouse in Canada, built at a cost of over $1 million, will be opened next Thursday night. I invite therefore all my fellow Canadians to come and visit this summer «la belle province» and especially the great City of Montreal and enjoy true Quebec hospitality.

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AIR TRANSPORT

POSSIBLE CLOSURE OF MONCTON-RIVERVIEW AIR TRAFFIC CONTROL CENTRE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, again New Brunswick, this time the Moncton-Riverview area, is being threatened by the prospect of unemployment as a result of the Government's decisions. After the CN workshops in Moncton, the same situation may arise at the air traffic control centre in Moncton-Riverview.

It seems the Government intends to close down this control centre, and if that is the case, 200 workers will lose their jobs, and Moncton and area will lose $6.5 million in income.

It seems no consultations have been held, which has made workers very concerned. I too am very concerned, Mr. Speaker, about Moncton and New Brunswick. What is going on with this Government? Has it decided to erase our region from the map? Is it going to apply the Schefferville solution to New Brunswick? Ever since this party came to power, workers in New Brunswick have been made to feel insecure as a result of the threat of unemployment. It is an insult to the people of New Brunswick!

* * *

• (1410)

[*English*]

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—LACK OF INFORMATION

Mr. Alex Kindy (Calgary East): Mr. Speaker, the Chernobyl incident was handled by Moscow in the most high-handed and irresponsible manner and reflects, once again, its obsession with losing face internationally. It is very difficult to believe that the second most powerful country in the world would apply its weapon of disinformation at a time when it has created such a horrible threat to its neighbours. It had both a moral and legal responsibility to make public this accident. Yet, it was not until Sweden and Finland discovered abnormally high radiation readings that the matter received the attention it required.

This is in sharp contrast to the Three Mile Island incident. In that case when a nuclear power plant reactor sprung a leak, detailed information was made available immediately, both to the public and to the International Atomic Energy Agency. Secretary General Gorbachev's promise of greater—

Mr. Speaker: Sixty seconds. The Hon. Member for Ottawa Centre (Mr. Cassidy).

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THE MINISTER OF REGIONAL INDUSTRIAL EXPANSION

CULTURAL CUISINE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to draw the attention of my hon. colleagues to how quickly the events of this House find their counterpart in the popular culture of our country. I refer specifically to the business arrangement between the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) and his wife, which the Canadian public has heard so much about in the last week.

In the Byward Market in Ottawa this weekend I happened to enter the Budapest Delicatessen, which was featuring as its special, the Sink Stevens sandwich.

Allow me to share the ingredients with you. First you take a layer of turkey, you add a layer of hot air and you finish it off with a layer of baloney. Lay it away interest free and there you have the Sink Stevens special. At $1.99 it is a real steal.

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EXPO 86

EXCITEMENT OF EXHIBITS AND PAVILIONS

Mrs. Mary Collins (Capilano): Awesome—it's the only word to describe Expo 86 in Vancouver, British Columbia. It is electric, colourful, fast-moving and fun. From the Scream Machine to the newest space technology; from African artifacts to Indonesian frog dancers; from opera to rock, it is all there.

The Canadian pavilion is a must where outstanding films and exhibits show how transportation and communications have shaped our history, our culture and will provide exciting opportunities for our future.

On behalf of all Canadians our thanks to those who had the dream, who created the magic, and who made it happen, and especially to Mr. Expo, Jimmy Pattison, B.C.'s newest national treasure. Friends, visitors, countrymen, don't miss it. From now until October 13 you will be glad you left home to be there.

S.O. 21

THE YOUNG OFFENDERS ACT

SUPPORT FOR AMENDMENTS

Mr. Alan Redway (York East): Mr. Speaker, I wish to congratulate and thank the Solicitor General of Canada (Mr. Beatty) for introducing in the House last week a Bill to amend the Young Offenders Act to better protect the public.

During the past two years the Young Offenders Act has been the subject of much public criticism. Now, after developing a consensus of support among police, social service agencies, the legal profession, provincial Governments and citizens, the Solicitor General has introduced amendments allowing consecutive sentences greater than three years where a young person commits a subsequent offence while subject to an earlier sentence; ensuring records are kept in cases of acquittals by reason of insanity; allowing names to be published in some cases, and making it illegal to counsel children under 12 to commit crimes.

These are major improvements in the Young Offenders Act. I urge the House to pass them quickly and to ensure that they become law before the summer recess.

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[*Translation*]

PUBLIC SERVICE

PUBLIC POLL BY RADIO-CANADA—SOCIO-ECONOMIC REALITY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, last week we were treated to a number of comments by Conservative Ministers and Members who were bragging that a survey of public servants released by the CBC was an endorsement of the present Government's policies. A Conservative Member even congratulated public servants on their objective analysis of this Government's performance and leadership. The Hon. Member must not have a very high opinion of our federal public servants if he thinks they are quite happy to be told they are going to lose their jobs.

Mr. Speaker, it is easy to analyze a survey the way they did it, but it is not that easy to tell the truth, and I think it would have been more accurate to say that the sample taken by the CBC did not at all reflect the social and economic situation in this area; that the cutbacks in staff announced by this Conservative Government did not become effective until April of this year; and that the really serious, dramatic and disastrous impact that the loss of these jobs will have on the local economy will not be felt until next year—

Mr. Speaker: Order please. The 60 seconds are up.

• (1415)

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

AGREEMENT ON CONSTRUCTION OF HYUNDAI PLANT IN QUEBEC—MINISTER'S ROLE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Once again, we have a Minister involved in a secret and very questionable deal. Only this time, by allowing the Korean auto company to break a commitment, it cost a minimum of 10,000 jobs to the Canadian economy last year. Under what authority did he waive the agreement with a Hyundai plant that would have required Hyundai to purchase over $300 million worth of Canadian goods? Was this done with the knowledge of the Prime Minister, was it done with the knowledge of the Cabinet, or was it his own private negotiation for his own private purposes?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, concerning the Hyundai negotiations, I think it is wise that we bear in mind that Hyundai is the first automotive company to go into the Province of Quebec in over 20 years and I am proud of it. We feel, in the negotiations leading up to Hyundai's decision to go into the Province of Quebec, that we negotiated an undertaking with the Hyundai motor car company that is more satisfactory and much more job creative than the previous Government had in place.

COMPANY POSITION ON AGREEMENT—AMOUNT OF GOVERNMENT ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, will the Minister tell us if Hyundai demanded during those negotiations that it be allowed to break the agreement to purchase over $300 million worth of Canadian goods and, if so, why did the Government give such other generous financial assistance amounting to another $100 million? Why was that broken agreement not made public at the time? Why did you keep it secret? What were you trying to hide?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member asks what we are trying to hide. Absolutely nothing, because it is a good deal. It will result in 1,200 direct jobs alone as far as Bromont, Quebec is concerned, as well as another 1,200 indirect jobs. It is one of the finest job creation programs that that area of Quebec has in hand at the present time.

Mr. Axworthy: I would only say to the Minister that it is hard to say it is a good deal when you lost 10,000 jobs last year because you allowed that company to break the agreement.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, now that this particular deal has been made public, along with all the other deals that have been made public, is it not time for the Minister to live up to his responsibility for accountability and step down until we can investigate what is going on?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, let me assure the House and all Hon. Members that I do not feel that making good deals, especially for the Province of Quebec, is any reason why this or any other Minister should step down.

STATEMENT ATTRIBUTED TO VICE-PRESIDENT OF HYUNDAI

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. How can the Minister say that he has made a good deal for Canada when Mr. Gibbons, Vice-President of Hyundai, confirmed publicly that the Minister gave up a legally binding undertaking with respect to the purchase of $300 million worth of Canadian goods in return for nothing more than a gentleman's agreement? How can he say that that is better than something which is legally binding? It is nothing more than a sweetheart deal, rather than jobs for Canadians.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again, the Hon. House Leader of the Official Opposition has not been doing his homework. It is no gentleman's agreement. The fact is that the Hyundai motor car company has agreed to spend $300 million to create a new automotive plant facility in the Province of Quebec. As I indicated before, that is something which will directly and indirectly result in the creation of 2,400 jobs in that area.

• (1420)

I must also remind the Hon. Member that it was a jointly shared deal between the Province of Quebec and Canada. If he is criticizing this Government, then he must also criticize the Government of Quebec which felt it was a good deal.

REQUEST FOR TABLING OF DOCUMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, the Minister is contradicting the Vice-President of Hyundai, Mr. Gibbons, who said he gave nothing more than a gentleman's agreement. If that is the case, will the Minister undertake right now to table today in the House each and every document pertaining to this deal so that the public can make its own judgment?

[*Translation*]

Will you do that, because the agreement you negotiated is a gentleman's agreement, not an agreement to create jobs

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member would get away

from using as his chief source of research a 25-cent copy of *The Toronto Star*, I think his questioning would be a little better.

Some Hon. Members: Oh, oh!

Mr. Stevens: The fact is that it is a signed agreement. As the Hon. Member must know we announced publicly the signed agreement with Hyundai at the time it was signed. We gave the high points as far as that agreement is concerned.

Mr. Axworthy: But you didn't talk about breaking this agreement.

Mr. Stevens: It is an agreement which I think will be demonstrated to be one of the finest agreements ever signed by the Province of Quebec and by Canada in the interests of encouraging more automotive manufacturing in the Province of Quebec.

Some Hon. Members: Hear, hear!

APPROVAL OF GOVERNMENT DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is a supplementary question for the same Minister. The Minister knows that if they had lived up to their original agreement instead of getting the jobs that are now coming there would have been an additional 10,000 to 15,000 jobs in Canada. The Government has let them out of that. Only the present Minister could call that a good deal.

Will the Minister confirm that the decision to free them from this commitment was made last November? Will he tell us if he did it on his own authority—and he did not deal with this question—or did he take it to Cabinet and was it approved by the full Cabinet?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I wish to assure the Hon. Member that when he starts bandying around so-called alternative job-creation figures the thing which we found most deficient with the previous Government's arrangement of simply saying: "In dollar terms, if you import so much we want you to export so much"—

Mr. Tobin: Did you have cabinet authority? Yes or no.

Mr. Stevens: —there was no job-creation relationship between those figures. We believe it is much more important to weigh the number of jobs that are being created. That is what we have done in this project.

Mr. Gauthier: Answer the question.

SOURCING OF PARTS BY HYUNDAI

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the House will know that the Minister went through the whole of last week not answering one question. He has not answered a single, serious—

Mr. Hnatyshyn: Order. Shape up there.

Mr. Speaker: Order, please.

Mr. Broadbent: I wish to ask—

Mr. Speaker: Order, please. Just a question.

Mr. Broadbent: Mr. Speaker, considering that the agreement which the Minister unilaterally broke on his own would have required that company to spend some $300 million in Canada, which even the present Government should be able to figure out would have created a few jobs, and since it has given up that commitment, and also considering that the same company, Hyundai, which does not sell a single car in Japan—not a single car—spends hundreds of millions of dollars in Japan—

Mr. Speaker: Order, please.

Mr. Broadbent: Why did the Government not get an explicit commitment from Hyundai to purchase some $300 million in parts in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if I may go back to the answers I was giving initially, the fact is that it was a negotiation which we felt resulted in an automotive plant being built in the Province of Quebec. That will not only be job-creative, as I have indicated, it will also result in substantial sourcing as the company works to a full auto pact status. In truth, the full agreement shows very clearly that this will be a much more job-creative approach than one under the old agreement. We have all the benefits of the old agreement but more assurance that we are going to get jobs out of this agreement. That is what this Government believes in.

• (1425)

FUTURE OF SAINTE-THÉRÈSE AUTOMOBILE PLANT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering that General Motors, Chrysler and Ford met very specific auto pact requirements to invest in Canada, and considering that one of those companies, General Motors, is now considering investing in the Province of Quebec but has objected seriously to the giveaway of the Government to Hyundai, is the Government going to accept responsibility for the possible destruction of 4,000 existing jobs in Sainte-Thérèse because it is trying to be a quick-buck artist by luring Hyundai here in the short run?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Leader of the—

Mr. Broadbent: Have you talked to GM recently?

Mr. Stevens: The Leader of the NDP has, I think, made an unfortunate reflection on a very worth-while automotive development in the Province of Quebec. He asked me if I have spoken to GM recently. Sure, I have spoken to George

Peepples of GM recently and, contrary to what the Hon. Member is saying, Mr. Peebles is now very encouraged by the developments at Sainte-Thérèse and hopes that there will be a favourable announcement in due course. I wish the Hon. Member for Oshawa would show a little positive thinking concerning that plant rather than his negative thinking.

CONFLICT OF INTEREST INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He knows that at the time he made the sweetheart deal with Hyundai, his personal company had loans outstanding with the Hanil Bank. He also knows that Hyundai is a major shareholder of the Hanil Bank. Would the Minister not agree that it constitutes a blatant conflict of interest when his personal business interests conflict with his public duty?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the truth is that regarding the preamble the Hon. Member put in place, I did not know what he alleges I knew.

LOANS WITH HANIL BANK

Mr. John Nunziata (York South—Weston): Mr. Speaker, that is pretty hard to believe. He is asking Canadians to believe—

Mr. Speaker: Order, please.

Mr. Nunziata: Supplementary, Mr. Speaker—

Mr. Speaker: Order, please. A supplementary question, please.

Mr. Nunziata: Mr. Speaker, that stretches—

Some Hon. Members: Order.

Mr. Nunziata: I would like to ask the Minister if he is prepared to rise and provide full particulars of the loans that remain outstanding with the Hanil Bank in order to ensure that the public interest was maintained and that his personal interests were not furthered by the sweetheart deal made with Hyundai.

Mr. Speaker: Order, please. The Hon. Member knows that questions to Ministers are about their ministerial responsibilities, not their personal affairs.

Some Hon. Members: Oh, oh!

Ms. Copps: He set up a sweetheart deal!

Mr. Speaker: Order, please. The first question was in order, the second was not.

Some Hon. Members: Oh, oh!

Mr. Nunziata: I would like to direct a supplementary question to the Deputy Prime Minister then.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: You can question John Turner but you can't question the Speaker.

Ms. Copps: Slime!

Mr. Speaker: Order, please. The Member will understand—

Mr. Nunziata: I would like to question the Deputy Prime Minister then.

Mr. Speaker: —that the Chair has to make those distinctions. Order, please.

HYUNDAI CONDITIONS INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the same Minister. Would the Minister tell the House whether, during the negotiations, Hyundai told the Government of Canada that it would not build the plant in Quebec unless the $300 million purchase agreement was rescinded?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I can only relate to the Hon. Member what is in my own knowledge. As far as the Department is concerned, I would have to check, but as far as my knowledge is concerned, there was never such an ultimatum given.

REASON FOR GOVERNMENT DECISION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question must be obvious even to the Minister. If there was no such ultimatum, why then did the Government of Canada relinquish the $300 million purchase agreement since Hyundai was going to locate the plant in Quebec in any event?

• (1430)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think those in the House who have negotiated these types of deals will be well aware that they take a lengthy time. Much is negotiated; much is on the table. Our feeling was that over all we obtained a much better deal than the previous Government had obtained. As a term of that deal, we not only got the assurance in respect of the investment of $300 million in the plant in Quebec, but the assurance that there would be sourcing very similar to the sourcing which was contemplated under the earlier agreement, and a more concrete, binding agreement to ensure jobs for Canadians. That is what I hope the NDP will be supportive of.

[*Translation*]

MINISTER'S ROLE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I should like to ask the Minister if, when he decided to drop the $300 million commitment concerning Hyundai, he had taken the

decision on his own or whether he had obtained Cabinet approval?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, on this suggestion that somehow I took the decision alone, of course it was a cabinet decision.

Some Hon. Members: Oh, oh!

Mr. Stevens: As far as we are concerned, the negotiation with the Hyundai motor car company was one which we carried on jointly with the Province of Quebec. Eventually our portion of the deal was something that was supported by Cabinet. I really question why the Hon. Member would assume that anything else other than governmental approval was secured.

CONFLICT OF INTEREST GUIDELINES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in light of the Minister's statement that the decision was made by Cabinet, not by himself, did he in fact follow Subsection 16(8) of the conflict of interest guidelines and in fact declare his conflict, in light of the fact that the connection between his family's personal loan and the Hanil Bank was known not only to himself but to most of the people who were involved in the deal?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Mr. Axworthy: To the rescue.

Mr. Gauthier: Are you back in the saddle, Erik?

Mr. Speaker: Order, please.

Mr. Nielsen: Mr. Speaker, all Hon. Members—

Mr. Tobin: Don't waste your breath. Sit down.

Mr. Speaker: The Hon. Member for Ottawa Centre.

Ms. Copps: Mr. Speaker, I would like an answer to my question.

Mr. Speaker: Order, please.

Ms. Copps: The Minister has a responsibility, and I would like an answer to my question for the people of Canada.

Mr. Crosbie: Name her.

Ms. Copps: I would like an answer—

Mr. Speaker: Order, please. The Hon. Member will resume her seat.

Ms. Copps: I would like an answer.

Mr. Speaker: Order, please. If the Hon. Member wants to read what I said to the House earlier this morning, the Hon. Member has the right to ask questions.

Ms. Copps: He should have pulled himself out of the discussion.

* * *

CROWN CORPORATIONS

SALE OF CANADAIR—ROLE OF MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Since the Minister is a member of the Cabinet task force on privatization, is it his intention to sit on that committee when it considers the bids for Canadair and the CDIC recommendations on which of the bids should be accepted?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as far as the bids on Canadair are concerned, as I announced publicly, certain proposals, five in number, were received by CDIC. The officers of CDIC have been reviewing the proposals and have been discussing the proposals with the principals. They have turned to S. G. Warburgs, Merrill Lynch and Burns Fry for advice concerning how the proposals stack up. In due course they will be making a recommendation to the divestiture committee of the board of CDIC. That divestiture committee will likely then make a recommendation to the CDIC board, which in turn will make a recommendation to me. I will then deal with that recommendation and will eventually carry that recommendation to the privatization task force to which the Hon. Member has referred. There is no mystery about that process.

REQUEST THAT MINISTER REMOVE HIMSELF FROM CONFLICT OF INTEREST POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary question. Whether or not the Minister knew about the loan which his wife arranged with the assistance of the Chairman of Magna International a year ago, the Minister, like most other Canadians, knows about that loan now. Will he tell the House what steps he is taking in order to remove himself now that the conflict is obvious? Is there any other way which he has to remove himself from the conflict except to resign from his position as Minister of Regional Industrial Expansion.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Mr. Tobin: Save your breath, Erik. Sit down.

Mr. Speaker: Order, please.

Mr. Nielsen: We are back on the same track as last week. The question, which has really been raised by the hon.

gentleman since April 7 and through last week, has the same essential core—an allegation of a failure to comply with the Code of Conduct governing public office holders. I assured him and other Hon. Members all last week, for four days, that that compliance has been had. The Minister is certainly responsible pursuant to our traditions to answer questions arising in the House pertaining to his ministerial responsibility, but certainly not those affairs that are in a blind trust, nor those of a family nature.

Mr. Cassidy: It is not blind anymore.

AGREEMENT WITH HYUNDAI COMPANY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It is about the public's right to know about the Hyundai deal. The Minister made announcements about the deal with Hyundai and its plans to build in Canada. He tells us that they were forgiven from the $300 million obligation to buy Canadian at that point. Why was that not included in the public statements which he made about the deal? Should not the public have been told when he was giving his Hyundai good news that at the same time 10,000 to 15,000 Canadian jobs were being lost in the forgiveness factor?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would suggest that the Hon. Member's question is totally unfounded. The truth is that we renegotiated an arrangement as far as the Hyundai motor car company was concerned which we thought would be more beneficial to Canada, would be more job-creative for Canada and, in particular, would give an automotive plant to the Province of Quebec that badly needs more of that type of job-creating activity.

Mr. Kaplan: I do not know why he did not say so at the time.

SOURCING IN CANADA—KNOWLEDGE OF PROVINCE OF QUEBEC

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister said that Cabinet knew about this forgiveness. I want to ask him about the Government of Quebec. Was the Government of Quebec told that part of the consideration for the establishment of the plant in Quebec was the forgiveness of the obligation to provide all those purchases in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, when the Hon. Member refers to forgiveness, it shows how little he understands about the previous commitment. The previous commitment made no guarantee, other than a very minimum guarantee, as far as job creations are concerned. Our agreement preserved the job-creation aspect of the initial agreement but widened it tremendously as far as future jobs in Canada are concerned for the Hyundai motor car company.

Mr. Kaplan: Why did you not tell the Canadian people that?

* * *

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—ADVICE TO CANADIAN TRAVELLERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in view of the way in which the Tokyo Summit has decimated the front bench, perhaps I could direct my question to the Minister for International Trade. Despite possible risks from radiation which leaked from the nuclear plant in Chernobyl, many Canadian tourists are continuing with their trips to Ukraine. What is the Government doing to minimize travel by Canadians to Ukraine, and what steps will it take to minimize the financial losses of Canadian travellers who cancel their trips?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Tokyo Summit is being very well served by the Prime Minister and other Ministers who are in Tokyo, and the matter as it concerns Chernobyl is being handled as well. In terms of the answers which the Hon. Member wants, I give him an update which has also been made public—and the last date was May 3 at 1600 o'clock—namely, in Moscow and in Bucharest, the advisory is off; in Warsaw, the advisory remains for children under 16 and pregnant women; and for travellers to that affected area, to the affected area of Kiev and around Chernobyl, the advisory remains that Canadians should not travel to those areas.

• (1440)

AIR CANADA—REQUEST FOR REFUNDS OF AIR FARES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, will the Government commend to Air Canada the example of British Airways which is making refunds on request to those people cancelling trips, or are we going to stick with refusing refunds for those who feel it would be hazardous to their health?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the issue relates not only to the repayment or the refunding of monies paid for air tickets or air travel. Some companies have indicated there would be a refund or a rescheduling if the travellers so chose. There are other air carriers, to which I would very strongly commend the same action. But, I have to advise the Member that an equal or often a greater amount of money has been spent by Intourist travel packages which the Soviets have not either wanted to reschedule or refund. They have indicated in some cases they will give equivalent travel time or travel to places in areas not affected by the disaster.

PETRO-CANADA

PRIVATIZATION INQUIRY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Chairman of the Standing Committee for Energy, Mines and Resources. Most Canadians agree that the Government must ensure that we attain self-sufficiency and that at least 50 per cent of the oil and gas industry be Canadian-owned. Since many Canadians do not believe that the Government should be in the downstream retail gas station business, has the committee started the question of partial privatization of Petro-Canada, and if not, when does it plan to?

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the Standing Committee on Energy, Mines and Resources has not and is not planning to study the privatization of Petro-Canada. On May 15, the company will be appearing before the standing committee with its annual report.

As the Hon. Member for Don Valley East knows, some 18 months ago the Board of Directors of Petro-Canada appointed a special committee to look into ways and means of possible privatization of the company, and I know questions will be raised on this issue.

Some Hon. Members: Hear, hear!

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OFFICIAL LANGUAGES

SUPREME COURT DECISIONS—REQUEST FOR INTRODUCTION OF CONSTITUTIONAL AMENDMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Justice. Last Thursday the Supreme Court of Canada rendered two unfortunate very restrictive judgments in which the Court substantially curtailed the constitutional rights of the official language minorities in Canada. In the circumstances, is the Government ready to propose a constitutional amendment which would restore those rights lost by the judgments so that Canadians will be free to deal with their Governments in their own official language?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there were no rights lost by Canadians as a result of these decisions. The Court was interpreting the constitutional Charter that we now have that was adopted in 1982.

The policy of the Government, of course, goes beyond what the Court found to be the minimum requirement with respect to the issuance of summonses. We are working with the provinces in attempting to enter into a timetable with each of them for adopting procedures so that trials can be held in both official languages in criminal matters right across the country. We have taken action where our predecessor Government failed to act.

Mr. Gauthier: Nonsense. We passed the legislation, and you know it, dummy.

Mr. Crosbie: And in the—

Mr. Gauthier: Bill C-42—sit down.

Mr. Speaker: Order, please. Order, please.

Mr. Crosbie: You have lost the Government. You should be asking questions, you turkey.

Some Hon. Members: Oh, oh!

Mr. Penner: That is the Minister of Justice speaking. Aren't we proud?

Mr. Speaker: Order, please. A supplementary question.

FEDERAL-PROVINCIAL CONFERENCE AGENDA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I want to tell the Minister that most Canadians perceive that rights were lost in those judgments. Let me ask the Minister again whether he will at least put on the agenda for the next federal-provincial conference the subject of a constitutional amendment, not ordinary laws, but a constitutional amendment to protect those long traditionally held rights that were perceived lost? They could then be entrenched in the Constitution and people could deal with Governments and courts in their own official language?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this Government will be acting where our predecessors failed to act and will be bringing before this House new policy and new legislation to back up the minimum guarantees that are contained in the Constitution.

Some months ago I discussed with the provinces and had on the agenda with the provinces the question of ensuring that people who wish to use both official languages can be heard in both official languages across the country. We are acting on that as well, where our predecessors did nothing but yaw, as they are doing now in the opposition.

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DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—REQUEST FOR REFUNDS FOR TRAVELLERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare, and which follows up on questions put by my friend from Kenora—Rainy River. British Airways, which flys to Warsaw, told me this morning that it is giving full refunds to

its travellers. Air Canada is not. Would the Minister please explain why there is that difference and how does this square with his statement on Friday in the House when he said: "We will take whatever steps we can to protect Canadian travellers"?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it squares very fully with the statement I made on Friday. It was a question of health and that is the responsibility I have as Minister. That is the reason for the statement on Friday.

I think the Hon. Member has to appreciate that from our perspective as Government we would sincerely hope that companies would follow the example of British Airways and Lufthansa, of granting refunds for air fare. I am sure when the Minister of Transport returns to this House I will be discussing this issue with him, as well as others, to try to effect the same kind of response. I think the Member has to know it is a Crown corporation looking at its policies—

Mr. Speaker: Order, please.

REQUEST FOR GOVERNMENT ASSISTANCE—TRAVELLERS' INSURANCE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, given that I also checked with Lloyd's of London and Voyageur Travel Insurance Limited to confirm that they are not going to pay on their policies with respect to health insurance—they do not recognize it as a risk—and given that Air Canada won't give refunds, why does the Government not do something for those travellers? Why does the Government not insure them for this risk?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not think suggestions like that are very helpful in a situation like this.

Mr. Waddell: Why not? You are telling them not to go there.

Mr. Epp (Provencher): Is the Hon. Member suggesting that the Minister of Health for Canada, when there is a radiation problem, whether in Warsaw or wherever, is supposed to tell Canadians not to go? That is ridiculous.

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[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

TRANSFER PAYMENTS TO PROVINCES—QUEBEC—GOVERNMENT POSITIONS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of State (Finance).

With respect to provincial transfer payments, does her Department intend to give preferential treatment to Quebec?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, all provinces are treated the same way by this Government—equitably. Quebec will not be given preferential treatment now or in the future. I should point out that the Conference Board announced yesterday that the Province of Quebec should experience economic growth this year, thanks to the policies of this Government.

* * *

[*English*]

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—APPLICATION OF CONFLICT OF INTEREST GUIDELINES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, regarding the alleged conflict of interest charges and the Minister of DRIE, we have heard over the past week a description in this Chamber of what appears to be a cosy coterie or club, if you will, involving a Cabinet Minister, his relatives and friends. That is what appears to be the case, Government funded.

Some Hon. Members: Order.

Mr. Baker: The Deputy Prime Minister has failed miserably to erase those doubts. Isn't it time that the Deputy Speaker allows this Minister to answer for himself on these charges?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, quite apart from the extensive added dimension which the Hon. Member has given to the whole question by way of preamble, most of this Question Period has been taken up with the responses of the Minister concerned.

Some Hon. Members: Oh, oh!

GOVERNMENT RESPONSIBILITY

Mr. George Baker (Gander—Twillingate): Not on the conflict of interest, as Members have pointed out, Mr. Speaker. The Deputy Prime Minister falls back by saying that we have the right to lay a charge. If we have, as the Deputy Prime Minister claims, the right to lay a charge, does he not agree that we also have a duty to hear what the Minister has to say before laying a charge? Why is he muzzling the Minister on this subject?

• (1450)

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it should be quite obvious to any sane individual who has been watching these proceedings today that, far from muzzling the Minister, he has been paramount in responding to questions today.

Some Hon. Members: Oh, oh!

Mr. Boudria: You know that's not true.

Mr. Nielsen: In my responsibility with respect to the Code of Conduct I answered those questions very fully all last week and will continue to discharge that responsibility.

Mr. Nunziata: It's his responsibility to adhere to the guidelines.

* * *

HOUSING

FUNDING OF PROGRAMS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Labour who is responsible for housing. By February of 1985 the Minister had made commitments to producers of non-profit, co-operative, rural, native and rehabilitation housing, which commitments were essential to produce that housing that year. Why has the Minister already wasted four months of the planning and building season this year and not yet authorized the funding of any of those programs which he promised in this House last December?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the answer is apparent. Due to the change in delivery and cost sharing, effective in 1986, operating agreements with the provincial housing corporations have to be negotiated. I believe that there are now seven signed globally. There is at least one signed as an operating agreement and we hope to have the other operating agreements with our provincial partners signed in the very near future.

EXTENSION OF 1985 PROGRAMS—INTERIM FUNDING

Mr. Dan Heap (Spadina): Acting on precedent, the Minister could have either extended 1985 programs or provided interim funding for projects which were ready to go. Does he really intend to delay all those housing starts until it is impossible to build that housing this year?

Hon. Bill McKnight (Minister of Labour): Absolutely not, Mr. Speaker.

* * *

TERRORISM

PENALTIES FOR ACTS OF TERRORISM

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. In light of the many concerns raised recently with respect to terrorism, would the Minister of Justice advise the House if he is prepared to increase the penalties for terrorism? In particular, is he prepared to consider introducing the death penalty for acts of terrorism committed in Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am always happy to accept representations from Hon. Members. The question of capital punishment will be dealt with in due course when this House is seized of it. We all support whatever effective measures can be taken to ensure that terrorist acts do not occur or recur in this country. However, the question with regard to the death penalty must wait until our debate on the subject of capital punishment.

* * *

IMMIGRATION

PERFORMANCE APPRAISALS—QUOTA ENUMERATION INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. In a recent interview with the *Kitchener-Waterloo Record* the Minister stated that her Department does not use enforcement quotas in appraising the performance of immigration officials. However, I have two internal departmental documents dated March 13 and April 9 which show clearly that officials are being judged by the number of people they send back.

Given that these documents confirm the use of enforcement quotas, will the Minister finally admit that they do exist in her Department? What immediate measures will she take to remove such repulsive tactics?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, would the Hon. Member please bring forward any specific and concrete examples if he has any? Allegations in this regard have repeatedly been denied by the Minister of Employment and Immmigration and myself. We have indicated that numerical indicators are used only to quantify and indicate what is happening with the various cases we deal with. This has been said before and I repeat it today.

REQUEST FOR SPECIAL INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, whether you call these "numerical indicators" or "statistics", they are quotas and the memos are from his own Deputy Minister and the director of immigration for the Ontario region. Rather than denying the existence of those quotas, will the Minister not establish a special inquiry into this affair so that officers will not be systematically encouraged to intimidate people and send them back illegally?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member is entitled to his interpretation. However, I repeat it is important for the Government to know how many admissions, deportations, refugees, and visitors there are. These statistics are used in the process of planning

and organizing. It is, however, the Hon. Member's right to persist in his interpretation.

* * *

AUTOMOTIVE INDUSTRY

QUEBEC HYUNDAI PLANT—RENEGOTIATION OF AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Minister of Regional Industrial Expansion. There are some who would say that the additional jobs which Hyundai is going to create will be at the expense of presently existing jobs if sourcing is not done in Canada. We can understand why a $300 million deal would be abandoned in favour of some benefits. Would the Minister table any new agreement he has so that the people of Canada, and particularly those in the automotive industry, can see what benefits will obtain as a result of the sacrifice of a $300 million agreement?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I do not understand why there is a suggestion of a sacrifice of a $300 million agreement. It is such a pity that, after having won a Toyota plant, a Honda plant, and an American Motors plant for the Province of Ontario, the Opposition objects to the Hyundai plant, the first plant to go into the Province of Quebec.

Mr. Broadbent: Come off it.

SOURCING REQUIREMENTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we would like to get some additional documentation from the Minister of Regional Industrial Expansion. We would like documentation which says that domestic automakers, parts manufacturers, toolers, and capital equipment manufacturers for the automobile industry are happy about having the Japanese and South Koreans come in without any conditions such as those required by the domestic manufacturers under the Auto Pact. Let us see documentation of the enthusiasm of the domestic automakers for what is being done to their disfavour.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if we judge the Hon. Member's knowledge from his question, we see that he is totally out of touch. The fact is that the automotive manufacturers that are establishing the plants in Canada, which I have been referring to, have all indicated their wish to attain Auto pact status. I have indicated earlier that contractual relationships are worked out by our departmental officials. There has not been an agreement entered into by the Government which has not had the full support of my Department.

Mr. Boudria: Let's see it. Table the agreement.

TRADE

CANADA-U.S. NEGOTIATIONS—REQUEST FOR WITHDRAWAL OF VIDEO TAPES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of International Trade. Will he agree to withdraw the approximately 400 video tapes which were produced by his Department and our chief trade negotiator on the Government's position on free trade? These tapes exclude two provinces of Canada from a map which purports to represent the whole country. Will he agree to recall those tapes immediately?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Hon. Member is quite correct. There was indeed an error in the computer map. I have instructed the company which produced the tape to produce a corrected version. Each Member of this House and the Senate will receive a corrected version very shortly.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Cancel my copy.

Mr. Broadbent: Save the expense.

COST OF PRODUCING VIDEO TAPES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, will the Minister of International Trade tell Members of the House of Commons what the cost to the taxpayers of Canada was for this ill-fated first attempt at portraying the Government's vision of the country to Members of Parliament and Canadians? I await an apology and an estimate of the cost of this *faux pas*.

• (1500)

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I have already made the cost of the kit public and I can assure the Hon. Member that correction of the mistake will be at no cost whatsoever to the federal Government.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Barbara McDougall (for the Minister of Finance) moved that a Ways and Means motion to amend the Income Tax Act, laid upon the Table on Wednesday, March 26, be concurred in.

Motion agreed to.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Murphy (p. 12683).

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, I am pleased to have the opportunity to speak in the debate on Bill C-96. Regardless of which political party one is a member of in this House, we all strongly support post-secondary education and quality health care services. Yet the opposition is trying to lead the Canadian public to believe that great cuts are being made in Established Programs Financing. This is not correct. As a matter of fact, there will be continued growth in that financing over the next five years. The average annual increase will be some 5 per cent, and some $90 billion will be transferred to the provinces over the next five years. That will be $25 billion more than was transferred in the previous five years. Presently, inflation is 4 per cent. It is our objective as a Government to maintain or lower that rate. We can then see the provinces receiving a percentage increase that is greater than inflation.

Let me just give you an idea of the impact that this will have on the provinces. The Province of Manitoba will receive the following amounts over the next five years under Established Programs Financing. In 1984, Manitoba received $618 million. In 1985-86, it will receive $664.9 million, an increase of approximately 10 per cent. In 1986-87, it is estimated that Manitoba will receive $704.8 million. There is no cut-back; the amounts are increasing at a very reasonable rate.

When we have a debate concerning funds transferred to the provinces, the Opposition forgets that around 1967 there was an agreement between the federal and the provincial Governments to transfer tax points to the provinces. The provinces are still receiving those tax points. Yet the provinces, certainly the Province of Manitoba, do not acknowledge that figure. This year it will total some $202 million for Manitoba alone.

I had the opportunity to sit in the Manitoba Legislature for eight and a half years. I know what it is like to sit on the opposite side of the table. I can appreciate how the present Manitoba Government feels about this. However, one thing has always been clear. Whether Members of the present Manitoba Government were in opposition or in Government, they always declared that provincial Governments cannot control inflation or high interest rates. They say it is the federal Government which causes high interest rates and inflation. Therefore, what has this federal Government tried to achieve in its first 18 months in office? It has tried to stop inflation. It has tried to lower interest rates. It has succeeded. We are trying to restrain Government spending and control the deficit. Given that, the approach we are taking with the provinces is a fair approach. We have said that we will continue to increase transfer payments at a rate of 5 per cent a year. This is higher than the proposed growth of other federal expenditures. At the same time we are cutting back the deficit. Federal transfer payments are the third largest federal Government expenditure. Next to our debt service charges, it is the fastest growing expenditure. Therefore, I ask the provinces, particularly the Province of Manitoba, to give consideration to cutting back its deficit.

The Province of Manitoba receives about $1.3 billion from the federal Government annually. That Government's revenue this year will total about $3.1 billion. Therefore, about $42 out of every $100 collected by the Province of Manitoba comes from the federal Government. Even then, the provincial Government has a revenue shortfall of something like $550 million. Certainly the province has some responsibility for restraining its expenditures.

In its budget Estimates, the province shows $59.4 million for post-secondary education and training, $156.3 million for university grants, and $7.7 million for capital grants. That totals $223.4 million. In the same fiscal year, the federal Government will transfer to that province $65.1 million under the EPF tax transfer and $111.6 million under the EPF cash transfer. Then there is the associated equalization transfer payment of $13.6 million. That is a total of $190.3 million. Yet the province's Estimates show it is only going to spend $223.4 million. That obviously means that our share exceeds by far the 50 per cent which was the original plan.

• (1510)

I think we are being fair. It is always tough to try to put your house in order, but I think the fact that we are giving out more money for this purpose than for any of the other federal expenditures, and exceeding the rate of inflation this year and in the coming years, show that we are being fair and practical in this approach.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Bill that we are debating, Bill C-96, is a major piece of legislation which is going to have enormous impact in the regions of this country. I say this because, as Hon. Members know, when this Bill passes, as it surely will despite the objections of the opposition parties, it is going to mean in the next six years that there will be a cut-back of more than $8 billion to the provinces of this country.

The share of that cut-back in my own Province of Ontario over the next six years will amount to $3 billion. I am almost certain there would be Hon. Members who would say, "The Province of Ontario is one of the wealthiest provinces of this country. Can't they look after their own responsibilities?", as my hon. friend from the great Province of Manitoba who just spoke indicated, his province can look after its own responsibilities. I want to remind Hon. Members that the Province of Ontario has a vast hinterland with huge costs. I am talking about northern Ontario, which is 60 or 70 per cent of the land

mass. The costs to the Government at Queen's Park are enormous. Premier David Peterson has made it very clear in speaking at First Ministers' Conferences that this sizeable cutback is going to cause serious dislocation and problems in the Province of Ontario.

My hon. friend who just spoke indicated that the reason for Bill C-96 is that we must get our fiscal house in Ottawa in order. We have to do something about the deficit. I do not disagree with him for a moment. Although neither Canadians nor Members of Parliament want to talk about it, it is the single most serious problem in the country right now. It is a crisis.

I sometimes think that what this honourable House really needs is a Member with the stature of Winston Churchill who would warn about the seriousness of the deficit as Churchill warned about the rise of Fascism in Germany, and few listened.

I want to turn to what the Minister of Finance (Mr. Wilson) said about Bill C-96 with respect to the deficit. He justified Bill C-96, these huge cuts to the provinces, by saying the following:

—the impact of a runaway federal deficit was far greater than the problem of shifting the deficit to the provincial level.

I want to argue that I think we have to be alarmed and concerned about the deficit. I believe there should be a national program. We should enlist every single Canadian in the cause of reducing our federal deficit. Bill C-96 is not an anti-deficit Bill. All we are doing with Bill C-96 is passing our problem on to the provinces, provinces that cannot afford those additional financial burdens, the poor provinces of this country. Even the well-to-do provinces, as I indicated, are having a good deal of difficulty. With Bill C-96, instead of a financial transfer, what we are doing is transferring, at least partially, the debt of this country.

When this issue was debated in this House on other occasions, such as when we had the 6-and 5-program brought in by the last Liberal administration, there were some good arguments put forward that the provinces should not have to participate by having their transfer payments for post-secondary education cut back. One of the opposition Members in the Conservative Party at that time made an argument, which I think deserves to be repeated. I know the gentleman well because he now chairs the Aboriginal Affairs Committee, of which I am a member. I am talking about the Hon. Member for Wetaskiwin (Mr. Schellenberger). He said the following:

We do not solve the problem of budgetary deficits—by fighting with one another as to who is going to spend the dollars in order to provide the service.

That is what we are doing. The way in which we are doing it ought to disturb every single Member in this House because we are doing it by unilateral declaration. When were the provinces called in together to say, "Look, let's work on this together. We have got a serious problem. You get your electorate and we'll get ours and we'll have a national deficit reduction program in this country". This has not been negotiated. This is a unilateral declaration by the party opposite that stated, during the election campaign that there had been too much confrontation with the provinces. What we really needed in Canada was a reaffirmation of co-operative federalism.

Let me ask my hon. friends, is this co-operative federalism when you just announce to the provinces that there is going to be a $8 billion cut in services to post-secondary education and health in the next six years? Not at all.

Premier David Peterson said at the conference about this announcement, "You don't call it a cut, what you call it is a breach of faith. It is breaking a promise". Let me remind you that another province, namely, New Brunswick, which is under a Conservative Government, reacted by saying, "It is unreasonable for the federal Government to think that the promises that have been made to the provinces can be forgotten. It is unreasonable to think the provinces, which have been taking difficult measures themselves to deal with their own financial situation, can also be expected to absorb part of the problem at the federal level. That was the argument of my hon. friend from Manitoba who preceded me. He said the Province of Manitoba ought to be able to take on part of the federal problem.

If that is what we want the provinces to do, then let us do it in a reasonable and fair way. Let us enlist their support in this endeavour and not do it by unilateral declaration.

Let me trace quickly what the results will be of Bill C-96 when it passes in this House. One possibility would be that the provinces, wanting to maintain at least the level of health care and secondary education, will say, "We have no choice but to increase taxes". If that is the case, then what we are debating here today is a tax increase Bill. In the last 18 months we have had enough of those.

Maybe the provinces will decide—and I would agree with them—that we do not need more tax increases in this country because they are counter-productive for the economy. They simply put the brakes on the economy which we are trying to encourage to grow. They may say, "We will increase our deficit". If they increase their deficits, then how can we call this an anti-deficit measure? Maybe they will say, "We will have to rearrange our priorities". If they do that, will they be forced to reduce the number of hospital beds? If they do that, is Bill C-96 not an anti-health measure? If they restrict the number of students who are allowed to attend schools and colleges, then Bill C-96 is an anti-education measure.

I ask Hon. Members in my concluding paragraph of thought: for goodness' sake, let us reconsider Bill C-96. It is not a carefully though out Bill. It is not an appropriate Bill for these times. Let us take at least another six months and reconsider what we are doing. I ask the Hon. Members if they would join with the parties on this side and approve of the six-month delay in passing Bill C-96. That would be the best action we could take. I am sure that more careful thought will

result in a measure that will serve the students and the health care system of this country in a much more acceptable way.

• (1520)

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I was dismayed to hear the comments of my colleague from Manitoba who argued that Manitobans and the Manitoba Government should tighten their belts and pay for the cut-backs being implemented by the federal Government. He implied that Manitobans should swallow these cut-backs and reduce their spending.

I want to take a few moments to examine the size of the cut-backs in transfer payments for education and health care, particularly as they affect Manitoba. The Hon. Member from the Conservative Party argued that they were not, in fact, real cut-backs.

There are plans in existence dealing with the level of expenditure that the federal Government makes to the provinces in regard to health and education costs. I will use Manitoba as an illustration. According to the legislation before the House now, those planned expenditures for health and education will be reduced for Manitoba by $13.9 million for the year 1986-87. There will be a further reduction of $29 million in 1987-88, which will grow to $45.6 million in 1988-89. In 1989-90 that reduction will grow to $63.9 million and to $83.4 million in 1990-91. The total reduction in the transfer payments from the federal Government to the Province of Manitoba for health and education is $235.8 million.

Some people may think that Manitoba is a wealthy province and can easily absorb a cut of $235.8 million in planned transfer payments from the federal Government. I remind the House that Manitoba is very dependent on federal transfer payments since more than one-third of Manitoba's revenue comes from the federal Government, largely in the form of transfer payments. Furthermore, about half of all Manitoba expenditures are in the fields of health and education. Therefore, any cut in federal transfer payments will have a very real negative impact in Manitoba.

Let us consider what a cut of $235.8 million means to Manitoba. It represents an annual cut-back of $1,060 for a family of four. It represents a reduction of $265 for every Manitoban in the federal contribution to that province's services. Since the Government came to office, it has increased taxes for ordinary Canadians by some $2,000 per family. In the last Budget alone there was a tax increase of $1,000. While it has increased our taxes, the Government is cutting its contribution to Manitoba by $1,000 per family for health and education.

These cuts represent more than the current total expenditure on universities and community colleges in Manitoba. I ask Members of Parliament, particularly those from Manitoba, how can Manitoba absorb such a blow as a reduction in transfer payments for health and education that amounts to more than that province's total expenditure on universities and community colleges?

Another way to consider the magnitude of these cut-backs in expenditures is to consider that the shortfall in funding equals the 1983-84 budget of all hospitals in Manitoba, with the exception of the St. Boniface Hospital and Health Sciences Centre. These cut-backs total more than the combined salaries of all doctors or all nursing home and pharmacare costs in Manitoba in 1983-84.

The purpose of these illustrations is to demonstrate that the cut-backs in planned expenditures are significant and will hurt Manitoba by forcing a reduction in education and health services.

Let me give a further illustration about medicare to show how the Government is headed in the wrong direction. The percentage of GNP which Canadians devote to health care in this country is lower than that in the United States. The difference between the two countries is that we have a public health care system as opposed to a private health care system in the United States. We must do all we can to preserve and improve our health care system. If we revert to a private health care system, our health care costs will be more than are presently forecast in Canada.

What will the Government do as a result of these cuts in planned expenditures?

Mr. Young: Exactly what the Liberals did.

Mr. Keeper: As my colleague says, the Government is doing what the Liberals did. Furthermore, the Conservatives are reducing the percentage of the federal Government share in health care.

Rather than cutting its investment in health care, the Government should be investing in long-term health care by finding new ways of delivering health care and improving medicare in this country so that we can reduce the costs in the long term. However, we cannot take the long-term view without being willing to invest in the short term. By cutting now we rob ourselves of the opportunity to re-tool the medicare system and improve it so that it can be more cost-effective than it is today.

• (1530)

I call upon the Government to reconsider its program of cuts to planned expenditures for health care and for post-secondary education.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to take part in the debate on Bill C-96 this afternoon and join all those who have spoken to oppose the way this Government is treating the Canadian provinces.

Bill C-96 concerns the joint financing of established programs by the federal Government and the provinces to pay the costs of post-secondary education, hospitalization and

medicare. We all know that the Canadian Government uses a system of redistribution to give money back to the have-not provinces, thanks to the taxes collected from all Canadian provinces. Through this equalization system, the Canadian Government uses the collective wealth of the country and redistributes it equitably amongst the have-not provinces.

However, Bill C-96 under consideration will radically reduce the amounts paid by the Canadian Government to the provinces during the next six years. I have here a table which shows that, during the next six years, between 1986 and 1992, the federal Government will reduce its contribution for post-secondary education, hospitalization and medicare by about $8 billion, or $8,133 million to be exact.

Of course, such a consequence bears heavily on all Canadian provinces, but especially so on the Province of Quebec. Indeed, this will entail a dead loss of about $2 billion over the coming years for the taxpayers and the people of Quebec. Two billion dollars is an abstract figure that people cannot readily appreciate. Just to illustrate: this is equal to two thousand million dollars. Or again, for those who dream of winning $1 million at the lottery, it is in fact nearly $6 million a day that will be lost by for the Province of Quebec over the next six years.

Therefore, it is clear that those $2 billion mean a huge loss for the Quebec Government's coffers. And I cannot but wonder how we can now have this Tory Government reduce the payments that would normally be transferred to the Province of Quebec, without there being one single Conservative Member from Quebec to rise and defend the interests of Quebecers, to prevent such a measure from being passed by this Government.

Where are the Ministers from Quebec on this issue? In particular, where is the Minister of Communications (Mr. Masse), who boasts about being a great nationalist, a great champion of the interests of Quebec? Where is he? What will he be doing to stop that kind of discriminatory move against Quebec? Where is the Minister of Public Works (Mr. La Salle) who was so assertive when he sat in Opposition, but has become so silent since he is sitting on the Government side?

Where are those Ministers, the Secretary of State of Canada (Mr. Bouchard) and the Minister of State for International Relations, those two who supported the "Yes" option and promised to unswervingly defend Quebec's interests at the federal level? It seems to me they are so speechless, if not totally absent from this debate in which the interests of all Quebecers are at stake.

What I find especially disgusting about that measure, which of course will be approved because of the Government's overwhelming majority—since despite every effort by Opposition Members, the measure will inescapably pass when the Tory steamroller of that silent majority comes around to approve the Bill. But what I want to say before we are run over by the steam roller is that it is a unilateral measure against the interests of the provinces, because the Ottawa Government has never negotiated this cut, never having brought the provinces to the negotiating table to reach a decision which would be acceptable both to the provinces and the central Government. No, Mr. Speaker.

This is a unilateral decision of the Conservatives who have decided to reduce the amounts that are provided every year to the provinces. Yet, Hon. Members will remember that at the time the Conservatives were sitting on Opposition benches, they had promised never to treat the provinces in this way. They would insist that the word "unilateral" would be banished from the Conservative vocabulary. It is therefore very sad, when one considers what they are doing with Bill C-96, to realize that this is a unilateral measure which will severely affect the Quebec economy.

What is even more serious—and I want to emphasize this as I am about to run out of time—is that this Conservative Government is introducing this legislation at a time when we learn that it has betrayed the commitment it had made last year to the province of Quebec concerning Bill C-39 which it had introduced in the House to provide supplementary fiscal equalization payments, and I quote the comments made at the time by the Minister of State (Finance) (Mrs. McDougall) on behalf of the Minister of Finance (Mr. Wilson), as reported in *Hansard* on April 18, 1985, and I quote:

> The equalization program now protects provinces against declines in payments from one year to the next in a way which varies with their capacity to raise revenues. The highest protection, the 95 per cent floor, is given to those provinces which are not as strong fiscally as others and ensures their payments will decline by no more than 5 per cent from one year to the next.

Well, we have just learned from the Quebec Minister of Finance, on the occasion of his Budget speech, that in fact the Conservative Canadian Government has not kept its promises. And it is not 95 per cent it has granted the Province of Quebec, but 92.8 per cent, which will mean a loss of $66 million for the year ending March 1986. Yet, the Minister of Finance himself, in reply to a question from one of my colleagues on this side of the House, had made the following statement on April 1, 1985, and I quote:

> I would like to respond to that question by saying that what we were trying to do was to provide a fair resolution to a difficult problem and one which was considerably more difficult for the Provinces of Quebec, Manitoba and Nova Scotia because they were going to suffer an absolute shortfall. In taking into account this principle of fairness, we decided that we should establish some rationale for dealing with the shortfall. That was, as I indicated in my remarks, to establish a 95 per cent floor for the three provinces—

—which will benefit.

Mr. Speaker, as I said before, the Conservative Government broke the promise it made in April 1985. Over the past fiscal year alone, the Conservative Government has made Quebec lose $66 million which the Quebec Minister of Finance will have to find elsewhere. And on top of everything, to put the icing on the cake, today we are faced with a Bill that will cause the Province of Quebec to incur a loss of $2 billion within the next six years.

This is shameful and scandalous, and I think the silence of our Conservative Members from Quebec on this issue is

absolutely unconscionable. Where are they? Why are they silent? And how come there is not a single Minister from the Province of Quebec here in the House, at this very moment, to rise and defend the interests of the Province of Quebec and its people?

• (1540)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I am glad to have an opportunity to say a few words on Bill C-96 today. The title of this Bill is a rather lengthy one and it is one that, quite frankly, very few people understand or have knowledge of. The Bill is entitled an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

The Act to which the title of the Bill refers assists provinces in providing hospital insurance, medicare, extended health care and grants for post-secondary education. The Bill itself consists of some five pages. The effect of this Bill will be that each one of those pages will cost something like $1 billion in terms of the provinces' ability to finance the programs I have just mentioned. The effect of this Bill will be to chop in excess of $5 billion over the next four or five years from those programs.

The Minister of Finance (Mr. Wilson) argued in support of his actions by saying that these measures are designed to moderate the growth rate of payments to the provinces. I suppose that is the *newspeak* of the late 1980s. In fact, these measures will reduce the ability of many provincial Governments to provide good quality medical care and post-secondary education. Canadians who live in Prince Edward Island or Newfoundland will be entitled to receive a lower quality of health care than those living in British Columbia or one of the better-off provinces. That is what this Bill means. It is a direct attack on medicare and post-secondary education.

I remember that not too many years ago, the then Liberal Government tried to do exactly the same thing. What the Conservative Government is doing today is a continuation of what the Liberal Government tried to do before it was defeated. I am quite sure you will be interested to know, Mr. Speaker, that when the Liberal Government introduced that legislation, the very Hon. Members who are now on the opposite side and are proposing to do exactly the same thing were highly critical of what the then Government was doing. On February 1, 1982, the now Minister of Finance said the following in the House of Commons:

> The Minister is prepared to cut spending in two very important areas. He is prepared to risk major cut-backs in medical care and post-secondary education.
>
> Rather than rush into this on a unilateral basis and force spending cuts and service cuts on the provinces, would the Minister consider entering into two or three national conferences on health and post-secondary education so that we can set out the national objectives of the various levels of Government in these two important areas before we cut spending, and before we cause closures of hospitals and cut-backs in post-secondary education?

The question that begs to be answered is, why did the Minister of Finance not do exactly what he felt the Liberal Government should have done before he brought in these measures?

The Hon. Member for Mississauga South (Mr. Blenkarn), the present Chairman of the Finance Committee, was equally critical in a speech he made in the House on March 22, 1982. On April 5, 1982, the now Minister of Public Works (Mr. La Salle) had this to say:

> In fact, the Minister of Finance has been dragging us through the mill in the past few months and the provinces are, as it were, squirming in a financial strait-strait-jacket, because the federal Government is reducing its deficit by cutting funds to the provinces.

That is exactly what that gang over there is doing today. They are doing what they were so critical of when the Liberals tried to do it in 1982.

I could go on. The Hon. Member for Halifax West (Mr. Crosby) and the Hon. Member for Calgary West (Mr. Hawkes) were equally critical. The present Minister of the Environment (Mr. McMillan) decried the cut-backs and predicted that the Atlantic provinces are singularly vulnerable to any federal Government belt-tightening in these areas. He said that on April 5, 1982.

You will be interested to hear, Mr. Speaker, that on February 7, 1984, the Minister of Justice (Mr. Crosbie) said the following:

> Mr. Speaker, this is a deplorable piece of legislation because the principle of it is one of betrayal. The Bill betrays the provinces of Canada, the provincial governments of Canada and betrays the universities of Canada. It betrays post-secondary institutions of Canada. It betrays the young people of Canada and it illustrates rank hypocrisy in the actions of the Government.

I have yet to hear him say that of today's Government because he is a part of it. Yet it is equally hypocritical for this Government to do what it accused the previous Government of doing.

The words of the Hon. Minister of Employment and Immigration (Miss MacDonald) were dandy when she spoke in the House on April 5, 1984. She castigated the Government for its inhumane treatment of and attitude toward Canada's sick. She deplored the fact that young people would be faced with huge increases in tuition fees in order to receive a higher education. In fact, she went on at great length to the point that the Liberal Government of the day was left practically without any credit at all.

I could go on, but I am quite sure that those who are interested may go through those speeches themselves and try to figure out the difference between that gang over there and the Liberal Government that was rejected by the Canadian people. There ain't any difference. In fact, if anything, this Government is more hypocritical than the previous one because of the criticisms it levelled at the previous Government for doing exactly what it is doing today. In fact, the cuts this Government is proposing are even more severe than those made by the Liberal Government.

I could go on and on about the impact of those cuts, but the real impact will be on the future of medicare. As a party that fought for everyone's right to adequate health care, we deplore

what the Government is doing. I want to address health care from another point of view, and that is, from the point of view of prevention.

I noticed that the Hon. Minister of National Health and Welfare (Mr. Epp), in a speech he made last weekend to a conference, spoke about the need to bring in preventive health care programs for Canada's elderly. He waxed eloquent about preventive health care. He seemed to be sincere in what he was saying. The Minister of National Health and Welfare should stand in the House, be honest and criticize the Government for what it is doing to the programs under his Department. He should fight on behalf of the people of Canada and say that they have a right to adequate, good health care services, whether they live in Prince Edward Island, Newfoundland, New Brunswick, Ontario, the prairie provinces, or indeed British Columbia. We have not heard a peep from him on the health care programs or on where we are going in the future development of health care.

• (1550)

If the Government gets away with what it is trying to do today, there will not be any health care about which to worry in the future because it will have effectively destroyed the entire medicare system in Canada.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I welcome this opportunity to speak to the legislation before the House this afternoon. As we heard since this morning and last Friday, the Opposition has been giving the impression that the Members from Quebec are a bunch of spineless nobodies who could not care less about the interests of Quebec, and there were others who claimed that this legislation was going to deal a mortal blow to the finances of the Government of Quebec. We have been accused of the most heinous motives with respect to education and health care. We have supposedly become a bunch of sadists who are chortling with glee at the cutbacks in health care programs.

An Hon. Member: You are right.

Mr. Hamelin: I see some Members of the Opposition who are making petty politics out of this issue and who seem to think they will hoodwink Canadians and have them believe we are inconsistent, quite stupid and devoid of social conscience. They do not shy from attacking our Quebec Ministers by saying that they are not extremely quiet about this.

Well, Mr. Speaker, the truth is quite different. The truth is quite different because Quebec is also part of Canada; under the Civil Code provisions one is free to accept or reject a bankrupt inheritance, but there is no such option in politics. We have been saddled with the Liberal inheritance, our inheritance from all Canadian Liberals, and that is what we have to administer.

As a province Quebec must also accept its inheritance, and we were left with a deficit running into billions of dollars.

Indeed, Mr. Speaker, here is what editorialist Michel Roy wrote in *La Presse* of March 11, 1985, and I quote:

> There is no doubt that the equalization system set up under federal legislation on fiscal agreements is being severely tried this year. When the current agreements (1982-87) were negotiated in 1981—the central Government did everything it could to lighten the heavy burden of transfers to the provinces.

At the time—1981-82—the Liberals were in the driver's seat and they could see the balloon swelling, about to blow up any minute.

Michel Roy went on to say:

> Because it was increasing at an amazing rate while compounding the deadlock of the federal deficit which now reaches the $35 billion mark, the decision was made to set a ceiling on the costs of established programs and to change the equalization formula—which profits six provinces—to the extent that the latter lost their guaranteed fiscal revenues which until then was their insurance that they would never in any year get an amount lower than the previous year's.
>
> Since that new provision met with violent protests—

Of course, each province was interested in getting as much as possible from the federal Government

> —Ottawa had agreed to extend to March 31st, 1985, the fiscal revenue guarantee. This means the provinces have known for three years that they would not get for fiscal year 1985-86 the amounts they had been expecting.
>
> That decision was not taken by Mr. Mulroney. And it is no surprise to Quebec.

Mr. Speaker, I believe the Opposition is playing petty politics with the Bill. Faced with such an inflation in the cost of social programs, the runaway increase of all transfer payments to the provinces, we took the opposite course from that followed by the Liberal Opposition when they were in power—we decided to restore some sort of order and to limit to 5 per cent the runaway increase of those costs, so that the provinces themselves would strive for a better management of their expenditures, make an in-depth review of their projects, and their programs. In so doing we invited them to duplicate this Government's collective effort to put to better use our expenditures and fiscal revenues. As you know, in all cases the Government is financing those programs often on a 50 per cent basis, but it has nothing to say about how the funds that are transferred to the provinces and to Quebec are spent. One does not need to have great divining powers to find out that it often happens that the provinces have used those funds for all sorts of purposes and for their miscellaneous expenditures. Nonetheless, as the central Government we have almost nothing to say.

Moreover, contrary to what the Opposition is now suggesting, we are actually reducing the runaway transfer costs. In absolute terms, they will not lose a penny. On the contrary, during the years to come, under those programs, the provinces will get additional funds of $25 billion.

Of course, we set a ceiling on the increase, we are asking the provinces to strive seriously for a rationalization of their expenditures. As a Quebecer and as a Canadian, as Members of the Quebec caucus, we have been following that exercise

and the consideration of the Bill. We could have allowed those costs to become inflated as the Liberals did. I think that on the whole, the Tory caucus agrees that such a step, far from axing those programs will allow a slower and more reasonable increase.

Mr. Speaker, this Government believes that this Bill is to the advantage both of the Government and of Canadian men and women of this and future generations, and we hope, because of this legislation, to be better able in coming months and years to meet their needs because we shall have at our disposal more substantial sources of financing and a reasonable budget which will take into our actual capacity to pay as a nation. Mr. Speaker, this is what this Bill proposes, it proposes common sense, logic and reason.

I am sure that Canadians and Quebecers will not be fooled by the political games which are being played in this place to suggest that this Government is ignoring their concerns. That is not true. We do address their concerns and we shall continue to do so rationally, intelligently and with determination.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—North Atlantic Treaty Organization—Provision of fighter aircraft to Turkey—Greek Cypriots' fears; the Hon. Member for Western Arctic (Mr. Nickerson)—Air Safety—Arctic airports program—Request for reinstatement; and the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Social Security—Preoccupation of women concerning social programs. (b) National Action Committee recommendation.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke—Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Murphy (p. 12683).

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, it was interesting to hear the Hon. Member for Charlevoix (Mr. Hamelin) because he said that the Opposition was engaging in petty politics in that it was upset about Bill C-96. Let us examine what the Member for Charlevois considers to be petty politics. Let us bear in mind that the Member's riding is located adjacent to the Prime Minister's (Mr. Mulroney) and in between the Prime Minister's riding and Quebec City. Obviously being geographically close to the Prime Minister one could assume, given the importance of back-benchers in that administration, that this Member has the Prime Minister's ear and the Prime Minister has his ear. Indeed, he speaks straight from the horse's mouth, as it were, on behalf of the Prime Minister when he says that the Opposition's complaints about Bill C-96 are petty.

• (1600)

Let us see what petty matters the Opposition is complaining about. It is complaining about a cut in funds to the Province of Quebec in 1986-87 of $82.3 billion, a cut in 1987-88 of $174.9 million for education and health, another cut in 1988-89 of $277.2 million, a cut in 1989-90 of $389.2 million, a cut in 1990-91 of $512 million, and a cut in 1991-92 of $647.6 million, for a total petty cut to the Province of Quebec of $2,083.6 million. The Member for Charlevois, whose riding is geographically located next to the Prime Minister's and in between Quebec City thinks that that cut is petty. He has been listening to the Prime Minister. What are they saying in Quebec City?

The Minister of Finance for the Province of Quebec, who is in Quebec City and on the Member's other side and to whom the Member should sometimes listen, says that the measure is unfair to the provinces. You know what it is, Mr. Speaker? Let us call the federal Government the head of the household. This kind of financial measure, this kind of passing the deficit on to the provinces, is the equivalent of the head of the household buying himself a new suit, a new pair of shoes and showing his neighbours and friends how prosperous he is by wearing his new suit and shiny shoes, trying to convince his neighbours that he is prosperous because he dresses so well and has his finances in order. Meanwhile, other members of the family are pretty shabbily clothed, are ill fed and are doing without sufficient shelter. It is predatory prosperity that the Government is practising. The Government is saying to the people of Canada that because it has some magical mythical policy to reduce the deficit, it has passed $8 billion worth of deficit on to Canada's 10 provinces.

The federal Government, with its new suit on, says, "Look at that. We have our financial house in order", but the provinces, in so far as education and health is concerned, will be more shabbily dressed than ever. As a matter of fact, when you examine what is now happening in some of our post-secondary educational institutions and hospitals, let us say it is not an exaggeration to suggest that some of our provinces in those two fields will be naked, not just shabbily dressed.

I rise today to support this motion to apply a six-month hoist to Bill C-96. I have just come from a conversation in the last few minutes with a gentleman from the Newfoundland Legislature who is concerned about education in Newfoundland. He told me that in Memorial University in Newfoundland the average wage of faculty members is $8,000 below the wage paid in other Atlantic institutions. He told me that Memorial University has become a raiding institution for other colleges, not colleges that promise fantastic bonuses or additional perks but colleges that are simply offering a decent wage. He told me that 62 people this week are being laid off at Memorial University, that the Memorial extension program, which is setting up extension programs around our rather large province of Newfoundland and Labrador to bring the services of that university to people no matter where they live, is being cut. He told me that 30 people have been laid off in the medical institution in the last few months and that the Established Programs Financing as outlined in Bill C-96 will deliver a death-like blow to an institution that is already on its knees.

I have picked up Bill C-96 and have found out what it promises the Province of Newfoundland, a province that has the lowest per capita income in Canada, a province that has the highest per capita debt in the country. What do I see, Mr. Speaker? I see that $187.7 million is to be chopped in transfer payments to a province where the university is already disintegrating before our eyes and where health care and the days of getting reasonably good health care are nothing more than a fond memory.

That is not what Canada is all about. That is not co-operative federalism. That is not in the words of the Prime Minister, a brand new day for Canada. That is cowardice, Mr. Speaker. This Government is so infected with its own rhetoric and so committed to fulfilling its own propaganda that rather than get its own house in order, cut back its own programs, admit that the world is not as simple as ABC to fix as the Conservatives suggest, the Government is cutting back $8 billion to the provinces, $2 billion to the Province of Quebec, which cut the Hon. Member for Charlevoix calls petty.

Parliamentarians should always remind themselves as they sit in this Chamber, sometimes rather empty with an echo coming back at you, that what we say and do here is not just for the benefit of parliamentarians in the Chamber, not just for the benefit of the few who come to watch from the galleries, but ultimately what we say and, more important, what we do here will be measured by the people of Canada. The eyes of the people of Canada are on us now. They are telling us that any time we walk away from the young people, any time we say that the human potential, that is this nation, can be measured purely in dollars and cents in a corrupt attempt to reduce the deficit, we have failed in our responsibility.

The true measure of any country is the way we treat our senior citizens and the way we treat our citizens. When we say with respect to our senior citizens that health care which they need and have come to depend upon in their old age may no longer be there, and when we say to our young people that they are a resource we cannot afford to invest in, we have failed in our responsibility.

I urge all Members to vote to suspend Bill C-96 for a period of six months so that the Government opposite may realize that a breach of faith with our citizens is more than a petty complaint.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I could not help thinking as I listened to my good friend and colleague who just sat down how strange it is to be in politics. One cannot help but wonder at the changes which take place with the changes of position in the House of Commons. I am sure that my good friend and colleague has not personally changed his view. He probably castigated the previous Liberal administration as severely as he has castigated the Conservative administration when the Liberal Government was instituting the very thing with which we are faced today. I say sincerely that I do not doubt for a moment that he would be one of the few voices in the Liberal caucus, together with his seat-mate, who would have risen to say how inappropriate it was to reduce the level of increase in the transfer payments to the provinces. I find it a dilemma when daily I hear my friends in the Liberal Party criticizing their friends in the Conservative Party for the very things which they themselves were about to do or had already started to do before they lost the last election. I suppose I will get used to it in time, but I do confess that it is difficult.

• (1610)

Nevertheless, I do agree with the comments that were made. The points which were made are absolutely correct. The inappropriateness of the Government's action is clear to anyone who cares to take a moment or two to try to analyse the impact of the actions proposed. Along with a number of other things, it establishes in my mind what is wrong with the Government. It is not able to set its priorities properly. It does not seem capable of fully understanding the impact of its actions. The shift in the weight of transfer payments is as ill-conceived, inadequately analysed, and improperly explained as is the Government's move toward free trade. When added to all of the other actions taken by the Government, it amounts to a failure by the Government to come to grips with the reality that is Canada.

Many years ago this country made a commitment to the maintenance of a standard of health and education which would be applicable regardless of where one lived within the broad expanse of Canada. The country made a decision years ago that the have areas of the land would be prepared to share with those which had not, or had less. This kind of action undermines the very essence of that understanding. That is what is wrong with what is happening. It goes to the very core of the co-operative federalism which is the historic birthright of Canadians.

It is impossible to provide an adequate level of health care or an adequate level of post-secondary education without the federal Government, with its vastly greater taxing powers, contributing proportionately to its capacity. That will not happen and will, therefore, result in the deterioration of the health care systems and post-secondary education systems which exist across the country. It is easy to say that either the provinces will take up the slack or individuals will be asked to pay some form of user-fee, which seems to be becoming the watchword for everything the Conservative Government does.

It is easy to say that, but when you ask people anywhere in Canada whether they will be able to provide for their children the monies necessary to allow them to continue with their education to the post-secondary level, the answer is inevitably that they are not able to do that any more. They say that their disposable income has been shrunk considerably by the federal Government, along with other Governments, taxing them to the point where they are unable to provide their families with that opportunity which is the basis for the greatness which Canada was in fact achieving. That happens to every family. I really wonder what the outcome of this action will be.

David Peterson, the Premier of Ontario, who is not exactly a soul mate of mine, in responding to the Prime Minister (Mr. Mulroney) at the First Ministers' Conference in November, said:

> We are also dismayed by the federal Government's plans to cut Established Program Funding transfer payments for post-secondary education and health. These cuts will amount to about $6 billion over the next five years. These cuts, which were announced without consultation, speeded up by a year without discussion, will weaken our country in the very areas where we must marshal our greatest strength—

In the fiscal year 1986-87 the Province of Ontario will receive $114 million less than it would have otherwise received. In the fiscal year 1987-88 it will receive $243 million less than it would otherwise have received. In 1988-89 it will receive $387.6 million less than it would otherwise have received. In 1989-90 it will receive $546.6 million less than it would otherwise have received. In 1990-91, at the end of the agreement, it will receive $722.7 million less than it would have otherwise received, for a total loss to the Province of Ontario of $2,014.1 million.

Given that post-secondary education and health are already under-funded, where will we get the money to maintain the standards which now exist, which in fact are even lower than the standards we had previously? We do not have sufficient funds to provide the opportunity for those who are in need of health care to go to a hospital and be made well, or for those young people upon whose brains the country will be built to continue their education in order to make Canada a stronger place. The Government had better re-think and re-establish its priorities. Right now it is destroying the co-operative federalism on which the country was built.

Mr. George Henderson (Egmont): Mr. Speaker, I would like to add a few words to the debate on Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. We are presently speaking on a motion for a six-month hoist. I certainly agree that this Bill should be given a six-month hoist and brought back to the House with major changes because it is going to cause a lot of problems for the people of the country.

• (1620)

As the Hon. Member for Hamilton Mountain (Mr. Deans) so eloquently put it, this country has had federal and provincial arrangements and collective agreements for many, many years. We have to maintain the right of all Canadians to equal access to quality health care and education no matter where they live. This Bill will cut $8 billion from the provinces by the year 1992. That money will have to come from the provincial Treasuries. Where are they going to get it? They get it from the same source as the federal Government here in Ottawa, namely, the taxpayer. In education, for example, if the provinces choose not to rely entirely on increased taxes to cover this shortfall, they could use another form of tax by increasing tuition fees. We already have many students, certainly in Atlantic Canada, who are having terrible difficulty in meeting the tuition fees they have to pay now. There are areas of this country, including my own province, where we have very high unemployment and very little opportunity for young people to find summer jobs in order to help finance their education. There are also economic circumstances in many places which work against the parents of those students being able to help financially. I am sure that any farmer in P.E.I. over this last year or so would have great difficulty in finding extra money to help his son or daughter to go to university. They, too, are in a serious financial bind.

We have heard it said in this debate today that this $8 billion cut-back is a transfer of the tax burden and deficit to the provinces. That, I submit, is the case. While the federal Government may be able to look good by reducing its deficit, it does not give relief to the ordinary citizen of this country because he or she is going to have to bear the burden of provincial taxation. These cuts will mean an accumulated loss, if you will, of $2.929 million from 1986 to 1992 for the Province of Ontario.

For my own Province of Prince Edward Island it will mean $1.6 million less for the year 1986-1987, $3.4 million for the year 1987-1988, $5.4 million for 1988-1989, $7.6 million for 1989-1990, $10 million for 1990-1991, and $12.7 million for 1991-1992. That is an accumulated loss, if you will, of $40.8 million. That represents well over $330 for every man, woman and child living in my province. Call it what you like, it is still a form of taxation because they are going to have to come up with that money which, in most cases, they just do not have. Someone is going to suffer.

What can the provinces do if they decide not to increase taxes? Should they cut the number of hospital beds? In my province there is a great need for an increase in health care, not a cut. What about education? Should the provinces close

universities? My province has only one university, the University of Prince Edward Island. I do not think it would be a very wise decision for the Government to cut funding and close that university, especially at a time when the new veterinary college will be opening in the fall. Where is the money coming from for that? The educational system in my province is already financially strapped. Tuition fees are too high. University professors are working for less than the national average salary for their position. In these circumstances it is very difficult to find areas to make cuts in the so-called fat we hear so much of these days. Over the last number of years the Commission for Higher Education in Atlantic Canada has cut that fat to the bare bone, almost to the point where our educational system in Atlantic Canada is suffering. It is impossible to find more dollars there.

What about health care for our senior citizens? Of course, health care costs are increasing drastically. Yet how we treat our elderly is a measure of the kind of country we are. This Bill certainly flies in the face of what I have always thought Canada was all about; a place where we provide not only equal opportunity for education, but equal opportunity for quality health care to the best of our ability, no matter where you live. Obviously you cannot have everywhere the kind of hospital facilities that we have in, say, downtown Toronto. However, that is not to say we should not provide quality health care for our citizens. No matter whether they live in the north, or the extremities of the east or west, no matter whether they live anywhere in Ontario and Quebec, they should have equal opportunity to quality health care. However, when we look at provinces like Quebec and Ontario, we find a tremendous burden is going to be placed on some of our larger provinces. There will be cuts in service or tax increases.

Why is the Government doing this? It says it has to control the deficit. The Government brought in Bills which were debated and passed by this House to support the banks when they were in financial difficulty. We have supported the agricultural industry in the west. Certainly it needs the help, and certainly more money is needed to help farmers all across this country.

• (1630)

Let us not forget our young people. They are the future of our country, the ones who will be carrying on in the future. They are the men and women who will represent us in this astute Parliament and will be performing the functions of government. We should give them the opportunity to do the very best job possible. We should never cut back in areas of education or health.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to have another chance to speak on this Bill and the amendment regarding the six-month hoist. I want to say to the government Members that, should they accept the amendment, we would be only too happy for them to bring in a new Bill which would take into account what people across Canada are saying about the wrongness of the reduced increases in expenditures needed for health care and post-secondary education in this country.

My colleague, the Hon. Member for Beaches (Mr. Young) quoted at length Conservative Members presently in the Government and in the Cabinet. They railed against the Liberals from 1977 to 1984, except for a brief time in 1979, for what the Liberals were doing regarding funding for health care and post-secondary education. I think the Conservatives at that time were right. Then he had to sit and suffer while listening to Liberals making the same speech as the Tories did since 1977. I have been here a little longer than he has and have had to suffer through that as well.

I want to disagree with my colleague, because after quoting the Conservatives now in the government he concluded that "there ain't no difference between the Liberals and the Conservatives". Well, I disagree with him. There is one difference, and that is that one is in and one is out.

As Tommy Douglas said on more than one occasion, they take money from the rich and votes from the poor and then promise to protect them from each other. Nothing has changed between the Liberals and the Tories since the days of the "dirty thirties" when the Liberal Finance Minister said, "What do you think, money grows on gooseberry bushes?" They talked exactly the same way in the seventies and the eighties.

Something of which I am very proud is that my province, during the past four decades, led Canada and all of North America in health care, in the way we treat our sick and our old, and what we provide for our young by way of advanced education.

My colleague, the Hon. Member for Hamilton Mountain (Mr. Deans) just made the point that there is something wrong with the priorities of this Government and the previous one. He is dead on. Saskatchewan will lose $227.4 million between now and 1990-91. That is not a lot compared to Ontario, Quebec or even B.C. That is as much or more than one of those fighter planes. I was reminded of that by my colleague from Hamilton Mountain. The priority is always there on a fighter plane we neither need nor can use, instead of giving priority to those who are sick and need the fullest opportunity for secondary education.

This is the time to be expanding health care, educational facilities and opportunities, not reducing them. We readily agree that there has to be efficient spending, administration and delivery of federal funds through the provinces for the purposes of health care and post-secondary education, a better distribution of medical practitioners, which should mean additional costs to be shared equally by the federal Government with the provinces. There should be specialists in outlying areas of our provinces and our territories who should be paid additional money.

There should be the latest technology available in some of our outlying areas to allow the best medical practitioners to treat people as equally, in terms of medical practice, as they

would in downtown Toronto or downtown Regina. That means higher cost, and I have yet to run into any taxpayer in Canada of any political stripe who is not willing and prepared to pay his or her fair and equitable share of taxes to do that very thing.

We should provide opportunities for people to pursue secondary education and quit becoming a nation of exploited hamburger slingers, gas pump jockeys, bellhops, sky caps and taxi drivers. In fact, I ran into a taxi driver last week with a masters degree. They are all exploited for the benefit of what is called free and open market forces. Their talents are wasted. The priorities of this Government are banks, before farmers and home owners. The priority of this Government is its paranoia and hysteria about deficits, before farmers, fishermen, and, more seriously, before the poor, the old, the sick and those who try to pursue excellence in education.

An Hon. Member spoke last Friday and said that, "We can only provide what we can afford to pay". He proceeded to go on and on about our debt. If there is any one thing we can afford to pay for it is health care and it is secondary education. There has never been any argument about that. It took years to accomplish it. After all those decades of fighting we finally arrived at a 50/50 partnership between the national Government, the provinces and the Territories. The onus is on the federal Government to say to the provinces, "We will share with you 50/50 improvements and expansion in health care and post-secondary education". We will monitor them to ensure that those funds are actually delivered for those purposes alone. That is fair ball.

• (1640)

I want to close by quoting one of my favourite political heroes and mentors. Mr. Douglas, at our convention in Regina in 1983, during one of his most famous speeches, said, after all these years of fighting and gains: "Don't let them take it away". I believe he was being relatively non-partisan.

We, along with many others in this country, will fight tooth and nail, and will take every avenue open to us under the law and under parliamentary procedure, to see that the Government will not take it away. We will go to whatever lengths we must, under the law and parliamentary procedure, to persuade the Government not to continue doing what the Liberals began.

The people of Canada are willing to pay and are willing to share with one another, from coast to coast, in what we need, what we support and what we must do over the next number of years to keep our nation in the forefront and show others how we can be a decent and civilized society for everyone in our country.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I regret having only 10 minutes to talk about this very important betrayal by the federal Government of its traditional responsibilities to the provinces. That betrayal is particularly unseemly for a Government that campaigned on the promise that there would be new and good relations between the central Government and the provinces—changes for the better once the so-called days of confrontation were put behind them.

In speaking to this budget Bill, I want to focus on an even more significant question. It is the important promises that were made during the election campaign that the new Conservative Government would save the Canadian taxpayers billions of dollars by terminating the waste and extravagance of the former Trudeau Government. After campaigning on the promise that it would be possible to reduce the cost of Government by billions of dollars, without cutting important programs, let us consider where the billions of dollars are being cut from federal government waste and extravagance.

The first point to be made about the billions of dollars being cut is that they are a measure of proof that the Government has not found the billions of dollars in waste and extravagance. Surely even a Conservative Government, with a philosophy that there should be less Government and that the provinces should be allowed to function themselves and finance programs in their own areas of responsibility, would not cut these post-secondary and health care programs if it could have kept its promise to cut the waste and extravagance that it had identified for the Canadian people.

The Government has cut the Established Programs Financing, which is the national Government's way of supporting post-secondary education and health care. I have a chart to which some of my colleagues have referred. It shows that if this Bill goes through, there will be a cut across the country of $317.4 million in 1986-87 in money that would otherwise be given to the provinces for those two very important purposes. In 1987-88, the cut-back will amount to $676.8 million, slightly over $1 billion in 1988-89, and $1.5 billion in 1989-90. In 1990-91, the cut for that year alone is slightly over $2 billion, and in 1991-92, six years from now, the cut will be $2.5 billion if this Bill is passed. The total for that entire period is slightly over $8 billion.

While the Budget has succeeded in saving the federal Government slightly over $8 billion, that saving has not come from cutting waste and extravagance or tightening the federal Government's belt in its areas of discretionary spending. That savings was not achieved by cutting back the size of the Public Service or locating the waste and extravagance about which the Government campaigned and which it tried to pin on the Trudeau Government. It comes as a result of asking the provinces to tighten their belts and deprive Canadians across Canada of support for two of the most important social programs—post-secondary education and health care.

I want to look at the situation in my Province of Ontario. The proposed cut for 1986-87 would be $114 million; nearly $250 million in 1987-88; almost $400 million in 1988-89; over $500 million in 1989-90; nearly $750 million for 1990-91; and $916 million in 1991-92. That is a total of almost $3 billion over that six-year period.

The federal Government and the Minister of State for Finance (Mrs. McDougall) have been asked to acknowledge at least these figures which come from their own documents. I suppose they are hoping that the Canadian people will not listen to what these figures suggest so that the Government will not have to defend the facts contained herein. When asked if these figures are true, the junior Minister of Finance has repeatedly refused to face up to them but simply stated that each year the Government will be paying more to the provinces than the previous year.

The Government cannot deny the fact that if this Bill is passed there will be a reduction by the amounts I have cited as compared to what the provinces would get if this Bill does not pass.

I suggest that the Government has underestimated the Canadian people. They are not so stupid as to believe that simply because the amounts to be paid to the provinces will increase a little every year, they are not being cut back by the amounts we have suggested from the Government's figures. The provinces are being asked to tighten their belts by somewhat over $8 billion over a six-year period.

The federal Government has been a partner in these two programs since their creation. I recall in 1967 how much the federal Government pushed to bring all the provinces on board in order to establish medicare. It is true that medicare is within provincial jurisdiction, but the federal Government backed that program. In effect, we told the provinces that if they passed that legislation we would support these programs. The purpose of the legislation was to support these programs.

The federal Government promised Canadians that it would cut back the cost of Government, but instead of cutting back on the cost of the federal Government it is cutting back and asking for belt-tightening on behalf of provincial Governments.

I want to ask the Government a number of questions about health care. Should the provincial Government of my province, Ontario, respond to the federal Government's reduced support by cutting the number of hospital beds? Should it cut the number of emergency departments in hospitals? Should it cut out health care for senior citizens? Should it cut out the tremendous support which has been given to cancer research? Should hospitals be closed? Should we force our senior citizens or the handicapped in Ontario and elsewhere in the country to pay user-fees? With this great leadership which it is showing in cutting back expenditures, how does the Government expect the provinces to respond to the cut-backs in health care?

• (1650)

I know that I have but a minute left. Yet I have more questions. I think the Government owes something to Canadians if it is withdrawing support and no longer wants to be an equal partner in university and post-secondary education. How does the Government expect the provinces to respond to this series of enormous cuts? Should universities be closed? Should research at universities be terminated? Should we close our professional, medical, dental, business and architecture schools? Should we close computer and high technology departments at universities? And what about agriculture and research programs at universities? Should we increase tuition fees?

What really revolts us is when we hear the federal Government responding to such questions with a new discovery. It has discovered waste and extravagance in these programs. In order to get elected the Government convinced the public that it would cut waste and extravagance in the federal Government. Now that the Government is in place and finds that there is not waste and extravagance, it proposes to cut funding of health care and post-secondary education. Members of the Government say that these areas can be cut easily because there is a great deal of waste and extravagance in them. That allegation is just a lot of nonsense.

I urge Members of the House, even Conservative Members, to vote against this nefarious piece of legislation.

Mr. Sergio Marchi (York West): Mr. Speaker, like my colleague, the Hon. Member for York Centre (Mr. Kaplan), I feel obligated—not pleased, but obligated—to participate in the debate this afternoon on Bill C-96. This Bill is basically legislation to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

As Hon. Members have pointed out before me, the thrust of this important piece of legislation is simply to cut back on two crucial and national areas of importance, that is, education and health. Basically, there is a feeling within Canada that the Government is tranferring its responsibility with respect to what it says and preaches in terms of deficit reduction to the provinces.

What will this mean in the Province of Ontario? What will it mean to the people of Ontario? This year it will mean a reduction of some $114 million. Following the statistics and numbers through preceding years, it will result in a loss of some $2.929 billion—almost $3 billion—in direct losses alone between the years 1986 and 1992 in the Province of Ontario. The Premier of Ontario, Mr. David Peterson, said:

> You don't call it a cut. You could call it a breach of faith—You have not solved the National problem . . . You are only transferring that National problem to us.

The Treasurer of Ontario, Mr. Robert Nixon, said:

> There was uniform opposition to Ottawa's plan . . . Nobody thought it was a good idea.

I could go on and quote various provincial Ministers and Premiers who are basically and philosophically opposed to this move. However, I will not.

As a federal Member of Parliament I think this piece of legislation and the cuts we are seeing in the areas of health and education really assist in defining what it means to be a Conservative in this Government and in this country. It really defines, on philosophical grounds, where the Government is coming from and where it wishes to go. I think we can measure

how progressive and compassionate a society is when we measure how it treats its sick, elderly and its future resources, namely, youth.

In talking about cut-backs let me say that there are a great many Canadians who hope that their Governments will be prudent in terms of spending their tax dollars. In the end, our primary responsibility here in this Chamber is to ensure that the monies collected from Canadians are properly channelled and used in a fiscally responsible manner. However, when one talks to average Canadians, as I have done in my own constituency and across the country, one finds that two areas in which they are not prepared to sacrifice are the very areas in which the Government proposes to cut back. There is health on the one hand and education on the other. In dealing with these two subjects we see an indication of how the Government is treating its seniors, its sick and its disabled on the one hand and, on the other, how it treats its young people *vis-à-vis* their education.

We have heard in the Chamber speech after speech stating that medicare is a tribute to its great traditions. We have heard about how important it is to support technological training and to educate our young people. It is not important for every Canadian to come out of school with a BA, an MA or a PhD from one of the local universities, but it is important that there be no stigma attached to the individual who wishes to pursue academic excellence *vis-à-vis* college and come out with a trade of which he or she can be proud.

We are talking about crucial elements here today. In Ontario, we will not have $3 billion at our disposal to ensure that the level of medical health care enjoyed in our province throughout the years will be maintained. In Ontario, we will have $3 billion less to secure better education and, therefore, a better future for our young citizens. They may be young today but, God willing, tomorrow they will be our leaders, whether it be in the business community, the social service community or in the politcal community. When we talk about robbing billions and billions of dollars from our provincial Governments, we are talking about a serious, fundamental matter which goes to the core of what our country is all about.

If the Government were to say that it is cutting back because it is supposed to cut back, then obviously that would be a constitutional issue. Citizens would at least be reassured that those monies would be channelled in those directions in the end. When we have citizens who will not be able to enjoy those funds in terms of health care or education then they are not pleased. This is why we are rising in our places today to demonstrate and articulate these concerns. We are doing so in order to make the Government aware of these aspirations in the eleventh hour.

We should not consider this piece of legislation in isolation. I think it puts forward a continuity with respect to programs and policies which demonstrate just where the interests of the Government lie. It is prepared to bail out the banks, no questions asked. It is prepared to come to the House and say to members of the Opposition: "You sign a blank cheque. Don't worry about it. We know how to deal with it". Yet in the same breath it comes before the House and tries to deindex the pensions of senior citizens. The Government is prepared to give a capital gains bonanza of $500,000, yet it is prepared to deindex baby bonuses. It is prepared to ask those who earn $200,000 annually to pay a cumulative tax of only 2 per cent in five years while asking those who earn $15,000 annually to face a 36 per cent increase in taxes by 1990.

• (1700)

After illustrating those individual cases and analysing the philosophical bent that characterizes these policy thrusts, it comes as no surprise that the Government is asking for, and will obtain because of its majority, cuts to health care and post-secondary education that will have a tremendous impact. In speech after speech, the Prime Minister (Mr. Mulroney) has talked about today's youth, tomorrow's leaders, today's ill and tomorrow's old. If there is any sincerity and integrity in those words, those press releases and those policy statements, then the Government will withdraw Bill C-96 because the legislation is immoral. It lacks integrity and it lacks the vision and compassion necessary to protect Canadians through health care and post-secondary education services. Canadians know where the Government is going. It is important, however, that the Government learn where Canadians are going to go in 1988.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, when we consider Bill C-96 before the House today, which has as one of its avowed objectives to reduce the deficit, we cannot ignore certain other factors that are also part and parcel of the Government's effort to reduce the deficit. Today is May 5, just five days after the deadline for Canadian taxpayers to file their income tax returns with the federal Government. You yourself may have noticed, Mr.Speaker, as have most Canadian citizens, that this year we are paying more income tax.

In fact, in his last two Budgets, the Minister of Finance (Mr. Wilson) and with him the entire Conservative Government, managed to take some $12.5 billion extra out of our pockets.

This is part of their attack on the deficit, but what really bothers me is how they go about it, because if we take the case of low-income Canadians, we realize that they are the ones who are getting the worst deal. A family with an annual income of $15,000 will be paying 23 per cent more in income tax to the federal Government as a result of these two last Budgets. However, a taxpayer who has the honour and the privilege of having an annual income of around $100,000, will pay only 1 per cent more income tax. This means that the Conservative Government's measures to reduce the deficit are putting the greatest burden on those who are already being squeezed and giving a better chance to those who are already well-off.

This Government, which in its frenzy to reduce the deficit is bearing down most heavily on low-income Canadians, is doing

the same thing at the provincial level, and that is where Bill C-96 comes in, because here we see the provinces that are least well-off getting the worst deal.

Bill C-96, which amends the agreements on federal contributions for post-secondary education and health care will make it possible for the federal Government to reduce substantially the amounts it transfers to the provinces, which means a reduction of about $8 billion over a six-year period. This is not exactly peanuts, Mr. Speaker. For instance, my own province, the province of Quebec, will lose a little over $2 billion over that same period.

In the case of Ontario it is almost $3 billion. Mr. Speaker, the Atlantic region is experiencing hardships and has the highest unemployment level in Canada, yet it will have to cope with cutbacks in excess of $700 million. People in the Atlantic region are not stupid. Think of the unmistakable message the residents of Prince Edward Island have just delivered to the Conservative Party. It was turfed out, thrown out of office in the province, and I am sure Bill C-96 of the federal Government had something to do with this latest decision made by the people of Prince Edward Island. As to western Canada, well that region will lose close to $2 billion over the next six months.

So, Mr. Speaker, the provinces unanimously condemned and denounced these unfair cutbacks, particularly because they were made without real consultation, as the provinces point out. I do not really expect the Government to take my word for it. I am going to quote the Quebec Minister of Finance, the province I represent here in the House. Mr. Speaker, this was published in the *Journal de Montréal* of May 2, barely three days ago:

> Last night Quebec Finance Minister Gérard D. Lévesque accused the Canadian Government of unilaterally—

—unilaterally. It proves what I just said, there was no real consultation. As he was saying:

> —of unilaterally changing the provincial fiscal transfer mechanisms.

And I quote the minister directly:

> It is like a vice closing progressively on the public finances of Quebec—"another step toward a federal withdrawal from the financing of essential services—

This is how a provincial Finance Minister has reacted to this Bill, and he was the first to say that this Bill was imposed unilaterally. Mr. Speaker, it is to this that we object the most, because this measure is not only hard, but it is also being imposed on the provinces without their consent.

How will the provinces react to such substantial cutbacks in their finances? I have the impression that their only option will be to reduce their services.

How can this be done in the case of hospital services? As we know, certain provinces have been looking at user-fees for some time, and several of them will probably have to charge user-fees to make up for the shortfall of $8 billion during the next six years, and these additional costs will be charged to people whose taxes have just been substantially increased by $12.5 billion over two years, as I said earlier. If the provinces do not charge user-fees, what will they do? In some cases, they will certainly postpone the purchase of new equipment, such as modern X-ray machines or other things they may need.

Elsewhere, the number of beds available in hospitals may have to be reduced because of the cutbacks forced on the hospitals by the provinces when they transfer the costs imposed on them by the federal Government, or else it might be the line-ups in the emergency rooms which will grow longer. Of course, emergency room line-ups are already quite long enough without them growing any longer, at least in my own province. For my part, I maintain that the cutbacks of $2 billion which Quebec will have to absord within a few years can only cause further deterioration of hospital services in our province.

Moreover, what I find strange is that this remedy is being administered by a political party which was saying just the opposite not so long ago. You must recall, Mr. Speaker, the famous Sherbrooke caucus held shortly before the 1984 federal elections. That was already a very well known caucus meeting. For instance, it was the caucus meeting during which the Conservative Party promised to maintain indexation of Old Age Security pensions. Let me recall what came afterwards, when the Minister of Finance came up with proposals to do the exact opposite, proposals that were aimed at deindexing Old Age Security pensions. And we know that senior citizens all across Canada were forced to rise and organize demonstrations right up to Parliament Hill, asking the Conservative Party and the present Prime Minister to honour their commitment.

Well, concerning financial support to hospital services, let me refer for instance to one of the commitments made in Sherbrooke by the Conservative Members' caucus. In addition to maintaining Old Age Security pensions, they were committed to honouring the federal obligation—this is how they called it, the obligation—to support provincial health care services and to provide extra funds. Not a word was said about cuts at that point. They talked about increasing the payments that would be transferred to the provinces.

How hard it does seem to the Conservative Party to be true to their word once they have promised something!

In conclusion, Mr. Speaker, let me make a few comments—I know I have some time left—on another area where cuts will hurt very badly. I am referring to post-secondary education. I must comment on that, because in my constituency I have three universities: McGill University, Concordia University and the *Université du Québec à Montréal*. There is no need then to talk about the number of representations I received against Bill C-96. At a point in time where we speak of the importance of education in a technological society, the urgent need to improve our competitive position, especially in the face of free trade and negotiations with the United States, how does the Government expect to reach its goals if it cuts down on the funds intended for college and university education? It makes no sense, Mr. Speaker. That is not the place where to make cuts, at a time when students have difficulty finding summer jobs to pay for their education, at a point where parents have

already their available income reduced by increased taxes, because they will then be forcing universities to increase tuition fees. Thousands of students in my constituency are especially concerned about that. They ask me to point out to Parliament that it is not the proper time to increase school fees because many of them with slender means will thus be unable to attend university.

If I had more time at my disposal, Mr. Speaker, I could carry on, but since I have only a few minutes left, I should like to explain to Canadians through you why I will be unable to vote for Bill C-96.

• (1710)

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I am very pleased to be able to rise to state why I believe the House must oppose Bill C-96. Let us recognize that the cut-backs in question, the cut-backs to be created by the Bill, will have considerable impact upon all provinces. We are talking about cut-backs which by 1991-92 will amount to some $8 billion. We are talking about cut-backs which will amount over the entire period to $187.7 million for Newfoundland, $40.8 million for Prince Edward Island, $282.6 million for Nova Scotia, $228.8 for New Brunswick, $340.4 million for Manitoba, $332.5 million for Saskatchewan, $773.1 million for Alberta, and $934.3 million for British Columbia

[*Translation*]

and for Quebec, a cut of over $2 billion while for the same period, the cut for Ontario would reach almost $3 billion.

[*English*]

The cut for the Province of Ontario alone will amount to almost $3 billion. What we are talking about here is a transfer by the federal Government of its deficit to the provinces. We are also talking about how the Government has acted unilaterally, without the consent of the provinces, and has failed to respect the tradition of federal-provincial agreements.

When the present Prime Minister (Mr. Mulroney) and the Conservative Party were campaigning for office, they said that they would bring into effect, if they became the Government, a new era of federal-provincial consultation, a new era of harmony between the provinces and the federal Government.

An Hon. Member: They delivered.

Mr. Gray (Windsor West): I heard someone say: "They delivered". They delivered chaos, concern, and fear. If there was any harmony, it was harmony on the part of the provincial Premiers and the provincial Governments which unanimously agreed that the federal Government betrayed them and let them down. Let us have the facts. For example, Richard Hatfield, Premier of New Brunswick said:

[*Translation*]

We will have no other choice but to increase extra billing for health services.

[*English*]

John Baxter, New Brunswick Finance Minister, said the following:

It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level.

Mr. Keer, Nova Scotia Finance Minister, had the following to say when he was referring to a federal-provincial meeting:

Every province in there made it clear that there's probably nothing more important to deliver to Canadians than health and education.

He added:

By cutting health and education spending, the federal Government is running the risk of creating two levels of health care and education in the country.

We are talking here about people who are friends of the Government. If that is what they are saying, we can imagine what the leaders of provincial Governments who are skeptical about the Government have in fact been saying on the same issue. For example, Robert Nixon, Ontario Treasurer, described the Minister of Finance (Mr. Wilson) as intransigent. In referring to all provincial Finance Ministers, he said that "there was uniform opposition to Ottawa's plan and that nobody thought it was a good idea". Next I will quote the Minister of Finance for the Province of Quebec.

[*Translation*]

The Minister of Finance for Quebec, Mr. Gérard-D. Lévesque, has reminded Ottawa that the provinces generally had reacted with great discipline and moderation as far as the control of expenditures were concerned.

In his recent Budget, a few days ago. Mr. Lévesque said that as a result of broken promises, of unfulfilled commitments by the Conservative Government which had promised Quebec a sum of $248 million, he had to introduce a sterner budget which would have been unnecessary if that Tory Government had kept its promise.

[*English*]

As a result of the cuts totalling $8 billion by 1991-92, the provinces will be forced to increase their taxes, to increase their deficits, or to rethink their priorities and cut back their services accordingly, or to increase fees paid by individual Canadians. Whatever the method adopted, the taxpayer will bear the cost of the cut-backs without there being any benefit accruing to the public.

The Government, in asking the House to approve a cut-back or a reduction of some $8 billion in transfer payments to the provinces by 1991-92, is saying to the provinces in the area of health care: "We the Conservative Government want you to cut the number of hospital beds and emergency departments". Through this Bill the Conservative Government is saying that it wants them to cut health care for senior citizens and programs of medical research. If we look at the area of education, through this piece of bad legislation the Conservative Government is telling the provinces to close universities, to cut university research, to close professional schools, and to

close computer and high technology departments in universities and community colleges. This Conservative Government through this Bill is telling the provinces to close agricultural research programs and to increase tuition fees generally in our post-secondary institutions. This is the wrong message that the Conservative Government is giving to the provinces through this legislation.

• (1720)

It contradicts totally the promises the Conservatives made during the last election campaign. I know it is not news any more to cite another broken Conservative election promise. You can say: "What's new about that? What is different about that?" It is important to recognize that in breaking this promise to the provinces and the Canadian people, the Government is telling the provinces to cut needed services to individual and lower-income Canadians.

At a meeting held in Sherbrooke on July 26, 1984, the Conservative Party promised to:

—respect the federal obligation to fund provincial health care through Established Programs Financing, and make additional funds available to the provinces on a cost-shared basis for the establishment or enrichment of programs deemed most likely to improve the general level and limit long-term costs. This determination to be made following a national conference of health Ministers and health care professionals.

It is obvious through this legislation that the Conservative Government has not kept that promise. The Conservative Party committed itself to increase R and D expenditures to 2.5 per cent of GNP as compared to 1.17 per cent in 1981. The Conservative Party said:

Our research and development commitment is fundamental to our over-all programs for economic and social development. We are committed to doubling Canada's R and D budget to 2.5 per cent of GNP.

The Conservative Government has already broken that promise through cut-backs as a result of the last two Budgets. The Government is underscoring the way it broke that promise through cut-backs in support for universities as a result of this bad piece of legislation.

Again I say, what is new about another broken Conservative promise? There have been so many already, but this is one of the most serious. Through this legislation Conservatives are hitting health care, something fundamental to this country. They are also hitting education, something fundamental to this country. They are imposing permanent damage on the country and the people. This bad Bill must be defeated, Mr. Speaker.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise to deal with this Bill, not with much pleasure, but in order to put on the official record of our debates in the House some opinions and views that I would like to elaborate on.

Because the Hon. Member for Windsor West (Mr. Gray) who has spoken before me has provided a fairly complete overview of the facts, I shall refrain from repeating the arguments he has put forward, namely, that the Government has failed to consult the provinces before making its decision, that under the circumstances it is acting not only arbitrarily, but also with a complete lack of sensitivity for the greatest needs of today, namely, education and health care.

I wish to indicate simply that I support the views of my colleague, that we will vote against this Bill and that, when the time comes, we will stand up against this initiative aimed at considerably reducing the amounts of money which the provinces expected and were entitled to receive.

Mr. Speaker, the Government proposes to reduce the growth rate of its contribution to Established Programs Financing. The total reduction in cash transfers and fiscal percentage points could amount to about $8.133 billion for Canada as a whole.

For my own province of Ontario, it will be almost $3 billion, more precisely $2.929 billion. We cannot help wondering where the provincial Governments will find the money to finance their essential programs in the areas of health and education. In fact, as a result of these cutbacks, the provinces will either have to raise their taxes or increase their deficit, and give us the same lame excuse this Government has given us, namely that they have to do it to reduce the deficit. Oh, the Government is doing it, if that is what it wants, but it is doing it at the expense of the provinces. It is doing it by tranferring the federal deficit to the provinces.

I think the whole procedure is less than fair and certainly does not meet with the approval of the general public.

Mr. Speaker, as my hon. colleague from Windsor West (Mr. Gray) said earlier, this Government has acted without consulting the provinces and without their consent. It has failed to respect the tradition of federal-provincial arrangements, arrangements this Government had sworn to strengthen and abide by, while promising practically continuous consultation.

Mr. Speaker, we have here a striking example of a government that, as I said earlier, is insensitive to the needs of the provinces and has no scruples about breaking its word and then saying it is for the good of Canadians. This is a deficit that is going to be reduced to a federal deficit, as someone said earlier.

Mr. Speaker, in the course of debate I heard several Members of the New Democratic Party say that the Liberals did the same thing during the 6-and 5-period, and that we had cut payments for post-secondary education and education financing. It is true that during the 6-and 5-period, we cut financing for post-secondary education. And Hon. Members are aware that this represents about 27 or 28 per cent of total transfer payments to the provinces for health care and education, in other words, Established Programs Financing.

Mr. Speaker, the remaining 71 per cent relate to health programs. We should not forget that the 6-and-5 program was for only two years, whereas the thrust of Bill C-96 which is now under consideration will make the cutbacks permanent. It will have a very negative and severe impact on the future of our health and education services. We know that the number of college and university students has risen rather sharply this year. We know that the demand for hospital beds in Canada is on the increase. This week I wrote a letter in support of a request made by the Élisabeth-Bruyère health centre, a letter addressed to Sister Gilberte Paquette and dated April 29, not so long ago, in which I told her I had learned of her request with great interest. Mr. Speaker, it is a request for 70 additional nursing home beds. One thing we can readily appreciate in that respect is that we do not have French nursing care services here

in Ottawa, and I would suggest this is an altogether normal request from a well known health centre like Élisabeth-Bruyère. But what is happening, Mr. Speaker, is that because of these reduced payments to the provinces, particularly health services payments, the Élisabeth-Bruyère health centre is probably in a precarious position where it will not be getting the funds required to provide these 70 beds and serve people who urgently need financial assistance.

Mr. Speaker, under the old formula, the federal contribution for each province was equal to a yearly per capita amount indexed each year to the per capita Gross National Product multiplied by the population of the province. This is how we can evaluate the impact of Established Programs Financing.

The new legislation provides that this per capita amount will be indexed to the per capita GNP minus 2 p. 100.

This, Mr. Speaker, is where we do not agree with the Government, and we have said so many times, because it is unfair to do such a thing without consulting the provinces and without hearing the views of those concerned to find out the needs of the provinces and the users of these services.

Mr. Speaker, God knows that the Conservatives promised during the electoral campaign to keep to the Established Programs Financing Agreements, but this is just one of many broken promises. Whether we are speaking about pension indexing, Established Programs Financing or Government programs, everything has been left in suspense and it is impossible to know where we are going. This is a Government of indecision. This Government prefers to act alone. This Government acts before it consults. We have a Government which objects to certain things which I, at least, find essential in health care, because by objecting to a reasonable growth in Established Programs Financing, the Government is also objecting to an increase in the number of hospital beds, to improved post-secondary education and to reasonable and continuing access to these programs.

Mr. Speaker, as I said at the beginning, this Government is simply transferring its deficit to the provinces and the only reason it has given to justify this cutback is that all Canadians and all provinces must make an effort to reduce the federal deficit.

Mr. Speaker, as I have already said, and I shall close with this comment, the Government has acted unilaterally without the consent of the provinces and has not respected the tradition of federal-provincial agreements. We shall be voting against this Bill, Mr. Speaker, and we will resume this discussion in committee or when the Bill is in committee.

• (1730)

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of Mr. Murphy:

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

"Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be not now read a second time but that it be read a second time six months hence."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1740)

(Division No. 252)

YEAS

Members

Allmand	Henderson	Nicholson (Trinity)
Althouse	Hopkins	Nunziata
Axworthy	Hovdebo	Ouellet
Benjamin	Isabelle	Parry
Broadbent	Jewett	Penner
Deans	Keeper	Prud'homme
de Corneille	MacLellan	Robichaud
Garneau	Manly	Robinson
Gauthier	Marchi	Rompkey
Gray (Windsor West)	McCurdy	Rossi
Guilbault (Saint-Jacques)	McDonald (Broadview-Greenwood)	Waddell
Heap	Murphy	Young—36.

NAYS

Members

Attewell	Beatty	Blouin

Adjournment Debate

Members

Bourgault	Gray	McLean
Bradley	(Bonaventure-Îles-de-	McMillan
Brightwell	la-Madeleine)	Minaker
Browes	Gurbin	Moore
Caldwell	Halliday	Nicholson
Clark	Hamelin	(Niagara Falls)
(Brandon-Souris)	Harvey	Nickerson
Clinch	Hicks	Nielsen
Collins	Hnatyshyn	Porter
Comeau	Holtmann	Redway
Corbett	Horner	Reid
Côté	James	Ricard
(Langelier)	Jardine	St. Germain
Crofton	Kempling	Sparrow
Crosbie	Kilgour	Stevens
(St. John's West)	Kindy	Stewart
Darling	King	Suluk
Daubney	Landry	Taylor
de Cotret	La Salle	Thacker
Della Noce	Lewis	Towers
Desjardins	MacKay	Tupper
Domm	Marin	Turner
Duplessis	Mayer	(Ottawa-Carleton)
Ellis	McCain	Vankoughnet
Epp	McCrossan	Vézina
(Provencher)	McDermid	Warner
Fennell	McInnes	Winegard
Friesen	McKenzie	Wise—80.
	McKnight	

• (1805)

Mr. Speaker: I declare the amendment lost.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

NORTH ATLANTIC TREATY ORGANIZATION—PROVISION OF FIGHTER AIRCRAFT TO TURKEY—GREEK CYPRIOTS' FEARS

Mr. Alan Redway (York East): Mr. Speaker, as you well know, Canadians of Greek origin are extremely concerned about the fact that the Canadian Government intends to transfer CF-104 fighter aircraft to Turkey. It is bad enough from the perspective of Canadians of Greek origin that their former homeland was dominated and occupied for some 350 years by Turkey. It is bad enough that a few years ago the Defence Minister of Turkey quite openly indicated that Turkey claimed the Greek Aegean island as its own. It is bad enough that in 1974 some 40,000 Turkish troops invaded Cyprus and drove the Greek-Cypriot community into the southern part of the island. Since that time, thousands of Greek-Cypriots have been missing and unaccounted for.

As well, it is bad enough that Amnesty International continually condemns the activities of Turkey. It is bad enough that Turkey, as one of the NATO allies, has refused to take part in NATO exercises when Greece is involved. All of these things are bad enough.

• (1810)

On top of that, Canadians of Greek origin have invested their tax dollars in CF-104 fighter aircraft. This situation is somewhat akin to one which could have developed in 1939 if the Canadian Government of the time had decided to transfer military equipment to the Government of Nazi Germany on the verge of the German invasion of Europe. When one considers all of those things, I think it is understandable that Canadians of Greek origin are modestly upset, to say the least.

The Minister of National Defence (Mr. Nielsen) has quite properly explained and pointed out that in 1976, all of the NATO countries, including Canada, Greece and Turkey, came to an agreement whereby surplus military equipment was to be transferred free of cost to Greece, to Turkey or to any other NATO ally if it was so requested. The Minister of National Defence explained as well that when Canada decided to replace its CF-104 fighter aircraft with new CF-18 aircraft, Canada offered its old fighter aircraft to all of its NATO allies and particularly to Turkey and Greece. The Minister pointed out as well that Turkey made a request to have those aircraft transferred, but Greece did not. He stated that later, Canada informed all of its allies of Turkey's claim to these aircraft and at that time, Greece made no response.

In 1982, after the offer had been made, Turkey had accepted it and Greece had not responded, the then Minister of National Defence under the former Liberal Government, the Hon. Gilles Lamontagne, made a commitment in principle to transfer the CF-104 aircraft to Turkey. Later, that commitment in principle was confirmed by another former Liberal Minister of National Defence, the Hon. Jean-Jacques Blais. Then in July 1982, for the very first time Greece requested the Canadian Government to transfer CF-104 aircraft and spare parts to it as well as to Turkey.

It was said by the present Minister of National Defence that we made a commitment to Greece at that time that we would transfer an equal amount of military equipment to Greece as was being transferred to Turkey and on the same terms as we were transferring it to Turkey. Those terms were that the equipment could not be used against another NATO ally and that it would be transferred in an "as-is" condition. There would not be any money spent to upgrade the equipment or improve it or do anything at all to make sure that it was in better condition when it was transferred than it was when it was being used by our own forces. On April 25 of this year, the Ottawa *Citizen* reported that the Department of National Defence was now combing its inventories for spare parts and for air frames for CF-104 aircraft to give to Greece in order to fulfil its commitment.

I would like to know tonight from the Parliamentary Secretary first to what extent we have now transferred CF-104 aircraft to Turkey and how many more remain untransferred to date. I would like to know from the Parliamentary Secretary whether any Canadian taxpayers' money was spent on upgrading those aircraft when they were transferred to Turkey. I would also like to know whether there is any

intention of spending any other Canadian taxpayers' dollars on upgrading those aircraft transferred to Turkey. I would like to know how much in the way of military equipment we have transferred so far to Greece in order to fulfil our commitment to Greece. As well, I would like to know exactly what kinds and how much additional military equipment we intend to transfer to Greece in order to fulfil our commitment to Greece subsequent to our commitment to Turkey.

• (1815)

Finally, I want to know from the Parliamentary Secretary if Canada has made a decision on whether or not we will be building a CANDU nuclear reactor for Turkey, whether or not the project will be proceeded with and, if it is, whether we intend to do something similar for Greece. I am looking forward to the answers of the Parliamentary Secretary tonight.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, the interest of the Hon. Member in this matter is appreciated. I welcome the opportunity to clarify some of the background for him. However, the Hon. Member has introduced a series of additional questions which I find extremely interesting and extremely detailed. I am sure he is aware that I would not have that information at my fingertips at the moment. They do not quite relate to the question at point, but I will refer those matters to the Minister and see what information we can get for him.

I think the Hon. Member is familiar with the policy of NATO countries with regard to military equipment which is being replaced, that is, it is offered to all alliance members. However, in the last few years NATO has placed greater emphasis upon supplying military assistance to Greece, Portugal, and Turkey. All requests are considered. As the Hon. Member knows, this was the process Canada followed once it became known that the CF-104 Starfighters would be phased out of service and replaced by our new CF-18s. In response to our offer of these CF-104 Starfighters, Turkey inquired and ultimately requested aircraft and spare parts. This request was considered, and the Government agreed to it.

The Hon. Member is aware of how important the southern flank of NATO is to the alliance, and I am sure he will recall the Minister's response in the House that these aircraft were offered under the condition that they be used by Turkey to bolster its NATO role in that very important area.

To respond more directly to the Hon. Member's concern about the transfer of aircraft to an important ally, I should like to repeat part of what the Associate Minister of National Defence (Mr. Andre) said on December 17 in the House:

—these aircraft will be based in the southeastern part of Turkey, that is, near the Turkey-Iran border, and that they will be nowhere near the Turkey-Greece border of Cyprus.

I hope that helps the Hon. Member. As I pointed out, I will take note of the new questions which he raised this evening and try to obtain responses.

Adjournment Debate

AIR SAFETY—ARCTIC AIRPORTS PROGRAM—REQUEST FOR REINSTATEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, on April 25, I asked a question of the Minister of Transport (Mr. Mazankowski) concerning the reinstatement of the Arctic airports program. The Minister's reply was sympathetic because it reflected the personal concern which I know him to have with regard to the matter. However, it was not a committal. I can understand that too because I know the financial constraints under which the Minister operates.

I should like to take this opportunity to argue again in favour of the reinstatement of the Arctic airports program. First I should like to quote from report No. 83-W30065 of the Canadian Aviation Safety Board which dealt with a fatality that took place at Paulatuk in the winter of 1983. The Canadian Aviation Safety Board has seen, as a result of investigating several aircraft accidents in the North with fatalities, that there is an underlying contributory cause. It found as follows:

• (1820)

The Board notes that many northern landing strips are rudimentary and have been developed with only local resources. In a 1978 Memorandum of Understanding between several federal Government Departments and the Governments of the Territories, standards for the identification and upgrading of northern aviation facilities were prescribed. The MOU expired in March 1983, at which time there were a number of facilities which had been identified as qualifying for upgrading or replacement, but for which implementation of the project had not been completed.

The report goes on:

The CASB is concerned that the inadequacy of aviation facilities at many Arctic community aerodromes may be compromising aviation safety in northern operations. Therefore, the Board is reviewing the circumstances from recent occurrences at such aerodromes with a view to possibly making formal recommendations regarding the requirement to re-identify substandard facilities and to develop a program to upgrade or replace any safety deficient facilities.

I would certainly encourage the Board to do just that. Just about everyone in the North is united that the program be completed because they share a common danger. They have to fly into these places. All three federally represented political Parties are in agreement. It does not matter whether it is the association of municipalities, the Chamber of Commerce or native organizations, they too are all of one mind. Several motions have been passed in the Legislative Assembly of the Northwest Territories urging both the territorial and federal Governments to get their act together and reinstate this program.

The program was very successful during the period it was in operation. It was deeply appreciated by the people in various communities that now have good basic standard airstrips. You could think of places like Aklavik, Fort McPherson, Fort Norman and Fort Liard. It should be noted that some of these locations are on the road network, but there are other places sadly lacking in facilities and in need of proper upgrading.

Fort Franklin had a recent fatality and has been waiting for some time to get a proper airstrip. It is a community serviced exclusively by air. There is no road there at all. The airports at

Rae Lakes and at Lac La Matre are in very poor shape. Something has to be done pretty quickly or we will have a Fort Franklin type disaster in the near future. Fort Good Hope is another example of a strip that needs to be upgraded.

My pitch today, Mr. Speaker, is that we get together, the federal Government, its various Departments—it might be Indian Affairs and Northern Development, Transport, Defence, anybody who is involved—and the territorial government. Let us have a concerted effort to finish the job that got cut off in mid stream in 1983. This would be a worthwhile use of public funds and do much to increase aviation safety in the part of Canada that I have the honour to represent.

• (1825)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I want you to know that we are very impressed by your versatility and clean-shavedness. In response to the Member for Western Arctic (Mr. Nickerson), I would like to say that we are all struck by his familiarity with the difficulties historically experienced by people who attempt to travel in the North. They constantly face dangers in attempting to go from place to place. Many of us who come from more densely populated areas, such as southwestern Ontario where my riding is, do not realize how many difficulties are faced by people in our northern communities. He has brought that concern forward very clearly.

As the Member mentioned, the program which finished in 1983 expended between $65 million and $70 million up until that time. That program resulted in the completion of eight airports in Yukon and 30 airports in the Northwest Territories, which was a very major effort. Having done that, in March of 1983 nine communities remained isolated in terms of the criteria that were used to establish those other airports. That is not to say, however, that all funding had been stopped. Indeed, $10.6 million in additional funds have been spent through the operating and maintenance resources to upgrade facilities in many of those places. There has, therefore, been a significant contribution since September of 1984 in spite of the original program being terminated at the end of 1983.

I will very quickly mention several other initiatives that have been undertaken which I think have contributed to safe air travel in the north. One of them is the weather improvement program which was funded by Transport Canada and continued to improve the quality of weather service in northern Canada. It is largely completed now and under that program, which will cost approximately $11 million, there is a CBC program dedicated to aviation weather broadcast each weekday morning. That may be one of the few non-biased CBC reports we get each day. As well, satellite weather photos are now available at Yellowknife, White Horse, Resolute Bay, Inuvik, and Frobisher Bay on a regular basis. In addition, Transport Canada, in conjunction with the Atmospheric Environment Service, is promoting the research and development of automatic weather reporting devices.

The program which the Member has asked to have reinstituted is now being reconsidered by the Minister, who is actively discussing it with his Cabinet colleagues. I am sure that he will be interested in the specific proposal suggested by the Member.

SOCIAL SECURITY—PREOCCUPATION OF WOMEN CONCERNING SOCIAL PROGRAMS. (B) NATIONAL ACTION COMMITTEE RECOMMENDATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the question which I want to pursue at this time is with regard to the review of social programs which the Conservative Government has undertaken, and particularly women's concerns with these programs. I am concerned about whether or not the review will be open, whether women's organizations will be consulted, and whether the review will include the possibility of improvement in the social programs rather than just cut-backs.

The response I received from the Minister of National Health and Welfare (Mr. Epp) was not very encouraging on this score. He made no mention as to the possibility of improvement in the social programs. One worries that "review" is simply a euphemism for "anticipated cut-backs". He certainly was in favour of openness. He said that the request for specific funding for women's organizations to take part in this review process would be given respectful consideration. However, he did not say anything stronger than that.

Since those remarks were made, other things have happened. Women's organizations have had a tougher time getting funding at all. In fact, major organizations have not received funding for this year, let alone extra funding to hire staff to prepare briefs and analyses in order to take part in the review process. We must worry about this participation. Women's organizations are getting some feedback from the Department which indicates that the review process will not be an open one, and they are extremely concerned about that.

I want to spend a few minutes specifically discussing funding for women's organizations. The idea that these organizations should have to present an application to the Secretary of State (Mr. Bouchard) in order to lobby is something many organizations are very concerned about. There is no recognition of the fact that volunteer organizations are performing a vital role for Canada and they need and are entitled to this funding.

• (1830)

Volunteers do an enormous amount of work. Sometimes they are given far too much work to do and they need more, better and predictable funding. It might be too tempting for the Government to simply cut off the funding of these organizations. In the short run, it would be correct that these organizations would be quieter. They would not have the money to lobby. Ultimately, however, I think they would find ways to fight back.

We need better ways of funding these organizations. We have to recognize it as a matter of right and not use the state as an agency which receives applications and decides which organization will get money or not. The people should make this decision. This could be done as people fill out their tax returns. A special amount could be allocated to taxpayers, indeed to homemakers who are not taxpayers because we would certainly want all adult citizens included, so they can allocate a certain amount of their tax money to the voluntary sector to support the organizations they believe represent their interests. That would be a far better way of handling this, and we certainly want to see the amounts improved as well.

On the issue of social programs themselves, women's organizations and women in general have been strong advocates of a good social security system and universality. We should not be surprised by this because women are even more dependent than men for support on our universal programs at different times of their lives. By and large, women look after the health of the family. Women pick up the pieces when other members of the family have problems. The law of the jungle operates since it is women who have to tend to the wounded. They are much more sensitive to the need for well functioning health care, family allowance, child support and pension programs. Of course, women are much less likely to get private pensions and are therefore much more dependent on public pensions. In this respect, women are much less ideological and more practical than men. If the private sector is not doing the job, they are quite prepared to turn to the Government to see it done. They want action. In the matter of child care, the private sector has been abysmally lacking in the provision of adequate, quality, affordable child care. Women's organizations then turn to Government for action. They want their tax dollars devoted to this important matter of raising children adequately to see that they grow up well. Even in a time of restraint, they are very practical. They say this is a high priority for us and we want to see some action.

Social programs in Canada are not generous by international standards. Canada is ninth out of 12 among OECD countries in its support of social programs. A little less on pensions, I am sorry to say; but average in health and education, and above average on unemployment insurance. This is not because we are more generous in our benefits, but because we have so much unemployment. There has been an erosion in these programs. The family allowance used to pay more in real terms. The old age pension has been allowed to erode. Of course, unemployment insurance has been cut back. Women want to stop this erosion and see that the social security system meets current needs. This situation has developed because other priorities have been allowed to take over, things such as the funding of corporate giveaways.

Actual expenditures on universal social programs are not nearly as great as people think. For 1986-87, family allowance payments are estimated at $2.53 billion. Old age pensions cost $9.51 billion. Medicare costs $6.8 billion. The Government contribution to umemployment insurance is $2.68 billion. As well, the old age pension and family allowance are also taxed back. We are talking here about expenditures of $107 billion. Corporate give-aways are in the order of $30 billion to $50 billions.

• (1835)

The interest paid to Canadians who have enough money to loan to the Government on our public debt is in the order of $27 billion. The social programs are not taking up as much money as people think. It is a very serious mistake of the Government to suggest that we have to look to cut-backs in the social programs instead of other areas of expenditure. The social programs are vital for Canada and we should be looking in other areas to save money. We should improve the social programs which provide a safety net for Canadians that is very badly needed.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): First of all, Mr. Speaker, I wish to thank my colleague the Hon. Member for Broadview-Greenwood (Ms. McDonald) for her interest in the social programs specifically directed at women.

I would like to take this opportunity to define the principles on which the Government has based its review of social expenditures and the related fiscal provisions announced in the 1986 Budget. As the Minister of Finance (Mr. Wilson) announced in his speech, all the measures that will be taken will serve to maintain the universality of social programs, will result in additional resources being directed at the people who need them most, and also will give individuals the opportunity to become self-sufficient; at the same time, the after-tax benefits going to the most affluent who need them least will be reduced.

This review can be described as the next stage in the social program reform initiated by the Government under the double criteria of social responsibility and financial responsibility. Ever since these criteria were announced, the Government of which I am a Member has continued as it had done since the beginning of its mandate to consult the various groups, governments, provinces, and all the other organizations interested in the dossier.

Now, since coming to power, we have initiated a whole series of changes to social measures directed at several groups, including women. For the benefit of my honourable colleague, I should like to mention the spouse's allowance which is now granted to all widows and widowers between 60 and 64 years of age, as well as the very important measure which has modified family allowances, again to direct our resources to the most needy families. On the other hand, the principle of universality has always been preserved. Those two measures are especially aimed at women, as we know.

The Government is also proud of the steps it has taken to improve pensions for Canadian women. Women in the labour force will benefit from Government proposals to extend

pension plan portability and thereby make them more accessible. Moreover, in order to correct existing discrepancies in the current pension system, of which contributors' spouses are the main victims, and these are mostly women as we know, the Government has taken a number of steps towards pension reform.

For instance, the surviving spouse's pensions will no longer be terminated following a remarriage.

In pension plans, those benefits will have to be guaranteed to surviving spouses of those plan members who were in retirement at time of death.

The total value of pension earned by the contributor who dies before retirement will have to be rolled over into a frozen registered retirement savings plan in the name of the surviving spouse.

Mr. Speaker, several other provisions concerning pension plans have been enacted, and generally those who benefit are all women. Those are but a few of our initiatives to help promote social justice and the economic well-being of Canadian women.

I think, Mr. Speaker, that my time is almost up, but I would quite simply like to suggest while concluding that, in my view, the best kind of income security is still job creation, and this Government, in our job-creation programs, has given tremendous help to Canadian women in a most clear and precise way. I therefore feel that we may be proud of our achievements. This Government will go on, in consultation of course with all interested groups.

[*English*]

The Acting Speaker (Mr. Redway): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.41 p.m.

HOUSE OF COMMONS

Tuesday, May 6, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF ORDER IN COUNCIL RESPECTING ACTING MINISTERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour of laying on the Table in both official languages Order in Council P.C.1986-1084, naming the list of Ministers authorized to act on behalf of the Prime Minister (Mr. Mulroney) in his absence and the list of Acting Ministers.

Mr. Deans: In their absence.

Mr. Hnatyshyn: In their absence. Unanimous consent of the House is generally obtained to have this list published as an appendix to *Hansard* and I would ask for that unanimous consent in the usual manner.

Mr. Speaker: The House has heard the terms of the suggestion. Is there unanimous consent for the tabling of that document?

Mr. Deans: Mr. Speaker, I wonder if it might be possible to see the list before we give consent to have the list appended.

Mr. Hnatyshyn: Mr. Speaker, may I address that? This is a matter of determining the Acting Ministers—

Mr. Deans: Why didn't you send it over?

Mr. Hnatyshyn: I would have done so but I just received it myself at the very last moment. There are not too many changes so it will not be a matter of any difficulty for the Hon. Member. There are only very minor variations.

Mr. Deans: Mr. Speaker, would it be possible then for the Chair to read the list that we are going to be asked to authorize?

Mr. Speaker: Could I suggest that we hold the item for a moment, that copies be distributed and that we revert to Tabling of Documents after Statements by Ministers?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, on the understanding that we will defer Tabling of Documents, we will now move to Statements by Ministers.

* * *

[*Translation*]

EXTERNAL AID

FAMINE IN AFRICA—STATEMENT BY MINISTER

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I hardly need remind the House of the terrible famine that struck the African continent last year and continues to affect certain regions.

[*English*]

On that occasion, Canadians as a people really mobilized in coming to the assistance of those hit by this terrible blow. Their response took many forms. There was the remarkable job done by the news media, which made the public aware of the problem. The results of a survey released Friday indicate that 61 per cent of Canadians learned about the situation via television.

[*Translation*]

There was the work done by Canadian voluntary agencies, which tiredlessly expended time and effort under the umbrella organization called Africa Emergency Aid. Finally, there were donations from hundreds of thousands of Canadians of all ages, from all walks of life and all regions of Canada. As a Member and a Minister, I was particularly aware of the consensus in Parliament on the extraordinary measures the Government felt it must take and indeed did take. I am of course referring to the work done by the Canadian Emergency Co-ordinator African Famine, the Hon. David MacDonald. I want to pay tribute to his enthusiasm and energy and to his amazing talent for focussing the goodwill of so many people. I am also thinking of the contribution made by the Canadian International Development Agency.

Time and time again, when travelling in Africa, I listened to some very moving statements by Ministers, senior officials and even average citizens of Third World countries about the projects implemented by our development agency. I remember with considerable emotion that on the very day the BBC broadcast the first pictures of the famine, a ship sailed into the port of Assab in Ethiopia, carrying 36,000 tonnes of wheat sent through CIDA on behalf of Canada. I also think of the Members of this House who participated in a number of fact-

finding missions to Africa and whose advice proved immensely useful.

Mr. Speaker, at a seminar we organized last year on the African crisis, we asked ourselves the question: What is going to happen once the TV cameras have left? That is the question I intend to answer today.

First of all, to remove any impression of condescending to the countries in question, I want to make it quite clear before the House that it is up to the Africans first of all to save and develop Africa. And since the last meeting of Heads of State of the OAU held last summer, we know they have the imagination and the determination to do so. The priority program for Africa's economic recovery which they designed is remarkable in its relevance. The African States have made it clear that their first priority will be agricultural development and continuing the struggle against drought and desertification. They have also confirmed their decision to implement policies for setting farm prices that will promote agricultural development and the well-being of their farmers.

Following this demonstration of firm purpose by our African partners, I wish to announce today in the House the launching of Africa 2000. The Government will thus designate all the measures it will take to meet the needs of the countries of the African continent over the next fifteen years and to provide them with the tools they require to achieve their recovery.

• (1110)

[*English*]

Africa 2000 is a 15-year commitment that the budgetary framework, put in place by the Minister of Finance (Mr. Wilson) last February, allows the Government to take in support of the development of the African continent.

[*Translation*]

The sum of $150 million has been released from CIDA's current budget and will be allocated solely to this operation during the next five years. This is in addition to the already impressive funding we have allocated to our aid and co-operation projects on the same continent. In the year 1986-87 alone, this will mean more than $900 million in transfers of money, goods and services by Canada for the benefit of Africa.

Africa 2000 will have three main themes: partnership between the Government and the Canadian private sector; the reorientation of our development policies; and finally, international consultation and co-operation.

By partnership I mean the Government's determination to work together with all individuals, groups and agencies in our society that are willing to become involved and do their share. This theme has been a favorite topic of mine over the last two years. I am convinced that to increase the effectiveness of our programs, we must have an association with the private sector. I am thinking here of voluntary agencies, municipalities, artists, schools, unions, twinning organizations and private businesses.

[*English*]

The voluntary agencies which took part in the Africa Emergency Aid Committee met recently in Ottawa on April 27 and April 28. They informed the Government that they wished to continue working together on projects of recovery and development in Africa, and they elected a committee to determine the ways in which their co-operative effort might function. In view of this, I wish to confirm that the Government will provide them with $75 million over the next five years to support their activities, within the $150 million allocation that I just announced.

[*Translation*]

This fund will be based on the Government's matching of public donations as suggested on several occasions by my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). I also agree wholeheartedly with their request for an early warning system, details of which I will be describing very shortly. Finally, I intend to give them responsibility for managing a program through which they can continue to increase the Canadian public's awareness of the situation in Africa. I am counting on the NGOs. I hope they will be our primary partner in operation Africa 2000.

In an operation of this size, I think there is also a place for commercial enterprises that know Africa because they work there. At the end of next week, my Parliamentary Secretary, the Hon. Member for Beauharnois—Salaberry (Mr. Hudon) will issue a formal invitation in Quebec City to Canadian businesses, asking them to become actively involved in operation Africa 2000. They will be our second partners.

Finally, a new administrative unit will be set up within CIDA's Special Programs Branch. Its mandate will be to communicate with and assist groups and individuals wishing to make a contribution by taking part in Africa 2000.

As to the media, I think they should continue to play their essential role by informing the Canadian public of what is happening in Africa.

As far as our policies are concerned, my objective is to ensure that by the end of 1987, we will contribute to the creation of over 2000 small projects directed at meeting the basic needs of African populations.

Canada enthusiastically accepts to make agriculture, reforestation and food security its top priorities among the development projects which it will carry out on that continent.

Such an approach must of necessity involve African women. They make up 80 per cent of the labour force employed in the agricultural sector on that continent. To that effect, I will announce next June a program I feel very strongly about aimed at bringing African women into the mainstream of development.

Also, I intend to set up an advisory group which, on the strength of the expertise of resource people from all areas of activities and all regions of Canada, will advise the Government generally on its policies towards Africa.

Finally, Africa 2000 will be an exercise in international consultation. Next May 27-31, will be held in New York City an extraordinary session of the United Nations to deal with the situation in Africa. This session will give us an opportunity to consult our African partners, the other supporting countries and the various multilateral aid agencies. Preparations for this conference are making good progress and active consultations are already taking place. To be both significant and useful, Canada's contribution must be part of a general action plan directed at the deep roots of the economic crisis in Africa. Out of respect for this indispensable consultation process, I will say no more for the time being.

Mr. Speaker, Hon. Members of this House will recognize in operation Africa 2000 the immediate implementation of several recommendations made to us by Hon. David MacDonald. But still more significant, I ask you to see in this first series of measures which I make public today and those which I shall announce in New York City our Government's response to the assistance request it has received from African countries who are determined to assume fully their responsibility for their own development.

Mr. Marcel Prud'homme (Saint-Denis): First, Mr. Speaker, I want to thank the Minister for providing us with a copy of her statement a few hours earlier than has been the recent or past practice in this House. Her Cabinet colleagues should follow her example, for at least this gave us an opportunity to read her statement and consult the many documents made available to us so as to prepare an appropriate response to her remarks.

There is no need to recall the terrible situation which has been faithfully depicted by the media.

In these circumstances perhaps it would be fitting to commend both Canadian and international media for focusing world-wide attention on the situation and urging the various nations to put pressure on their respective Governments. Regardless of the political regimes under which they live, I think most people were appalled at this plight and decided something had to be done.

Perhaps I might remind the House that, in his own way, former Canadian Minister of Agriculture Eugene Whelan had tried to warn Canadians about future events in Africa. As usual his remarks fell on deaf ears and not a single world organization gave second thoughts to the significance of the advice offered by our former colleague, Mr. Whelan.

As the Minister did on a number of occasions, we must pay homage to Canadians for reacting so generously to the tragic African drought.

• (1120)

Mr. Speaker, we must also praise our volunteer organizations from coast to coast. There are quite a few, of course, but I thought I would single out some of them as an example of what we Canadians can do whenever we want to work together.

Among others, Adopt a Village; The King's College, Halifax; the Steel Worker Humanity Fund; the Caisse populaire du Québec and the Caisse populaire Desjardins; the CBC. I also have in mind some regional TV stations, more particularly ETV Maritime; the Canadian Jewish Congress; the Save the Children Fund; Canadian Universities Service Overseas; the World Concern Canada Association; the Léger Foundation; Development and Peace.

I have given only a few examples, but I hope that the agencies which I did not mention will consider themselves included since the entire list is contained in the report of the Hon. David MacDonald entitled "No More Famine: Decade for Africa".

The Minister says that she is launching a new program called Africa 2000, and that she was asked not for a ten-year, but for a fifteen-year commitment. I wish to congratulate her because, as I have told her privately, it is a good thing to get politics out of the issues of foreign aid and mutual assistance.

The Minister tells us that she is giving us a specific commitment for the next five years. She is scheduled to appear before the Committee on External Affairs next Thursday. It is not a surprise. I can tell her in advance what kind of questions we would like to ask her. We accept that she has announced an allocation of $160 million in her budget to be spent within the next five years, and she believes, with justification, that the voluntary organizations will come forward with half this amount.

I remember what our colleagues who accepted the invitation of the Hon. David MacDonald told the caucus. I am thinking for instance about the trips to Ethiopia and other parts of Africa made by our colleagues for Humber—Port au Port—St. Barbe (Mr. Tobin) and Grand Falls—White Bay—Labrador (Mr. Rompkey). These trips were made on two different occasions, and our colleagues gave to the caucus, on whose behalf I am speaking today, a complete report on the terrible tragedy which was still going on, and they also warned us that, when the time came to do what we are doing today, we should not close our eyes on this problem even though we can now feel international world opinion turn to other matters such as terrorism and radioactive fall-out in the Soviet Union.

I therefore want to take this opportunity, Madam Minister and Mr. Speaker, to point out that famine has not disappeared and that we must continue to show a lot of vigilance in these matters.

We know that the Minister has been asked to appoint a special coordinator. She is not replying today, but this is one of the questions that I shall ask her on Thursday. Will she consider following the recommendation which has been supported by all voluntary groups and which was analyzed by Mr. Michel Roy in a remarkable article published in the newspaper *La Presse* of Saturday, April 26, where we also find articles by Gilles Toupin and Jooneed Khan, and where Mr. Roy says that the Minister must expect some resistance because, while these proposals to help French and English

speaking Africa are well received in Canada, there is also a lot of resistance at the higher echelons of the establishment at CIDA and External Affairs.

I have no final opinion to give the Minister as yet. Instead, I would like to wait for the meeting Thursday to see if this would not be the best way to continue the efforts that the Canadian public wants the Government to make to continue in this direction and to improve coordination.

Through my own experience, I can tell the Minister that she will meet a lot of resistance. There is also the Parliamentary Committee chaired by the Hon. Member who changed places yesterday, but who used to sit at the back of the House, the Hon. Member for Guelph (Mr. Winegard), which wants to make a complete study. That is in the Committee's plans for the future. What remains to do is to determine the budget. This represents a major problem since there are only some $2 million available and this would require a budget of $8 million, but I know that the Hon. Member for Guelph, who chairs the Parliamentary Committee on External Affairs and International Trade wants to make a one year study on all foreign aid programs, and I think that this is a good idea.

I would therefore like to tell the Minister not to reject out of hand any proposals which might be made at the conclusion of the study. However, I congratulate her for having responded immediately to the report of the Hon. David MacDonald. I think that it would be appropriate at this time to pay hommage to this man whose moral conscience is so well known to everyone in this House. Those who have come to know him, Mr. Speaker, know that he is a dedicated man, conscious of world problems. He is conscious of development problems, and those who had the wisdom to appoint him as coordinator will have cause to congratulate themselves today, because he has accomplished the extraordinary task of coordinating all those organizations, the public, the media and of course the various levels of Government, federal, provincial and municipal.

He took on a seemingly impossible job. He succeeded because of his talent, and I feel certain that all our voluntary organizations will want us to pay tribute to him today.

Much is expected, Madam Minister, Mr. Speaker, from your working session with the United Nations. You were referring to that conference that will be held at the end of May. There is no need for me to speak on that today. I know the Minister has very definite ideas and I encourage her to proceed in that direction. She has new ideas. I encourage her to even shake up the institutions and the Department she is representing, so that they will follow the direction she wants to impart. I know she is very sensitive to the issue of African women. Well, we will keep very close to the Minister and see how she manages. We will support her if needs be and blame anyone for not helping her with her projects. But I know that when she comes back from New York, we will have an opportunity to question her in committee. I am pointing this out ahead of time to the Chairman of the Committee on External Affairs and International Trade. I am not the External Affairs critic, nor the associate critic—I hate the word critic—but I am my Party's critic for External Relations and CIDA.

I therefore hope that when the Minister comes back from New York, she will make herself available to the Standing Committee so that we may have an exchange with her. I also wish that the Minister will tell us Thursday, when she comes before the Committee, what she intends to do about all the other proposals. I noted briefly, late last night and this morning, that the Hon. David MacDonald has made 15 recommendations. The Minister has laid emphasis on about seven, eight or nine. I know she has her ideas concerning the others. This morning is not the right time, but I would like her to take notice that Thursday I will probably start questioning her by asking her whether she will be responding to the other recommendations made by the Hon. David MacDonald.

Therefore, Mr. Speaker, it is also my view that when we look at the estimates or when we come back to the study on international development which my colleague for Guelph wants to undertake, we should summon the coordinator, even though his task has ended for the time being, and try to determine whether we should not have some new direction.

I for one support a new direction for CIDA, a new voice for that body, but this is not something that has to be done today. In due course we will do it; we intend to have a discussion with the Minister, and her officials, and reach decisions that hopefully will be acceptable to all Members in this House.

I would therefore like to conclude by thanking once again the Minister for responding within a reasonable time frame to the comments made by the Hon. David MacDonald in his report. I say to her: This is a step in the right direction. There are still many unsettled questions, but in my view we should not make this a partisan issue. It is a matter of approach. The Minister's approach may be different from ours. During discussions in committee, we will see where we agree and where we disagree. However, with the ultimate goal of helping our brothers and sisters in Africa, I feel we should not be partisan about this.

There is so much to be said. I know that my time has now expired, but there is a lot to say about the coordination that has to exist between Governments in Africa and contributing Governments, the encouragement that should be given to the Organization for African Unity so they will realize that together we can do miracles, but that divided there is very little we can do about those huge drought and hunger problems . . . because this in fact is the great problem of the 20th and the 21st centuries, Mr. Speaker. Probably the great problem will not be nuclear power, but hunger in the world, and I know that we and the Minister want to address that now.

• (1130)

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, like the Hon. Member for Saint-Denis (Mr. Prud'homme), I wish to thank the Minister for her courtesy in

providing advance copies of her statement so that we were able to prepare reasonable responses. I would also like to thank her for her attempts over the last several months to involve Members of Parliament from all Parties in on-the-spot trips to see what is happening in Africa. As one who participated in a trip to Ethiopia at the end of the emergency aid program, I want to express my appreciation for that opportunity to see things first-hand.

I want to thank the Minister for her statement which indicates some very welcome steps to provide a continued Canadian response to the long-term problems of development in Africa. Over the last one and one-half years our aid program in Africa has been operating in a crisis situation. The immediate crisis has passed, but the long-term problems remain. We must now move into a long-term strategy.

In responding to the immediate crisis Canadians were greatly helped by the person whom the Government chose as the emergency co-ordinator. David MacDonald and his staff worked effectively with African Government officials as well as with Canadian NGOs to deliver Canadian assistance. Even more important, Mr. Speaker, through some very difficult situations David MacDonald was able to maintain the confidence of the Canadian people in the way in which our aid program was being administered. Canadians were prepared to give generously to African relief programs and they did give generously. However, they did not want to give foolishly in a manner which would simply prop up repressive military Governments or look after the needs of a local elite.

The situation in many African countries is very complex in such areas as economic development, relations with neighbouring countries, and relations with national minorities within their own boundaries. There are often liberation movements which are fighting against a central Government. The issue of human and political rights is very complex in many African countries. It is sometimes easy for us to stand in judgment in those situations. We would be very naive if we imagined for a moment that our aid could be kept Simon-pure in the face of all these problems.

While recognizing that there were problems and that we were not operating in a perfect world, we had confidence that David MacDonald was co-ordinating our aid effort in the best interests of the African people. We thank him for that and we thank the Government for appointing him. In spite of great logistical difficulties with transportation and distribution, we knew that our help was reaching the people who really needed it.

Questions remain about people who badly needed help but did not get it because of internal strife or because of inefficient local administration. These situations must still cause great concern to Canadians and people throughout the world who are concerned about the mass starvation which is taking place in some countries of Africa. These concerns do not invalidate the importance and value of our aid and the efficiency with which it reached people who needed it. We must now move from emergency aid to long-term development assistance. I think this calls for a more critical stance on the part of all concerned, including the Government through CIDA. I think it will call for a more critical stance on the part of all Members of Parliament as we look at the way in which our long-term aid is going to be administered.

I would like to recognize some of the positive elements in the Minister's statement. First, she recognized the right and responsibility of Africans and African states to establish their own priorities for recovery. This is not just a *pro forma* statement that the Minister made. It must be the absolute beginning for any intelligent participation by Canada in a development partnership with the continent of Africa. They have to establish their priorities. They have recognized that they have the primary responsibility. It is up to us to support them in those priorities and that responsibility.

Second, I want to congratulate the Minister for the recognition of the need for a long-term development program and for a financial commitment over the next five years. Third, I think it is very important to recognize that her statement talks about a continuing partnership between the Canadian Government and other sectors in designing and delivering development programs and in promoting public awareness of the situation in Africa.

The emergency aid program of the last 18 months showed that non-governmental organizations now have the capability to play a much more active role in administering development assistance. Non-governmental organizations can be particularly effective in monitoring assistance programs in sensitive areas where the local Governments have poor human rights records. NGOs have great potential for the establishment of locally based grass roots development. The 2,000 projects which the Minister spoke of taking place over the next several years will mean a lot of locally based grass roots developments which I think are particularly suited to the capabilities of NGOs.

• (1140)

As the Minister indicated, I support the program to match funds donated by individuals and organizations. This gives Canadians a chance to be directly involved in determining where their support should go. At the same time we should be aware that NGO-delivered assistance cannot be a complete substitute for bilateral assistance, Government to Government. It would then have the effect of undermining the credibility of national Governments. If development assistance should not be used to prop up national Governments, neither should it be used to undermine them. It is important that the use of NGOs be kept in some balance. They should not detract from the right of African states to determine their own development priorities and strategies.

The Minister referred to the general priorities of agriculture, reforestation, and food security. These have been identified by the African states themselves and I think this is something with which we all agree. We look forward to the Minister's announcement of a program designed to integrate

women into development programs more than has been in the case in the past. Canada might have a better record than most other nations in this regard, but we have a long way to go before we have accorded women their proper place in development strategy and programs.

In a number of areas the Minister's statement fell short of the recommendations made by David MacDonald in his final report. For example, the statement did not mention Canada's action to ease the staggering $170 billion debt of African countries. Their debt service ratio is expected to be more than 27 per cent of their exports in 1985. Neither does the statement mention any Canadian policies for trade liberalization with African countries. She did indicate that intensive consultations are already under way with African states, other donor countries, and multilateral agencies on a comprehensive plan to come out of the special UN session on Africa at the end of this month. I hope Canada will be announcing at that session some real assistance regarding easement of debt and trade conditions. For Canada to be of real assistance to Africa at this session it has to take a leadership role on those two questions.

The Minister said nothing about MacDonald's recommendation that all African aid programs should be integrated and that there should be greater interdepartmental co-ordination, particularly regarding aid, trade, and finance. Perhaps this is not the occasion for such comprehensive policy announcements, but certainly these recommendations should be taken seriously by the Government and not simply filed on a shelf. I hope we will hear more from the Minister on what her intentions are regarding those recommendations.

Above all else, the Minister's statement has to be criticized for bringing such a modest contribution to a major world problem. David MacDonald said that if we want to prevent mass starvation from happening again, it will require a sense of purpose and a staying power far beyond anything demanded by the famine. On a yearly basis we will be contributing much less than we did in 1984-85. None of this will be new money; it will simply be taken from CIDA's regular budget. In September, 1984, speaking to the 39th Session of the UN General Assembly, right after he had been appointed as Secretary of State for External Affairs, the Minister said:

> Our new Government intends to maintain Canada's commitment to reaching .7 per cent of the GNP by 1990 in official development assistance. Despite serious economic problems at home, we shall not turn our backs on the world's disadvantaged peoples.

Unfortunately, we have turned our back on the world's disadvantaged peoples because we will not reach that goal by 1990. We will reach it only some time in the 21st century. The needs of Africa, the needs of our world, are great. We should not be cutting back our development assistance program, given those needs. The Minister's announcement has to be seen in the framework of that unfortunate budgetary cut-back.

I want to close with a very brief image I have of Ethiopia when I visited there. We saw an orphanage with some 1,000 children gathered under three tents where they were receiving a rudimentary education. Some of them reached out to us. To me that is a symbol of reaching out for help, reaching for life, reaching out to the developed world for our help to develop so that they can be in control of their lives when they grow up. Food would not be given to them as some kind of charity. They could be proud and complete human beings in a country and continent able to look after their own needs. As far as the Minister's statement leads us to take some first steps towards that goal, I commend her. I urge her to continue to work to develop a program which will reach the goal of .7 per cent of our GNP for development assistance much earlier than the next century.

Mr. Deputy Speaker: I understand that there has been agreement that we would revert at this time to tabling of documents.

* * *

HOUSE OF COMMONS

TABLING OF ORDER IN COUNCIL RESPECTING ACTING MINISTERS

Mr. Deputy Speaker: I recognize the Hon. Member for Hamilton Mountain (Mr. Deans) on tabling of documents. Point of order?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on a point of order, before the document is tabled I want to draw the first page to your attention. I have absolutely no objection to either of the appendices, Schedule A or Schedule B. However, I wonder whether it is appropriate for what appears on the face page of the document to appear in this form. Paragraph one says:

> that in the absence from the National Capital Region of the Prime Minister or in the event of his being unable to perform the functions of his office
>
> (a) the Deputy Prime Minister, the Honourable Erik Nielsen, or
>
> (b) in the absence from the National Capital Region of the Deputy Prime Minister—or in the event of his being unable to perform the functions of the office of the Prime Minister, the next Minister named in order of priority in the list of Ministers set out in Schedule A—

In order to conform with the responsibilities of each cabinet Minister, I wonder whether it would not be more accurate to say in both documents that the designation concurring the Hon. Erik Nielsen for parliamentary purposes be the position that he holds, that of Minister of National Defence. What it should say is:

> (a) the Minister of National Defence, the Honourable Erik Nielsen, or
>
> (b) in the absence from the National Capital Region of the Minister of National Defence, the Honourable Erik Nielsen or in the event of his being unable to perform the functions of the office—

The reason I raise that is because the Deputy Prime Minister (Mr. Nielsen) is a cabinet Minister by virtue of his being Minister of National Defence. There is no such function as Deputy Prime Minister within our parliamentary system. That is the reason, when the Cabinet was first struck in 1984,

that the Hon. Erik Nielsen was designated as the President of the Privy Council. He could then hold Cabinet rank and perform the function of Acting Prime Minister in the absence of the Prime Minister (Mr. Mulroney). Since that is the case, I suggest that this document is flawed and therefore cannot be appended in its present form. It should be amended in order properly to establish the designation of the Ministers named in order of precedence for the purpose of acting in the absence of the Prime Minister. For example, Schedule A is absolutely correct because it sets out the persons who are to act for the Prime Minister in his absence or in the event of his being unable to perform the functions of his office. Schedule B sets out Ministers by Ministry, which Minister performs which function, and who will act in a given Minister's place. I therefore suggest that pages 1, 2 and 3 be altered to conform with the proper designations of the various Ministers and the functions they perform.

• (1150)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I listened with great interest for the second day in a row to the presentation by the Hon. Member for Hamilton Mountain. I know that he was not present on the occasions when my colleague, the Deputy Prime Minister and Minister of National Defence, was sworn into his portfolio. I was there. I heard him being sworn in by the representative of the Governor General. Whether the Hon. Member likes it or not, the Minister of National Defence is Deputy Prime Minister and was sworn into that particular responsibility in Cabinet.

Mr. Deputy Speaker: We have two matters to deal with. First I would like to remind the Hon. Member for Hamilton Mountain (Mr. Deans) that as far as the Chair is concerned the document has, in fact, been tabled. The second matter is whether it should be an appendix to *Hansard*, and for that I need unanimous consent. Is there unanimous consent to have the document appended to *Hansard*?

Some Hon. Members: Agreed.

[*Editor's Note: For document referred to above, see Appendix "A".*]

* * *

NATIONAL DEFENCE

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, I have the honour to present the first report of the Standing Committee on National Defence, in both official languages. If the House gives it consent I intend to move concurrence in this report later this day.

Motions

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, if the House gives it consent, I move, seconded by Mr. Lewis, that the first report of the Standing Committee on National Defence presented to the House earlier this day be concurred in.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, if it has been an agreement concerning the travel of the committee, then I agree.

Motion agreed to.

* * *

MONTREAL

DESIGNATION OF EASTERN SECTOR AS ZONE 4

On the Order: Private Members' Business

January 13, 1986—Mr. Malépart—That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the industrial decline of the eastern sector of Montreal by designating the said area (Zone 4), and by granting contracts to Versatile-Vickers, Bombardier, C.S.W. and other endangered industries.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): If we could stay with motions, Mr. Speaker, I have two items I would like to deal with. The first is with respect to Private Members' Business today. There have been discussions with the other Parties and I think you would find there is unanimous consent for the following draft order to be put to the House:

That, notwithstanding any Standing or Special Order of this House, the item listed as number one on the Order of Precedence of Private Members' Business in today's *Order Paper and Notices* shall be placed at the bottom of the said Order of Precedence for the next sitting day; and

Provided that the House shall continue with the business before it at five o'clock p.m. this day until the ordinary daily hour of adjournment.

Mr. Gauthier: Mr. Speaker, this is the third occasion that this House has had to deal with an incident of this nature where we cannot proceed with Private Members' hour. Before giving my consent I want to make sure the House understands we are not creating any precedent by accepting that motion today. I want a statement from the Government that there are no precedents being set. Second, I know, and the Government knows, we are working on a more acceptable permanent solution. I take it the Government would admit today that there are no precedents being set and that we are proceeding in our goal of reaching an amiable and acceptable formula for replacement of that hour, which is a Private Members' hour, not Government time. I want to make sure it is understood that it is the only hour of the day where Private Members of this House have time to discuss Bills and motions of their liking.

Mr. Lewis: If I may, Mr. Speaker, this is, in fact, the third time that we have presented this draft motion to the House. In doing so we have tried to protect the position in the Order Paper of one member from the New Democratic Party and two members from the Liberal Party. We are simply offering this forward as a mechanism to protect the position of those Private Members on the first occasion that their Bills or motions have come up for debate.

I would say to the House that the House Leaders are discussing this. I see the House Leader for the New Democratic Party in the House, and I think he would confirm we are discussing an acceptable way to assist the business of the House so business will go forward and the Private Members' position will be protected. Those conversations are ongoing and we hope to have a solution to present to the House very soon.

Mr. Deputy Speaker: Does the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) have the unanimous consent of the House to move his motion?

Mr. Deans: Mr. Speaker, I do want to just say a word in support of the Parliamentary Secretary, the Government House Leader. The problem has arisen as a result of the change in the rules whereby Members did not have sufficient notice to prepare themselves for the piece of business that they had proposed to be dealt with under Private Members' Business.

We have, for the better part of the last ten days, been looking at options that would allow us to protect a Member's right to utilize the slot allocated to him or her, but recognizing that a Member will, from time to time, as parliamentary business will dictate or constituency business will dictate, find it impossible to be here at that particular hour on that day.

What we are looking at is giving each Member the option of deferring their day once during the course of the entire proceedings. That would mean they would stand down their opportunity to debate on that day and would carry that day through the entire process until the next time it comes up.

In all fairness, the only option to doing that is that that Member's item will be dropped from the list entirely. I make that point as clearly as I can that, if we cannot agree to this procedure today, which will I think be the last time we have to do it *ad hoc*, it will result in that Member's business being dropped entirely from the Private Members' roster. The end result of that will be that until ten such items have dropped, that on each of the days on which that piece of business would be called it will revert to Government Orders, which means we would lose the opportunity to have a Private Members' debate.

I would ask my colleagues on this one occasion to give the unanimous consent required in order to proceed, as was suggested, and I can assure all Members of the House that we will work today and tomorrow to try to have a House order that we believe will be satisfactory to the best interests of all of the Private Members.

Mr. Gauthier: In refusing to approve this third incident unanimously I did so by asking the Government at the beginning of my remarks to make a statement that, indeed, we were not creating a precedent. That is my only point. I do not want to discuss the draft order, or anything else pertaining to negotiations at hand. I am just asking the Government to understand that Private Members' Hour is Private Members' Hour and should remain as such. I am asking for the Government's concurrence with my objective that we tell Members that there is no precedent here and that the Government will not use that hour for its business by pushing around any Members supporting its Party. That can be done at this time.

• (1200)

If the Speaker allowed me, I could go on and on and speak for half an hour on the dangers which we may face in the House because of the new rules and their application.

If the Government will give me the undertaking that it understands there are no precedents being set at this time—even though it is the third time, as the Parliamentary Secretary said—I would agree to give unanimous consent. Otherwise, it will be no.

Mr. Hnatyshyn: Mr. Speaker, I will not take up too much time. First, I believe the Hon. Member for Hamilton Mountain (Mr. Deans) has pointed out that I thought we were having discussions with the House Leader of the Hon. Member for Ottawa Vanier's (Mr. Gauthier) Party to find a solution to this matter that was satisfactory to all Parties.

I had cleared this proposal and this way of operating with his House Leader. It is not a question of attempting to do something unilaterally.

Second, I do not want to usurp the role of the Chair, but I think it is a fair statement—and the Hon. Member will know and acknowledge this because he is a very keen student of parliamentary procedure—of the practices and rulings of the Chair in the history of this Chamber that anything done in the House by unanimous consent is not deemed to be a precedent.

Mr. Deputy Speaker: Does the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

COMMITTEES OF THE HOUSE

AGRICULTURE—GOVERNMENT OPERATIONS—MULTICULTURALISM—OFFICIAL LANGUAGES—CHANGES IN PERSONNEL

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have a further housekeeping motion which has been discussed with both opposition Parties. I think you will find that there is unanimous consent to the following draft order:

That, notwithstanding any Standing Order or Special Order of this House, the list of permanent members of the several Standing Committees adopted on Thursday, March 13, 1986, be altered as follows:

1. substitute Mr. Boudria for Mr. Tardif (Richmond—Wolfe) on the Standing Committee on Agriculture;

2. substitute Mr. Keeper for Mr. Deans on the Standing Committee on Government Operations;

3. substitute Mr. Lesick for Mr. Della Noce on the Standing Committee on Multiculturalism; and

4. Substitute Mr. Gauthier for Mr. Boudria on the Standing Joint Committee on Official Languages;

And that a message be sent to the Senate to acquaint their Honours thereof.

Mr. Deputy Speaker: Does the Hon. Parliamentary Secretary to the President of the Privy Council have the unamimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: We will revert to introduction of Bills.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Barbara McDougall (for the Minister of Finance) moved that Bill C-109, an Act to amend the Income Tax Act, be read the first time and be printed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Order Paper Question

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 544.

[*Text*]

DEPARTMENT OF EXTERNAL AFFAIRS—REGULATIONS FOR PARCEL SHIPMENTS

Question No. 544—**Mr. Greenaway:**

Are there written regulations to which employees of the Department of External Affairs must adhere when (*a*) sending parcels from the Department by Canada Post or by courier service (*b*) receiving parcels at the Department from Canada Post, courier service and/or diplomatic bag and, if so, what were the regulations (i) prior to (ii) since, September 1, 1985?

Right Hon. Joe Clark (Secretary of State for External Affairs): (a) Yes. (b) Yes.

(i) and (ii) The regulations described herewith are not specific to parcels but cover the handling of all categories of mail (letters, parcels, etc.) received or despatched through Canada Post, private courier or diplomatic facilities. These regulations were implemented prior to September 1, 1985, and are still valid.

The regulations for part (a) can be found in (i) Section 11 entitled "Parcel Post (International)" of the Canada Postal Guide Part I, (ii) Chapter 2, Section 2.6 entitled "Transmission of Classified Information" found in the Departmental Manual of Security Instructions, and (iii) in guidelines and instructions included in an Administrative Notice circulated once a year to all divisions in the Department.

Regulations relevant to part (b) can be found in (i) Section 5.2.1 entitled "Mail Opening Desk" of the departmental Manual of Procedures which reads "Except for mail marked "Personal" "To be Opened by Addressee Only", "Confidential—Personnel Information", which is forwarded unopened to the addressees, all other mail is opened in the departmental mail room, sorted and delivered to the records unit serving the division and in (ii) guidelines and instructions included in administrative notice circulated once a year to all divisions in the Department.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Deputy Speaker: I wish to inform the House that, because of ministerial statements, Government Orders will be extended by 38 minutes, beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Monday, May 5, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I want to say a few words about the general principles involved in Established Programs Financing before I speak in favour of the Bill that is before us. It is a question that has disturbed me for some time.

As a federal Member and a Member of a provincial or territorial Legislature, I had the opportunity to attend interprovincial and federal-provincial meetings of Ministers responsible for health and social services. Over the years the federal Government has invaded several areas that, under the Constitution of Canada, are directly within provincial jurisdiction and reponsibility. These include health, education, and social services.

At some point in time the federal Government offered the provinces a deal that they could not refuse, by offering to pay half of the costs providing that the provinces rendered these services. No province could refuse that type of suggestion.

The federal Government has been unable to keep the funds flowing since these generous offers were made and very often it was the provinces that were left holding the bag when the funds dried up. This happened on several occasions under several Governments.

Very often it is the provinces that actually provide these services and pay for such things as social security, and the building and maintenance of hospitals. I have a certain amount of sympathy with the position in which the provinces find themselves and I understand why they are hesitant about getting into these deals in the first place.

In addition, the federal Government has moved in and taken up tax room in order to pay for its share of the funding. This means that there is not enough room left for a province to levy the taxes to get its share.

I was pleased when a Bill, similar to this, was introduced in 1977 by a Liberal Government of the day. That Government had to tighten its belt because it found itself in the same position as we are in today. One of the steps it took was to transfer tax points from the federal Government to the provincial Governments. At the same time as it was cutting down on certain transfer payments to the provinces, it gave the provinces an ability to raise more money with this transfer of tax points. I thought that was a good idea.

Let me deal with Bill C-96. It is always difficult to stand up in the House of Commons or anywhere else and defend cuts in health services, although it is not really a cut but a reduction in the amount of expenditures that would have been incurred.

Mr. Manly: It is a cut. You were right the first time.

Mr. Nickerson: It is the same with respect to education. However, we must face the facts. We are fully aware of the financial state of the Government of Canada, with the deficit we inherited from the previous Government. It is absolutely necessary that we get the finances of Canada under control. Therefore, we must take our responsibilities as a Government very seriously.

It is forced upon us to alter schemes such as the EPF. A structural imbalance had been built into the system and, if we were to continue under the existing formula, the deficit would become increasingly larger. Since we could not sustain that in the long run, the Government has had to take this initiative in order to regain control.

As I stressed before, transfer payments to the provinces for health services and education will continue to rise. There is no doubt about that. It is not a cut, as one of my colleagues from the New Democratic Party shouted out a little while ago. In fact these transfer payments will increase, and will continue to increase under the new formula.

• (1210)

Mr. Mayer: Substantially.

Mr. Nickerson: Substantially so, although perhaps not as substantially as they would have under the old untenable system. We have to look at the federal Government's ability to pay *vis-à-vis* the ability to pay of the provincial Governments.

If one takes a look at the accounts of the federal or the provincial Governments, one will see that, because of the huge debt upon which we must pay interest as a federal Government, our ability to finance new expenditures is very much reduced as a result of what we have inherited. The huge deficit will continue for some time. We do not think we will really get it under control or stabilized until about 1992 under the projections of the Minister of Finance. But if we take the provinces as a group, we will find that their deficits are much less in proportion. They are running much closer to a balanced Budget. Therefore, their ability to take up some of the slack which might have been left is much greater than that of the federal Government at this time.

I want to argue in favour of the formula. I admit it is rather a complex formula in the Bill. It deals with two groups of GNP increases. I must say that I find it rather difficult to interpret. However, when we look at the results of the formula we see that under the circumstances it is as fair as it can possibly be. Probably more important, it is sustainable over

many, many years. We do not have to make further changes. We will not have to do as the Liberals did and bring in a new Bill every year to change the formula once again. It is sustainable. Both the federal and provincial Governments will be able to plan for years ahead knowing what these transfer payments are going to be. It certainly is my intention, and the intention of my colleagues, to vote in favour of this necessary legislation.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, first I would like to comment briefly on what was said by the Hon. Member for Western Arctic (Mr. Nickerson). I think he should have continued his speech in the same vein as he started, since at first he pointed out that he agreed with the formula negotiated in 1976 and adopted in the 1977-82 fiscal arrangements, because the formula included transfers of tax points for all provinces. He seemed to like that approach.

However, if we go all the way down the line, and I wish we did, the federal Government would no longer have to make any transfer payments because by that time the provinces would have enough tax points to be able to finance the activities under their jurisdiction.

I therefore fail to see how anyone can agree with the formula for transferring tax points and at the same time support Bill C-96, which is a cut back because it makes cuts in a formula that was established on the basis of both tax points and transfer payments. If we only had tax points, it would be impossible for the federal Government to cut tax points already transferred. So I don't really understand the logic of what he was saying.

I would also like to point out that as far as new legislation to amend the formula is concerned, I suppose he was referring to Bills adopted by the Governments that preceded the Conservatives. All I can say is that Bill C-96 is changing the rules in the middle of the game. The fiscal arrangements on transfer payments were supposed to expire on March 31, 1987, and now this Bill changes the rules halfway through the game, which means that the provinces' budgeting for financing post-secondary education and health care programs has just been wiped out by a unilateral decision by the Government.

Mr. Speaker, that is why I am going to vote against adopting this Bill on second reading, and I would even go so far as to say that the House should refuse to consider this Bill in its present form.

In fact all these cutbacks under Bill C-96 will severely test the financial stability of most Canadian provinces. One may claim that payments will continue to increase, Mr. Speaker, but the formula had been established and the provinces have prepared their estimates on the basis of the gross National Product growth. But henceforth it will be geared to the GNP less 2 per cent, which means that between now and 1991-92 the accumulated losses of the provinces will reach $8 billion and they will have to learn to live with the deficit which will be passed on to them by the federal Government.

Since 1976-77, Mr. Speaker, transfers to the provinces have been expressed as a percentage of the Gross National Product. On the basis of the GNP, these transfer payments have been stable. Ever since 1976 the transfer payments have remained stable and ranged from 5 to 5.75 per cent of the Gross National Product as a whole. Therefore the rising deficit as a ratio of the Gross National product cannot be traced back to these transfer payments, but rather to expenditures other than debt servicing which have gone up between 12 and 15 per cent in relation to the Gross National Product. In other words, if any adjustment has to be made it should not involve transfer payments to the provinces.

Second, why is the Government in such a hurry? In his November 1984 economic statement the Minister had indicated there would be no changes in transfer payments until the end of the financial agreements. Now he steers a new course, he is reneging on his commitment. Why re-open the 1982-87 agreements before their expiry date, in the middle of the game as hockey fans like to say? It amounts to betraying the provinces and leaving them to hold the deficit bag. Perhaps the Minister of Finance wants to say he has solved his deficit problem and pat himself on the back, but in fact he will quite simply have transferred his problem to the provinces. This is reminescent of Pontius Pilate's approach—to wash one's hands off the whole thing and let others worry about the problem.

Indeed, Mr. Speaker, even the Nielsen Report refers to this issue in the study on health. I have here the English version of the Nielsen Report and I quote from page 13:

[*English*]

However, based on this review, the study team concludes that there are no compelling program reasons to reduce transfer payments. Thus, the announced intent of the federal Government to reduce the amount of transfer payments by $6 billion over the next five years is seen strictly as a necessary fiscal measure. The team fears, however, that this action by the federal government could substantially reduce its role in Canada's health care system. The percentage of federal government contributions to provincial health programs is currently at approximately 40 per cent. The team found no evidence that would indicate that our health system is significantly "overfunded" or "underfunded"—rather a balance overall appears to have been achieved at the present time.

[*Translation*]

Mr. Speaker, even the Nielsen Report indicated that there was no need for cuts, adding that there were no evidence that health programs were either overfinanced or underfinanced.

There was, therefore, according to the Nielsen Report, a certain balance. On this basis, the federal Government's decision to reduce its transfer payments to provinces will mean, in the final analysis, that the provinces will have to assume the deficit.

For some provinces, Bill C-96 will come on top of a previous legislation known as Bill C-39. Quebec will be more affected than other provinces due to the decision made last year concerning the equalization formula.

Last year, Mr. Speaker, when she introduced Bill C-39 the Minister of State (Finance) (Mrs. McDougall) stated, and I quote: "The highest protection, the 95 per cent floor, is given

to those provinces which are not as strong fiscally as others and ensures that payments will decline by no more than 5 per cent from one year to the next. What the Government is doing in this Bill is giving Manitoba, Quebec and Nova Scotia the benefit of this 95 per cent floor for the purpose of making a lump sum payment which will assist them in the remaining two years of the current program."

That is what the Minister said in the House to reassure Hon. Members that Quebec would not receive less than 95 per cent of the equalization payments it had received the previous year.

The Hon. Minister of Finance (Mr. Wilson) had said something similar on April 2, and I quote from page 3627 of the official record of the *Debates*:

> I said that we would be equitable in applying a 95 per cent floor to the three provinces which would not be receiving the same amount of equalization in the current fiscal year.

Mr. Speaker, we had received firm commitments from two Ministers; yet, failing again to keep its word, the Government has refused to give to the province of Quebec what the Minister of State (Finance) (Mrs. McDougall) had promised here in the House, thereby forcing the Quebec Minister of Finance to raise taxes only to foot the bill which the Conservative Government has turned over to him.

In reply to a question directed to her in the House on Friday, May 2, the Minister of State (Finance) stated: "I think the statement made last night by the Minister of Finance for Quebec reflects some misunderstanding of the formula which was arrived at last year. All the provinces are treated equally and Quebec received half the equalization payments. But because the Quebec economy is doing so much better—"

Mr. Speaker, such a statement from a Minister of this Conservative Government is quite revealing of how poorly she understands the way in which the equalization formula should apply. And I just cannot understand how it is that no Conservative Member representing Quebec has exerted pressures on the Government to force it to fullfill its commitment and explain to the Minister what the equalization formula really means.

The equalization formula to share our country's wealth is a contractual agreement and it is even included in the preambule of our Constitution. I am not asking any special favours for a province, but I simply want the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) to keep the solemn commitment they both made before all the Members of this House when trying to convince them to accept Bill C-39.

Mr. Speaker, this decision of the Minister of Finance and the Minister of State for Finance represents a betrayal for Quebec and I hope that the Conservative Members will use all their weight in caucus to call these two ministers to order and ensure that they keep their promise.

Mr. Speaker, this situation is so serious that, before resuming my seat, I would like to move the following motion:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "This House refuse to continue the consideration of this Bill, the purpose of which is to unilaterally reduce federal payments to the provinces for post-secondary education and health services which are essential."

• (1220)

[*English*]

The Acting Speaker (Mr. Kempling): We will reserve judgment on this and advise the Hon. Member later. Debate.

Mr. Garneau: Mr. Speaker, I rise on a point of order. I understand that you want to reserve judgment on this motion. When are we going to receive a judgment on it? I do not know how many speakers—

The Acting Speaker (Mr. Kempling): The Chair will rule on this very shortly.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to make a few points about Bill C-96, points which I think relate to Government policy more than anything else. First, the Hon. Member for Western Arctic (Mr. Nickerson) made a case for getting rid of the deficit by taking away or reducing two of the main economic factors in Canada, the need for a well educated and a healthy population. He suggested that by reducing the amount of money expended on health and education we could be rid of the deficit. That is kind of a negative approach.

There is no doubt that the policy of the Government as expressed in this particular Bill and in the Nielsen task force report is fairly specific. First, it is to eliminate any program that costs anything, or to pass that cost on to another Government. That is exactly what the Government is going to do. In this particular case the Government has decided to pass the costs of health care and of education either to the provincial Governments or to the students who are seeking education. If the Government does not do one of those two things, it will do a third thing. It will redefine the Government's responsibilities in order to bring the costs down to the absolute minimum.

If one were to study the parts of the Nielsen task force report which have already been put into policy, one would find that those three basic approaches are followed. The Government either eliminates a program, it passes the program on to someone else to pay for or it redefines the Government's responsibilities so that the program will not cost so much.

Second, the Government has proclaimed itself an open Government and has said that it is going to be consultative. In this particular case, perhaps the definition of consultation has been changed. The provincial Governments keep telling us that the actions taken by the federal Government in this particular case were unilateral. The federal Government proclaimed that it took this action only after consulting with the provincial Governments. The provincial Governments suggest that no agreement was reached and that they were told at the end of the federal-provincial conference that this action was going to be taken. They did not agree, and simply informing the

provinces does not seem to be the kind of consultation which was expected. There was no discussion, no recognition of the effects of this action, and no allowance for other actions which the provincial Governments might take rather than this action.

Third, the Government says that there will be no great disparities or inequities caused by this particular legislation. Nothing could be further from the truth. The Government knows that the impact of the cut in the rate of growth is that the amount of money that is available for health and post-secondary education will be reduced. The Government seems to refuse to recognize that the provinces will have to make up those costs which continue to increase.

The provincial Governments will have to find a source of income to replace the income which is being withheld by the federal Government. The provinces that have the money will probably not be affected greatly, but there are have-not provinces in Canada. There are provinces which do not have new sources of money and have a very difficult time remaining in a balanced position. In fact, in the last few years, some of the provinces have even gone into deficit positions. They will be affected and there will be inequalities in health care and education in those provinces.

We will be moving away from one of the great decisions that Canada has taken, and that is that everyone must have an equal opportunity. Every person who lives in Canada should have an equal opportunity to receive quality education. Sometimes we wondered about the Liberal Government's commitment to equality but the Conservative Government does not leave us to wonder at all. There is no doubt in anyone's mind that it has an elitist philosophy when it comes to education. It feels that not the most intelligent but the richest should be given the opportunity for quality education.

• (1230)

The Conservatives claim to believe that health care should be available and accessible to everyone. The key is whether they actually believe that it should be available to everyone. Obviously they do not believe it. Government Members are suggesting that it should be available to everyone who has the ability to pay. Also they say that no one should worry about health care not being available and that the access will be the same. However, access to quality health care is already deteriorating, and a reduction in the amount of money available each year will have the effect of further reducing quality health care in some provinces. Many areas will not receive the kinds of health service which they received in the past.

The Government has had a continuing tendency to forget that it made promises. In the 1984 election campaign, members of the Progressive Conservative Party stated that they were committed to sustaining the then current federal financial commitment according to the formula set out in the 1977 agreement. Also they stated that they believed that the financing of post-secondary education was an important priority for both levels of Government. That was a concise and clear statement made by Conservative Party Members before the 1984 election, yet we see action on the part of the Government to back off from that promise, to forget that it was ever made, and to reduce the money which will be paid for post-secondary education. Government Members will say that they are only paying out less, but they promised to accept the 1977 formula which had a larger increase than the one they are allowing this year.

Health is one of those sacred trusts. It is amazing how the phrase "sacred trust" has become almost synonymous with broken promises. I will not spend a great deal of time on this matter because it has been well documented that the Government promised to allow a continuation of quality health care. However, it should be recognized that the promise of the Minister of Finance (Mr. Wilson) of no reduction until 1987 was made after the election, to the provincial Governments and provincial Ministers at a federal-provincial conference. He promised to continue the funding. The suggestion of a reduction seemed innocuous at the time because it was so far into the future. Instead, he brought forward legislation which will mean that it will start to occur in 1986. The Government also suggested that it would do this in order to cut the deficit.

As I suggested earlier, we are being treated with an insight on how the Conservative Government thinks. It intends to cut the deficit on the backs of low-income and middle-income Canadians, on the backs of the "have-not" provinces, and at the expense of quality education and health care.

Let us look at what the Government has done to the tax structure. The taxes for high-income earners have been reduced, whereas the taxes for low-income earners have been increased. Now we see the same philosophy being applied to education. If education and health care require increases, no funds will be available for that purpose.

The Government needs to look at this piece of legislation again and bring it back in a form which would allow Canadians to continue to receive the kind of quality education and health care to which they are accustomed.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. Before you make your ruling, Sir, in respect of the proposed amendment of the Hon. Member for Laval-des-Rapides (Mr. Garneau), I should like to submit the following. As I understand his amendment, the effect would be to negate entirely the main second reading motion. It does not amend the motion in respect of content, intent, or time. Therefore, my contention would be that the course of action the Hon. Member and his colleagues should take would be to vote against the main motion. For the various reasons cited, his amendment would be out of order.

The Acting Speaker (Mr. Kempling): I am about to rule on this matter. I was awaiting the return of the Hon. Member. The amendment is in order; it is a reasoned amendment.

At this point in time I will rule on the amendment of the Hon. Member for Laval-des-Rapides (Mr. Garneau), seconded

by the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano). As I said at the outset, the amendment is in order and it is a reasoned amendment. The amendment is to leave out all the words after the word "that" and to substitute therefor that this House refuses to continue study of the Bill, the principle of which consists of a unilateral reduction of the payments by the federal Government to the provinces for post-secondary education and health services which are essential.

I ask for the indulgence of Hon. Members. The amendment was put to the Chair in French, and I am not quite that competent in French. Therefore, it is not an official translation, but the French version will apply, and that is the sense of the amendment.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the Right Hon. Leader of the Official Opposition (Mr. Turner) has been going across the country to speak with and listen to university students, professors, and administrators. He is profoundly concerned about post-secondary education. As the Leader of the Liberal Party, he has been alerting the country to the need for a national approach to post-secondary education. He is insisting that we need to find a way in which to get the provinces and the federal Government to co-operate and to ensure that the moneys transferred by the federal Government to the provinces indeed are spent on education, unlike what happened, for example, in the Province of British Columbia where a large amount of the funds was diverted to other purposes than post-secondary education.

My leader wants to ensure that federal incentives to the provinces are arranged for research and development and that the promised targets for research and development are reached. He also wants to ensure that attention is given to strengthening centres of excellence, that business and school co-operation is encouraged, and that we increase our effectiveness in spending. That is the program of the Leader of the Official Opposition. That is what the Government is not doing for us. It is not offering leadership. It is simply cutting back on its promises and even on its agreements, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) so eloquently and so excellently pointed out.

Bill C-96 is a bad Bill. Simply put, the Tories in Ottawa have decided unilaterally to reduce or cut the expected and promised transfer payments by the Ottawa Government to the provinces for health and for education. They did not ask the provinces; they told the provinces. They did this despite the protestations of the provinces. This is a very serious matter, Mr. Speaker. Leadership is needed at a time like this. The crisis taking place in post-secondary education is a major one.

• (1240)

If we look at the reports and the observations of the Association of Universities and Colleges of Canada, we find this:

> Enrolment pressures have continued to mount in the past year. Even though the total 18-24 age group from which university enrolments are traditionally drawn is declining, the proportion of this group undertaking university studies continues to grow.

Even though numbers are decreasing in the population, the number of young people in that age group seeking a university education is increasing. The statement goes on:

> Across Canada, in 1985-86, full-time university enrolments increased by 1.5 per cent and part-time enrolments by 2.7 per cent. The percentage increase would no doubt have been higher if some universities had not been compelled to impose over-all limits on enrolments.
>
> The list of difficulties facing universities grows. The unacceptably high faculty-student ratios, the outdated research equipment in some of our laboratories, the continuing concern relative to the brain drain of some of brightest and best researchers, the aging of our professoriate, the weakened library collections and the physical plants in disrepair have all been well documented. The universities do not seek sympathy or futher analysis. They seek and expect solutions.

Solutions require leadership. The problem unfortunately is that the Government is not giving leadership on how to deal with the question of post-secondary education and research. Rather it is simply dealing with budgets and unilaterally announcing a cut in the expected transfer payments that were supposed to have been made this year, thus breaking agreements with the provinces and cutting funds for future years. That is not leadership, Mr. Speaker. It is a betrayal of promises and it is a lack of responsibility at a time when a grave crisis faces the nation.

As this applies to general financing, it also applies and strikes universities in the area of research, which is such an important part of the life of universities. The Government not only through this Bill is assailing the foundation of the future of the universities and colleages but it is also, through other actions, complementing this, not providing the kind of leadership promised in the area of research.

Speaking on behalf of the Association of Universities and Colleges of Canada, the President of the Manitoba University, Arnold Naimark, noted that the latest move by the federal Government relating to guaranteed funding for the three granting councils responsible for most of the research in Canada will mean they will end up with less money in real terms than at present. This is an absolutely staggering result of the latest decision of the Conservative Government, this time in the realm of research. In the words of Mr. Naimark himself:

[*Translation*]

"We have examined the announcement of the Federal Government and it is obvious that the guaranteed support of the Federal Government to council activities will not be increased during the next five years. Even with an inflation rate of 4 per cent, in 1990-91, the purchasing power of the councils' budgets will in fact be 18 per cent lower than it is now."

[*English*]

With the decimation of our post-secondary universities on the one hand, and of the money they need for research on the other hand, which is not in this Bill, we have a double assault on our post-secondary educational system. This is devastating because we all know the future of Canada's economy depends

upon a very healthy and growing post-secondary educational system.

Mr. Don Savage, General Secretary of the Canadian Association of University Teachers, said that if we are to progress economically as a nation we will need more not fewer university graduates in science, engineering, and business management. If we are to survive in a competitive and frequently hostile world, we will have to know the cultures, history, politics and languages of our friends, our competitors, and our enemies. If we are to make any mark in the history of the world, all of this effort must be suffused with the ideals of our civilization, its history, its philosophy, and its literature. Our political leaders, said Mr. Savage, seem incapable of finding a way to fund the universities we need. That is an assessment which I am afraid is appearing to be all too true when we look at Bill C-96.

We certainly hope the Government will rethink its position on this, go back and fulfil the promises it made to the electorate on the matter of maintaining the level of at least the 1977 funding formula. We hope the Government will look at the promises to and agreement it made for this past year with the provinces, and at least fulfil them. It would be wise for the Government to do these things.

Everyone knows colleges and universities are in deep trouble right across the country. For that matter, since this Bill also deals with the medical situation as well as transfers to the provinces for the post-secondary educational fields, the Government should stop starving hospitals and medical centres. The Government must stop passing the buck to the provinces. It must give leadership and keep the promises it made in the last election.

I appeal to the Government and to the Members of Parliament who belong to the Government caucus, to drop Bill C-96 or vastly modify it and keep their pledge to the future of our country. Stop selling us out. Do not let us and our young people become slaves of other nations, hewers of wood and drawers of water, because we have failed to give to our young people the knowledge and the skills and the research to do the job. Give us the educational system we need.

If the Government will renegotiate and discuss with the provinces what can be done to work out co-operatively the future of post-secondary education, that will be a greater contribution by far than by merely passing Bills that cut back on the Government's own problems of the deficit here in Ottawa. Let us work out in dialogue with the provinces how we might co-operatively work together to guarantee a future for your young people. Let us not, together with the provinces, pass the buck on to the young people. Let us be brave and take on the responsibility of working together.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to have an opportunity to make some comments regarding Bill C-96, a Bill which has to be identified as a Bill of betrayal to the young people of Canada, to the universities and colleges, vocational schools and educational institutes of Canada. It is a betrayal of the health care system and the people of Canada.

• (1250)

I recall a number of occasions when members of the Government opposite and the Prime Minister (Mr. Mulroney) said that the Government was going to commit itself to improving the health care and post-secondary educational systems of Canada. Bill C-96 cuts back on increases which should be going to our post-secondary education institutions and to health care across the country. Regardless of how you cut it, that is what this Bill is all about. Due to this Bill, in the next five years $6 billion which would normally have gone to the provinces for health care and post-secondary education will not be going to them.

In this fiscal year alone $318.9 million which should have been transferred to the provinces for post-secondary education will not be transferred. That is what the Department of Finance has told us and I thank it for laying out, in a very clear fashion, what the cut-backs will mean to the provinces. Next year that amount will escalate to $680 million. The following year over $1 billion will not be transferred to the provinces. Over the next five years about $6 billion will not be transferred to the provinces.

I do not know what kind of sign that gives the people of Canada. I do not know what kind of signal members of the Government are sending out to Canadians. The signal I receive is that the Government believes it is spending too much on colleges, universities, and institutes and is, therefore, going to cut back on its spending. The Government says that it cannot afford such expenditures. If the truth were to be known, Mr. Speaker, I do not think there is a Member in the House of Commons who would not say that the most important natural resource in our country is our people, especially the young people who wish to be trained and educated to take their rightful role in our society in this and future decades. That, however, will not be the result of this particular Bill. Things will not improve.

I was in my constituency on the weekend. The headline in the local newspaper in Kamloops, British Columbia, read: "Major Cuts from College Funding". The article indicates that there will be a cut of $500,000 to Caribou College in Kamloops, British Columbia. Over the last four years that college has experienced a 16 per cent increase in enrolment. Yet it had its base budget cut by 11 per cent over that same period. It has more students but less money. The news this year is that a further $.5 million will be cut from its budget.

Materials used in education and health care lead the inflationary syndrome. Their cost tends to increase faster than the general rate of inflation. When the ravages of inflation are taken into consideration, the cuts to education and health care are even greater than the figures indicate.

There is something peculiar happening in the country as a result of this legislation. When this Bill was introduced by the

Minister of Finance (Mr. Wilson) not long ago, it was done so with no real consultation about what impact it would have on the people in the provinces of Canada. It was unilaterally announced that the Government would be cutting back on post-secondary education. When the Prime Minister spoke of a new co-operative federalism, a new approach to doing business with the provinces, and a new openness of Government, we did not anticipate that it meant unilateral decisions which would have a very negative impact on the people of Canada, particularly in terms of the ability of provinces to provide health care and post-secondary education.

This is round two of this process. Not long ago when the Liberals were governing Canada they introduced cut-backs in post-secondary education as part of their six and five program. At the time we felt that that was an inappropriate move. My colleagues in the New Democratic Party, to the last individual, stood up and said that that was not the kind of action a country should be taking if it hoped to remain competitive and play its rightful role as a western industrialized nation. However, that is what the Liberals decided to do.

At that time the present Minister of Finance stood up in the House and spoke out against that. I do not have sufficient time to quote him, but he spoke vociferously against that action. The present chairman of the finance committee, the Hon. Member for Mississauga South (Mr. Blenkarn), almost had a heart attack. We thought he would not make it through his 20-minute speech because he was so worked up about what this would do to the young people of Canada. The present Minister of Public Works (Mr. La Salle) stood up in his flashy and flamboyant way. We thought he was going to cross the aisle and start punching the then Minister of Finance for suggesting that the 6-and 5-program should apply to post-secondary education. The Hon. Members for Halifax West (Mr. Crosby) and Calgary West (Mr. Hawkes) spoke against the legislation.

The present Minister of Justice (Mr. Crosbie) from Newfoundland said:

> Mr. Speaker, this is a deplorable piece of legislation because the principle of it is one of betrayal. The Bill betrays the provinces of Canada, the provincial Governments of Canada and betrays the universities of Canada. It betrays post-secondary institutions of Canada. It betrays the young people of Canada and illustrates rank hypocrisy in the actions of the Government.

He is now doing exactly the same thing. Then he went on about the hypocrisy and betrayal of it all. Now the tables are reversed except that the Government is not proposing a program to last for only two years; this is to be permanent. It will continue year after year. We say that it will cost us $6 billion over the next five years. We can extend that and say that it will cost us $8 billion over the next eight years, and so on.

The Government is saying that it does not plan to provide equal opportunities for the young people of Canada relative to other countries. Most western industrialized nations are investing heavily in post-secondary education and research and development. They are training their young people and retraining their workers. They are providing for education in universities and colleges to lead to reseach and development for the production of a variety of products and commodities. Canada stands alone in saying that it will not be providing those increases like everyone else. Canada will not be participating in educating its people as are the other countries with which we compete.

I do not know why the House is not filled with Members of Parliament from British Columbia standing in their places saying that they will not accept this. The Province of British Columbia stands alone in that it fails to pass along the entire amount of money it receives from the federal Government for post-secondary education. A report issued last year indicates that post-secondary education in British Columbia is not financed on a shared basis by the provincial and federal Governments. It is funded by the federal Government exclusively. That provincial Government provides virtually none of its own money for post-secondary education. It is simply not correct to believe that the provincial Government will make up the difference now that the federal Government is cutting back on funding to British Columbia. The track record indicates very clearly that if the shortfall is made up it will be done so by the students through tuition fees.

In conclusion, Mr. Speaker, this Bill must be stopped. It cannot be allowed to continue. I hope that Members opposite will look at this reasoned amendment and vote in support of it.

• (1300)

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this morning I attended a meeting of a committee of which Your Honour is also a member, the Joint Committee on Canada's International Relations. We were examining a very important series of recommendations which we hope to table in this House before the end of May. They dealt with the Green Paper which the Government presented called *Competition and Security*. Our discussions over the last couple of days focused on the ways and means by which Canada can become a competitive nation in the very tough and turbulent world of international trade. As we went over the submissions we received from across Canada during the past several months, there was one constant and consistent theme. That theme was that the fundamental strength of Canada as a world trader in the future will be based on the brainpower and knowledge of its citizens. Our future will depend upon our capacity to think, innovate and develop new products.

It is therefore ironic that I am here debating a Bill which runs totally counter to that theme. It contradicts, refutes and negates that theme. It will have the effect of totally eroding the skils of Canadians. It will lower our ability to be creative and innovative. It reduces our potential to develop the brains, abilities and skills of Canadians in our universities and other institutions of higher learning. How can the Government operate on two tracks going in opposite directions? Members of the Government stand here day after day talking about their commitment to economic development. They say we must become one of the great international traders. At the same

time they are pulling the rug out from underneath the ability of Canadians to supply that trading competition.

I visited the universities in my riding over the past several weeks to talk to students, faculty and administrators about present conditions in our universities. Their maintenance budgets, which go towards keeping the halls clean and maintaining equipment at acceptable standards, have not been increased for four or five years. The research budgets, which go towards providing new equipment and books, the hiring of research assistants and many other things, have been cut back virtually to zero. The university in my riding is one of the major universities in the country. In the past it has provided an incredible number of skilled people who have occupied important positions throughout Canada. We are now short-changing that university.

As a country we have always believed that one of the major commitments we should make is that of broadening educational opportunities. Higher education should not be available just for the children of upper middle-class or upper-class families. The real strength of Canada has been that we have widened the availability of higher education to make it available to the working class of people, the poor and minority groups. Yet this university has had to put a freeze on the number of student positions. It has had to develop a system of pre-selection, and the high quality courses that are in demand are increasingly limited to fewer and fewer students. The students least able to compete for those positions are those from a disadvantaged background.

The fear expressed to me by some university personnel is that we are creating a class system in our institutions of higher learning. We are closing the door of opportunity for minority groups and the children of disadvantaged families. There are no longer the resources available to give them the start they need. Is that something that we as a country want to accomplish? That may fit in with the Tory philosophy. That may be the attitude of the Conservative Party. I recall a statement by the Minister of Finance (Mr. Wilson) about a year ago that the philosophy of his Budget was to make sure that the rich got richer, or words to that effect.

Ms. McDougall: Oh, oh!

Mr. Axworthy: We are creating the conditions for that to happen by denying the opportunity for higher learning to a broad base of Canadians. That is the end result of this Bill. Never mind talking about transfers to the provinces and inequities in those areas. We are, in real terms, closing the door, closing off opportunity. We are destroying the capacity of this country to utilize fully the skills and abilities of its citizens. That is the end result of this legislation. That is the charge that must be made. The Government is deliberately and consciously fighting against years of progress, which allowed this country to broaden opportunity, because it has a different philosophy and approach. This is no accident. It is not happening because of a Minister's mistake, although God knows there are enough of those. It is being done as a conscious matter of policy by this Government.

All of this is increasingly compounded by the same kind of closing down of opportunities for quality health care. When you increase your defence budget by 40 per cent over the next five years and your health care budget by only 10 per cent, which will not even begin to cover inflationary increases, then obviously something has to suffer. The hospitals in my city are cutting back on their outreach programs which are there to provide preventive care and deal specifically with many of the lifestyle health problems faced by people in our lower-income areas. They deal with our native communities and problems in the inner city core areas. They are losing their ability to try new programs which will reach out to the disadvantaged. They will be unable to experiment with the kind of preventive programs which will enable us eventually to save money on health care because they prevent people from becoming sick.

Those are the human consequences of this legislation. That is the end result of this stupid, callous and uncaring act by this Government. It is saying once again to large number of Canadians that Government does not have a responsibility to meet their needs. Government does not have the obligation to share the wealth of this country in an equitable way. It is saying that it will increasingly restrict privileges and opportunities to a smaller and smaller class of Canadians. That is the human result of this legislation and that is why it must be opposed.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to speak once more on this legislation. I hope I will have other opportunities to speak on it, because the longer we keep discussing it, the longer we will prevent the new situation from setting in. It is important to delay this legislation because it really is destructive of Canadian policy.

Mr. Speaker, the impact of the legislation now before us is to reduce transfer payments from the federal Government to provincial Governments for post-secondary education and health services. A few Conservative Members have risen in this debate, expressing the view that this Government is not reducing health and post-secondary education payments to provinces.

But the fact is this Government has reduced expenditures. Let me take for instance Manitoba, where planned expenditures in those areas will be reduced by $235 million over the period to 1990. Mr. Speaker, that is a large amount of money, and that cut has significant implications for the Province of Manitoba.

In order to illustrate that reduction, I will now give more readily understandable examples. For a four person family in Manitoba, the reduction will amount to more than $1,000 over a full year. The reduction of federal expenditures on health services and education will reduce federal support by $1,000 a year for each Manitoba family. As another example, let me

say this reduction will be greater than the overall Manitoba expenditures on universities and community colleges. Mr. Speaker, that is a truly significant reduction.

Many Conservatives have told us how important it was to reduce the deficit, how important it was to have control over public expenditures, and nobody disagrees with that on this side of the House. But how should we go about reducing the deficit? When the Conservatives were fighting to get elected, they said they would reduce the deficit by cutting down on squandering. Mr. Speaker, that was a good approach. But why is the Government not following that approach now, that it is in power?

Mr. Speaker, this is a matter of priorities. Why reduce education and health expenditures while increasing those on armaments, national defence? It is important that we have armed forces, but why increase defence expenditures when we reduce education and health support?

Mr. Speaker, I would like to take a look at this Government's approach and its implications in the area of health care. It is true that health costs are increasing considerably. But how can we solve the problem while serving ordinary people? That is the question.

And, of course, the Conservatives' approach is to cut down on expenditures now. The problem with that is we are going to miss the opportunity to invest in new ways of delivering health services which in the long run could reduce health costs.

Mr. Speaker, it is important in my view for ordinary people to remember that our health system is more efficient and less expensive than the American one. With the public Medicare system we have here in this country, the cost of health care takes a smaller part of the GNP than in the United States, and with better results. In this country, families do not risk losing all their savings when one of their members is ill. But in the United States, a family can be ruined because of one serious illness.

Mr. Speaker, the public health system in this country is more efficient than if it were run by the private sector, and it is endangered by these Government reductions. By cutting down federal assistance to health care we are running the risk of destroying the system in the long run. The approach we advocate would be to invest in health care so as to be able to provide still more effective programs and, with time, costs would go down.

Mr. Speaker, we have to come to grips with real problems in the health sector because costs are rising, which can only mean less money available for post-secondary education. This country needs a sound post-secondary education system because our economy is heavily dependent on well educated people . . . one more minute, Mr. Speaker!

To sum up, Mr. Speaker, all I am saying is that reducing education and health expenditures is a short-term approach, and we must look much farther into the future if we want to serve ordinary Canadians and lead our country to prosperity. We must be concerned about the quality and efficiency of services. This will save us money in the long run.

• (1310)

[*English*]

Mr. Alan Redway (York East): Mr. Speaker, I appreciate the opportunity to say a few words in connection with Bill C-96, which is an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. I have listened very carefully this morning to the comments of the Opposition indicating, as they have done time and time again, that this legislation is aimed at reducing the contribution the federal Government is making to both post-secondary school education and to health care services in this country.

I think it is important for the people of this country, and the Opposition, for that matter, to put this in its proper perspective. We are well aware that this legislation, far from decreasing the total quantum amount of money that will flow to the provinces, will in fact increase the quantity of money that will be going to the provinces this year, next year and in the years to come. In fact, as a result of this legislation the transfer payments in relation to post-secondary school education and health care will continue to grow at a rate of about 5 per cent annually. If inflation continues to be in the vicinity of 4 per cent as it has for the last two years, that will mean that the transfer payments in connection with health and post-secondary education will increase at an even greater rate than inflation.

That is not to suggest for one minute that this legislation is only increasing the quantity. Hon. Members have quite rightly pointed out that the formula that was in place previously is being altered and modified and, as a result of that modification, there will be a downward adjustment in the total amount of money that would have flowed, might have flowed, could have flowed to the provincial Government.

Mr. Epp (Thunder Bay—Nipigon): Should have flowed.

Mr. Redway: The amount that has already flowed to the provinces is not being reduced. In fact, as Hon. Members are well aware, that amount is even being increased. It is estimated that at the rate provided by this formula, the total amount will increase by more than $90 billion by the year 1990-91. There is no question about a decrease in payments; in fact there is an increase in payments. That is quite clear.

If post-secondary educational establishments and the health care systems do not cut their cloth according to inflation, there will be a requirement to provide them with more money from somewhere. Obviously, it will not come from the federal Government, so it will have to come from somewhere else. Perhaps it will come from the provincial Governments which, according to the Constitution, have the primary responsibility for these expenditures. They always have and always will have that jurisdiction as long as the Constitution remains as it is.

The provinces have guarded that right very carefully and very jealously over many years.

I can understand the concern of the provincial Governments that in the future they may not get as much money from the federal Government for these purposes as they had hoped. However, I am sure that when the provincial Governments search their souls they will understand what we are doing. In the last 10 to 20 years, provincial Governments have been using this same approach with boards of education, municipalities and all those to whom they pay transfer payments. In fact, as a former municipal politician, I am well aware that long before the federal Government started to consider the possibility of not giving the provincial Government quite as much as it expected in future years, the provincial Governments were cutting back on the amounts not only that they had promised to municipalities and school boards in the past but actually reducing the amount. I recall that in my municipality in 1970, some 80 per cent of the total cost of educating children was paid for out of provincial transfer payments. Now it is down to less than 40 per cent.

The provincial Governments know what is happening. They have been taking similar action for many years and they know what it is like to shift expenses and costs to a lower level of Government.

Of course, the concern is not with the provincial Governments but with the taxpayers themselves. The taxpayers of this country pay taxes to municipal Governments, school boards, provincial Governments and the federal Government. Everyone in this Chamber and throughout the country must pay taxes, and we know what it is like to have to shoulder that burden of paying for all those things that make up the vast number of taxes which we must pay.

The problem we are facing is that the expenditures that Governments have undertaken in this country are out of whack with the amount of revenue that is flowing in. Somehow, we must get that under control. The impression I am getting is that citizens are getting tired and fed up with paying increased taxes and are looking for some sort of cut-back on expenditures.

Where will we cut back on those expenditures? The New Democratic Party Member from Winnipeg who just spoke said that we were going to cut back on waste and expenditures. That is quite true. That is what we have been doing. However, every time we look to cut back on an expenditure that we believe might be wasteful—

• (1320)

Mr. Keeper: Health?

Mr. Redway: We find an objection from the Hon. Members.

Mr. Keeper: Is medicare a waste?

Mr. Redway: When the Minister of Finance (Mr. Wilson), in his November 1984 Economic Statement, set out a number of reductions in areas of expenditure that the Government felt was wasteful, we heard objections from the Opposition. I am not suggesting for a minute that health or post-secondary education are wasteful expenditures. The Hon. Member also knows that we are not decreasing the amount of money going to those areas, although it may not be the amount that the provinces thought we might spend. However, I am suggesting it is quite clear that every time the Government suggests a reduction in wasteful expenditures there are objections from the Opposition, whether it is the New Democratic Party or the Official Opposition. There is not one expenditure that they believe is wasteful. That is why we are facing the difficult problem of how we will cut our cloth, balance the budgets and pay for the expenditures undertaken by all levels of Government.

I believe that the people of this country have come to the limit of their tether as far as increases in taxes are concerned and, therefore, we are rapidly approaching the time when not only the Government but the Official Opposition and the New Democratic Party will have to look carefully at which Government expenditures we will have to cut. That is the tale that will be told in the future.

We have heard many platitudes and many wonderful statements from the Opposition, but we have not had any concrete statements as to what they would cut. It is time for them to put up or shut up.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in this debate, although I am also disappointed to have to speak to such a sad topic.

Mr. Speaker, I listened to the previous speaker going on about how difficult it was for the federal Government to make ends meet and hurry in trying to pass the buck to the provinces which, he said, perhaps they were not doing enough and perhaps should seek other sources of income, and he kept saying that the Government of Canada had to reduce its deficit. In other words, through this Bill and the speeches of Government Members, they would have us believe that by using payments for the provinces, the provinces are the ones who will suffer in the final instance, but what they forget is who will really be affected by the cutbacks we are discussing today.

This Government, after making a formal commitment that neither post-secondary education nor health care would be tempered with, this Government had the nerve to present this Bill and make cutbacks amounting to nearly $6 billion between now and 1990-91, and if we take 1986 to 1992, we are talking about more than $8 billion in these two sectors.

Mr. Speaker, I think that we Quebecers should be particularly concerned about finding out what effect this will have on our province. In fact, since the Quebec Minister of Finance brought down his budget and told us that the Government would have to forego $66 million in equalization payments for the year ending on March 31, and that it would lose another $82 million over the current year, in addition to this cutback

which represents $82.3 million in 1986-87 for Quebec, $174.9 million in 1987-88 for Quebec, and so forth—I think we can say that this amounts to an unilateral attack on a province and on all provinces, but if we look at ours in particular, we see two groups that have very few lines of defence. I am referring to two basically important groups, namely, the students who are our future, and the sick, who unfortunately cannot avoid being sick.

Mr. Speaker, these are major cutbacks because the Government looked only at the figures without thinking about the consequences of its action. What will these cutbacks mean for the universities? It will mean a proportionately reduced access for the poorer members of our society and an automatic increase in tuition fees, which will also have an impact on access. I trust that this was not done for philosophical reasons by this Government, but the result will be that the rich will have greater access to post-secondary education and that nothing will be done to reduce social disparities. Mr. Speaker, our universities have been strongly affected these last few years by a whole series of cutbacks.

The Government says that it has to cutback the fat of programs, but I can tell the Government Members that there is no fat to cut back in our universities. The didactic equipment of our universities is getting older and the faculties can no longer afford to replace it. In all scientific fields, such as engineering, our faculties have enormous difficulty in providing technological training at the same rate as technology progresses because their budget no longer allows them to purchase new equipment.

The same thing is happening in the hospitals. You would have to be insensitive to believe that the hospitals have too much money. If we look at the situation in Quebec, we find that many hospitals now have substantial deficits. It is certainly not by cutting back the transfers in these two areas that we can provide more equality and improve health services or education. These are certainly two areas where the Governments should make some improvements. It is obvious that the amounts allocated to health care are reduced once more, those affected will be the aged. It is obvious that pathological research will be affected. Yet, this Government had made a commitment to increase research and development and provide more money in the priority health care areas. What has happened to those nice promises?

As concerns post-secondary education, the Government did not consult the provinces or anyone else, but decided to make savage cutbacks while saying: It is essential to increase occupational training and to ensure that our young people will be better trained for tomorrow's jobs. Where will they get this training, Mr. Speaker? Will they have to go to private schools in the United States? This is one thing that worries me in this debate.

I can hear the Conservatives laugh. They have defective memories. They should remember all the speeches they made at the time of the 6 and 5 program. And yet, the 6 and 5 per cent program, the purpose of which was to reduce inflation, was an unqualified success. Sitting on the other side of the House at the time, I could hear Members of the Conservative Party getting incensed and calling it treason. What are they doing now? What they called treason two years ago they call now financial responsibility. What a change in attitude! What a change in vocabulary!

I hope therefore that the debate on the amendment which my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau) has moved to Bill C-96 will provide an opportunity for the Minister of State (Finance) (Mrs. McDougall), among others, to recognize her mistake and realize frankly that the action taken by the Government and by herself has been premature, that their decision was unilateral and that it will have desastrous consequences on both the health care and secondary education areas which they had promised to improve.

One need only consider the proportion of the Gross National Product which the various Governments allocate to Canadian universities and colleges to realize that it went down from 1.35 per cent in 1977-78 to 1.24 per cent in 1984-85. This proportion will keep going down because of the Bill before us. In a changing society like ours where education becomes the stumbling block of the whole system, I feel that by deciding to sacrifice this sector, the Government is demonstrating its very short-sightedness. Mr. Speaker, the same applies to health care. We know that Canadians are demanding improved health care, but the Government again is showing its insensibility.

• (1330)

[*English*]

The Acting Speaker (Mr. Kempling): The Hon. Member has approximately two minutes remaining. If he wishes to use them, he can do so when the House resumes its sitting.

It being 1.38 p.m., I do now leave the chair until two o'clock this day.

At 1.38 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CURRENCY

MINTING OF NEW DOLLAR COIN BLANKS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, we have another example of the Government's bankrupt and pork-barrel policies on regional development and increased employment opportunities. On March 25 at a news conference announcing the new $1-coin, the Minister of Supply and

Services (Mr. La Salle) stated that Inco in Sudbury would produce the nickel blanks, Sherritt Gordon would do the finishing and the Royal Mint in Winnipeg would do the stamping.

The Minister now says that while Inco Ltd. will receive a sole-source contract for the nickel to be used in the production of the new $1-coin, the actual blanks will be both produced and finished by Sherritt Gordon. Consequently, Sudbury will not share equally in the production of that new $1-coin as expressed earlier.

The Minister stated that Inco could in future years bid on the production of the blanks. If it can do so in the future, why not now? Why the unilateral decision to give the initial and largest run to Sherritt Gordon without tender? I submit that the action represents a double-cross to the community of Sudbury and the Minister should reverse his decision immediately.

* * *

FISHERIES

PRESENCE IN GALLERY OF FISHERMEN'S REPRESENTATIVES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I would like to bring to the attention of the Government the presence in Ottawa of representatives of fishermen's groups from across Canada. They form the first ever national fishermen's lobby group in Canadian history. They are here because they fear what the Government might do, and particularly what the Minister of Employment and Immigration (Miss MacDonald) intends to do regarding changes to the Unemployment Insurance Act.

The fishermen fear that political and economic forces beyond their control have moved to throw the UI system back into the dark ages. They are here with specific proposals for job-creation schemes and they have requested a meeting with the Minister of Employment and Immigration so that they can speak to her directly.

Fishermen on both coasts form a vital part of this nation's economy. Economic survival is a constant worry for every fisherman in this country. Most recent figures indicate that almost all fishermen in Canada depend on unemployment insurance to survive through the winter months. In July 1985, 1,093 fishermen were collecting benefits, but in February, 1986, 29,847 were in need of benefits. They want the Government to realize that fishermen oppose any move to strip away their eligibility for unemployment insurance.

Mr. Speaker: Order, please. Sixty seconds.

[*Translation*]

THE TOBACCO INDUSTRY

FUTURE OUTLOOK

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, smokers are being subjected to a systematic persecution which disregards the personal freedoms which have always been the hallmark of our country. For example, we learned recently that Air Canada officials have jumped on the bandwagon and will ban smoking on some of their scheduled flights. The fact that our national carrier has so meekly yielded under pressure is a great disappointment to me.

Non-smokers advocacy groups are entitled to their opinion, but they should give more consideration to tobacco growers and people who work in that industry.

Most of the 750 workers of Imperial Tobacco in Montreal are residents of my constituency of Verdun—Saint-Paul. I met with these workers, they need their jobs to support their families, and they are increasingly worried about their future. One has to wonder whether the pressure groups against smokers have alternatives to propose, or whether they could not care less about the consequences of their campaign.

* * *

[*English*]

POLITICAL PARTIES

FORTHCOMING ALBERTA GENERAL ELECTION

Mr. Gordon Taylor (Bow River): Mr. Speaker, Canadians and certainly those living in Alberta are largely free-enterprising people. While most Albertans abhor socialism, some NDPers could be elected through the back door in the Alberta election if the free enterprisers spread their votes among three or four free-enterprise candidates instead of supporting a PC candidate who, with Premier Don Getty, a great free enterpriser in his own right, will govern under free-enterprise policies.

After all, it was free enterprise that gave the people of this country one of the highest standards of living in the world. It was not socialism. It was free enterprise that developed our agriculture, oil and gas, lumber, communications and transportation systems in Canada. It was not the socialists. A new PC Government in Alberta, by working with the PC Government in Ottawa, can bring Canada into a new era of prosperity. *Viva* free enterprise. *Viva* the PC Party. *Viva* a better, greater and nobler Alberta and Canada!

S.O. 21

• (1405)

ENVIRONMENTAL AFFAIRS

IMPACT OF FREE TRADE NEGOTIATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what impact will the freer trade negotiations with the United States have on the environment? So far the Government has not dealt with that question. Now that negotiations are under way, it is urgent that the potential environmental impacts of freer trade be assessed.

For instance, under a freer trade agreement there could be increased pressure from Canadian companies, and particularly from U.S. multinationals, to reduce the cost of environmental protection and resource management programs. In addition, wherever Government-industry agreements have been reached on subsidies or tax incentives for pollution abatement or resource enhancement, challenges could be likely under a freer trade agreement. This could seriously hinder federal and provincial initiatives on controlling point sources of pollution, hazardous waste management, reforestation, fisheries management, waste water treatment, air quality, et cetera.

It is still not too late to prepare an environmental impact assessment of freer trade, and I urge the Government to do so.

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DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—LACK OF INFORMATION SUPPLIED BY U.S.S.R. AUTHORITIES

Mr. John Reimer (Kitchener): Mr. Speaker, ever since the initial news of the nuclear accident at Chernobyl was pried out of reluctant Soviet authorities by Sweden and Finland, the western world's repeated requests for an exact account of the disaster, detailed information concerning the well-being of the affected population, and a comprehensive, internationally verifiable investigation of the whole event have all met with the usual Soviet benign silence.

Such complacency with regard to the health and welfare of the Soviet people, such lack of sensitivity toward anxious relatives and friends, and such complete disregard for world health and co-operation are blatant violations of the Helsinki Accord and strain the boundaries of common, human decency.

On behalf of the residents of Kitchener, especially those of eastern European descent, I urge the Canadian Government to continue its initiatives begun at Tokyo and to press the Soviet Union to disclose fully the nature and extent of this accident to its own people, to the peoples of eastern Europe, and to the rest of the world—

Mr. Speaker: Order, please. Sixty seconds.

PORTS

NEWSPAPER ARTICLE AND EDITORIAL ON PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, in *The Globe and Mail* this morning, which is self-proclaimed as Canada's national newspaper, there was an editorial attacking our northern Port of Churchill. This followed and presumably drew its information from an equally one-sided article in yesterday's edition of *The Globe and Mail.*

The article quoted Thomas Van Dusen, the anti-Churchill press spokesman of the Minister of Transport (Mr. Mazankowski), other groups which have historically opposed Churchill, and Nielsen task force members who are in open competition with the Port of Churchill, a fact which is not mentioned in the article.

The question of Churchill's value to the western economy will never be answered seriously on that basis. Mr. Van Dusen, in his effort to downgrade the Port, did not assist in accurate and informed public debate. He is quoted as saying: "We're stuck with Churchill". Hopefully the people of Churchill and the Minister of Transport are not stuck with Mr. Van Dusen.

* * *

INDUSTRY

EXPANSION OF DE HAVILLAND AIRCRAFT PRODUCTION FOLLOWING PRIVATIZATION

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, throughout the many weeks of debate in the House over the sale of de Havilland to Boeing, the outcry from the opposition benches gave the impression that the days were numbered for the aviation plant. From this hue and cry many were led to believe that once the sale took place the writing was on the wall and the demise of the plant was an indisputable fact. Yet it was recently announced by Richard Albrecht, Chairman of Boeing Canada Limited, that plans for expansion are under way.

Boeing announced that it will expand the Dash-8 commuter aircraft line and will infuse $25 million into new equipment and installations. In addition, the go-ahead has been given for a detailed design of the stretch Dash-8. The company is also scouting up buyers for the submarine hunting Dash-8. The order book for the Dash-8 holds orders for more than 100 aircraft.

Does this sound like the dying gasp of a company about to go belly up? I would answer with a resounding no. The sale of de Havilland has infused new life into the company. As long as the aviation plant continues to expand and grow, not only are current jobs protected but new ones will result.

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): Since we have assumed power, Mr. Speaker, the economic health of Canada has been continuously improving.

Statistics Canada, the Conference Board, the Bank of Canada, the Economic Council, as well as several other agencies, associations and organizations are foreseeing a sustained growth and a promising future under a Conservative Government.

But they are not the only ones to realize the effectiveness of our policies and the validity of our initiatives in the economic, agricultural, cultural and social areas.

During a Liberal meeting held last week in Yukon, the Hon. Member for Cochrane—Superior (Mr. Penner) stated, and I quote: "There is going to be a stable and constant growth, such as we are enjoying now, for a very long period of time."

Mr. Speaker, I congragulate the Hon. Member for Cochrane—Superior for his honesty and I invite his colleagues to follow suit and admit quite candidly—

Mr. Speaker: Order! Sixty seconds!

* * *

• (1410)

[*English*]

RAILWAYS

CAUSE OF DERAILMENTS—REDUCTION IN MAINTENANCE CREWS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, a Canadian Transport Commission report shows that most derailments in Canada are track and equipment related. Despite this fact, CN and CP continue to reduce the number of employees who are responsible for roadway and equipment maintenance. The report notes as well that both railways have been reducing managerial and supervisory staff less rapidly than the workforce as a whole.

There is a great deal wrong with Canada's railway systems. Obviously one problem is that we have too many paper pushers and not enough rail employees looking after roadbeds, tracks and rolling stock. Railroaders in my riding have been telling me that for years.

At last, Sir, the Canadian Transport Commission has caught up with common knowledge.

S.O. 21

AGRICULTURE

CANADA-UNITED STATES TRADE NEGOTIATIONS—OPPORTUNITIES FOR CANADIAN FARMERS

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, last weekend two self-proclaimed agricultural experts, Mel Hurtig, an Edmonton book publisher, and Marion Dewar, the former NDP Mayor of Ottawa, visited Winnipeg to warn prairie farmers about the alleged evils of freer trade. Curiously, many Liberals and New Democrats, today's doom and gloom reactionaries, are so afraid of change that they do not want even to consider how we might benefit from greater access to an export market ten times the size of our own.

On a more positive note, the research firm of Deloitte, Haskins and Sells in work done for the Prairie Wheat Pools have concluded that a freer trade agreement would mean an extra $60 million a year in revenue for prairie farmers. Without such an agreement, they comment, prairie farmers may well lose some of their existing markets due to growing American protectionism.

Given such a choice, prairie farmers will readily opt for freer trade talks despite what doomsayers like Mel Hurtig and Marion Dewar have to say.

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AGRICULTURE

CRITICISM OF GOVERNMENT INITIATIVES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when it comes to Government statements on agriculture it is becoming increasingly difficult to tell the grain from the chaff.

The Minister of Agriculture (Mr. Wise) is fond of listing hundreds of initiatives which he claims the Government has introduced in the past year and a half. Most farmers in Canada are hard pressed to name but a few of those initiatives which are of any real benefit and for which the Government can claim any real credit.

When the Minister and his Government have an opportunity to show by their actions that they do care about the plight of Canadian farmers, the Minister usually reverts to reciting the same old litany. Words, are a very poor substitute for action when it comes to assisting our farmers through some very difficult times.

On the issue of free trade, the Minister of Agriculture has been unsuccessful in his lobby with the trade Minister in gaining for agriculture a full voice on the free trade advisory council. The Minister seems to agree that farmer's interests are best served by being included with the food processing and beverage industry in Canada. That body is often—

Mr. Speaker: Order, please. Sixty seconds. The Hon. Member for Selkirk—Interlake.

House of Commons

POLITICAL PARTIES

PRIVATIZATION OF CROWN CORPORATIONS BY MANITOBA NDP GOVERNMENT

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, over the course of the last year or so the Government has been criticized on a number of occasions by members of the NDP for having confidence in Canadian entrepreneurs and we have been criticized for returning Crown corporations to the private sector when they no longer served a public purpose.

The NDP is now silent on this matter. Why? Their siblings in Manitoba have seen the light, Mr. Speaker. Manitoba socialists are turning to the free enterprise system. The newly elected Manitoba Government has seen the wisdom of turning to Conservative policies and it has now started a privatization program of its own.

After years and years of mismanagement and drain on the public purse, the Manitoba Government has decided to sell Flyer Industries. The NDP has finally seen the logic of leaving the management and operation of businesses to business people. Now, if the NDP can only get its financing right.

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POLITICAL PARTIES

SOCIAL SECURITY—POSITION OF LIBERAL PARTY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, recently the Liberal Member for Cochrane—Superior (Mr. Penner) addressed universality and the serious problem of the national debt. He was abandoned by his caucus colleages.

I would like to remind his colleagues that several other prominent Liberals of days gone by have echoed similar concerns. Marc Lalonde once stated:

> There are no free lunches. We can't plan on the basis that there's a growing federal pie from which everybody can get an increased share.

The Hon. Member for St. Henri—Westmount (Mr. Johnston) said:

> Social programs have to be married to the economic requirements of the country so people use those programs to help themselves.

John Munro went so far as to say:

> The Government is wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who do not need the money. Such funds should be redirected to help the most needy.

These are wise words. It is a pity that the Liberals did not heed them while in power. Now they are trying to stifle the lone voice of realism. Shame!

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM CAMEROON

Mr. Speaker: Order, please! I should like to mention the presence in our Gallery today of a parliamentary delegation from Cameroon, headed by Mr. Théodore Mayi-Matip, First Vice President of the National Assembly.

• (1415)

ORAL QUESTION PERIOD

[*English*]

REGIONAL INDUSTRIAL EXPANSION

MAGNA CORPORATION FUNDS—REQUEST THAT MINISTER APPEAR BEFORE COMMITTEE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Yesterday we learned that the Korean company, Hyundai, had received a $300 million break. At the same time the Minister's company received a $3 million loan from a bank associated with Hyundai. We now know that Magna International has received grants totalling over $62 million and that the Minister's company has received a $2.6 million interest-free loan.

Surely the Minister must understand how this chain of circumstances fundamentally questions his credibility as a Minister. Under these dubious circumstances will he not voluntarily agree to appear before the Committee on Elections, Privileges and Procedure and put the matters of Hyundai and Magna before it in order that he can be properly examined by a committee of his peers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in his question the Hon. Member referred to various transactions including certain fundings for Magna International. I am rather surprised that he did not make it clear that on August 27, 1984, just before the last election, his Government signed a memorandum of understanding with Magna anticipating the types of funding which he now criticizes me for simply implementing on behalf of the Government of Canada.

Mr. Garneau: Big deal.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, we are fully aware of the agreement which was signed by the previous Government. That is an even more important reason why he should not have allowed the dealings of his company to be associated with a company which was receiving grants from the Government of Canada. He should have known better.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER PROVIDE COMMITTEE WITH DOCUMENTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Will the Minister now voluntarily agree to appear before that committee and, as a minimum, provide that committee with the proper documents and information so that it can make its decision on Thursday with the proper information which the Government has obviously had in its possession but, up until now, has refused to reveal to the public?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member has not forgotten, and I know that Hon. Members of the House will find it most interesting to learn, that under the previous Government from 1982 to 1984 the aggregate contribution of various types to Magna totalled approximately $30 million. The sharing ratio was 50 per cent on the projects concerned. The present Government gave approximately $18.1 million at an average sharing ratio of approximately 18 per cent. The fact is that Magna got much less beneficial deals from the present Government than from the former Government.

Mr. Broadbent: That's beside the point.

* * *

THE ADMINISTRATION

ACTIVITIES OF MINISTER'S WIFE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, does the Minister not understand the difference between a Government giving an industrial grant to a company and the spouse of a Cabinet Minister negotiating a loan with a company which is receiving a benefit from that company? If he does not understand that difference, it is the best reason of all for the Minister to resign.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that last intervention by the Hon. Member was not a question. It was a statement which has been answered by myself on behalf of the Government time and time again last week and this week. The answer remains the same.

[*Translation*]

LIMITS OF COMMITMENT BY HYUNDAI

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also have a question for the Minister of Regional Industrial Expansion about the Hyundai assembly plant in Quebec. First, I would like to say that, on this side of the House, we are happy that Hyundai has decided to invest in Quebec and to create jobs. However, what we do not understand is how and why the Minister could release Hyundai from the legal obligation to purchase for about $300 million a year in Canada. Why did the Minister give up on the 10,000 to 15,000 jobs which could have been created in Quebec and elsewhere in Canada if he had not released Hyundai from this legal obligation?

• (1420)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased that the Hon. Member takes some satisfaction at least from the fact that a plant is being built by Hyundai in the Province of Quebec. Perhaps he is unaware of the fact that in the negotiations leading up to Hyundai agreeing to build the plant in Quebec we indicated we would modify the export/import ratios on condition that a plant was built in Canada. This would be more fully spelled out in a memorandum of understanding. In short, the Hon. Member is overlooking the fact that as an integral part of achieving Hyundai's investment in Canada, which ended up in Quebec, we agreed to modify the export/import ratio they had previously agreed to.

[*Translation*]

REQUEST FOR TABLING OF AGREEMENTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. President, if this new agreement with Hyundai is as good, especially for Quebec, as the Minister indicated yesterday, would he be willing to table in this House both agreements, the old one and the new one signed with Hyundai, so that Canadians and Quebecers can judge for themselves whether the new agreement is an improvement over the old one as the Minister has indicated, or if it is worse because its effectiveness has been amputated as I believe?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member refers to the old agreement and the new agreement. Judging from questions yesterday and today, members of the Official Opposition clearly do not understand the so-called old agreement.

Mr. Crosbie: They never have.

Mr. Stevens: Perhaps they have been unfortunately misled by various newspaper stories, but they have been bandying the figure of $300 million about as the amount of exports, which my Department tells me has absolutely no foundation whatsoever. In short, there is misrepresentation when there is some suggestion that the old agreement would have produced $300 million worth of exports. That is simply not true.

Oral Questions

THE ADMINISTRATION

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister and follows up on new news of decisions reached by his Department which have benefited Magna Corporation. He has said that he was unaware of the nature of the unusual loan his wife managed to negotiate until the public became aware of it last week. He now knows the nature of that loan to his wife, the connection with the Magna Corporation, and he is continuing to make decisions which benefit that company to the tune of millions of dollars. Does he not think that he should clear the air, so that the Government is viewed as one of integrity, and submit his resignation from his portfolio now?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is clearly a matter falling within my responsibility in the absence of the Prime Minister.

Mr. Ouellet: Then resign.

Mr. Blackburn (Brant): Bye, bye, Erik.

Mr. Nielsen: The Member is making statements concerning the responsibility of the Prime Minister to ensure compliance with the Code of Conduct by public office holders. It is the same kind of question that was asked repeatedly for four days last week, yesterday and today. The responsibility for compliance—

Mr. Speaker: Order, please.

• (1425)

RESPONSIBILITIES OF MINISTERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will direct the question then to the Deputy Prime Minister since he decided to answer this. In the Prime Minister's letter about the conflicts of interest he said the following:

I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of the activities of their spouses.

I want to ask the Deputy Prime Minister, considering that the Prime Minister said that in a letter to all the Ministers, and we now know the present Minister under question is making decisions amounting to millions of dollars a year which benefit a company that has a special deal with his wife, does he not think that Minister should not now resign?

Mr. Speaker: Order, order.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, there is no difference between that question and the questions that were asked throughout four days last week. The response is still the same. In October, 1984, the Minister had divested himself of all of his assets, and by trust indenture placed them in a blind trust. That is a matter of public record which the hon. gentleman can discover for himself simply by speaking with the ADRG. Compliance has been had with the code of conduct.

[*Translation*]

ETHICS—POSSIBLE RESIGNATION OF MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is this: Does the Minister agree that this matter affects the integrity not only of this Government, but also of the Canadian Parliament?

If such is the case, does the Deputy Prime Minister agree that the Minister should resign immediately?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): No, I do not agree that the Minister should resign.

* * *

AUTOMOTIVE INDUSTRY

MINISTER'S ROLE IN DISCUSSIONS CONCERNING HYUNDAI COMPANY

Mr. John Nunziata (York South—Weston): Mr. Speaker, yesterday the Industry Minister indicated he was not aware of the connection between the Hanil Bank, Hyundai, and his own personal business interests. He now knows the blind trust now has 20-20 vision. In view of the knowledge he now has can the Minister, at the very least, give us his assurance that he will not participate in any discussions or decisions affecting Hyundai?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Deputy Prime Minister has indicated, my assets have been placed in a blind trust, and I feel that there is absolutely no reason why I cannot carry on in my present role. I would add that the Hyundai deal, some of the attributes of which I indicated earlier today and yesterday, I think has been a fine deal, a job-creation deal for Quebec and for all of Canada.

* * *

THE ADMINISTRATION

REQUEST THAT MINISTER NOT PARTICIPATE IN FUTURE DECISIONS CONCERNING HYUNDAI COMPANY

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Minister is refusing to remove himself from any further allegations of conflict of interest. Now that the blind trust is no longer blind, will he give this House his assurance that he will not participate in any future decisions that might affect Hyundai in order to avoid any further allegations of a conflict of interest? Will he do that?

Hon. Erik Nielsen (Acting Prime Minister): Given the nature of the questioning we have been hearing for six days, four last week and two this week, I am not encouraged whatsoever to believe that anyone in this Government will be free from allegations made by that Hon. Member and the rest of them.

* * *

AUTOMOTIVE INDUSTRY

STATEMENT ATTRIBUTED TO VICE-PRESIDENT OF HYUNDAI COMPANY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday he said that he had no knowledge of any ultimatum made by Hyundai that they could not or would not build in Quebec and also live up to their commitment to a $300 million purchase agreement. Norman Gibbons, Vice-President of Hyundai, said that the decision to waive the $300 million buy Canadian clause was made by the Minister personally, and that Hyundai would not have been able to build in Canada and also meet such a commitment. Can the Minister explain the apparent conflict?

• (1430)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member can well understand, I cannot speak for the representative of the Hyundai motor car company to whom he refers. All I can tell him is that our Department informs us that the $300 million figure, that the Hon. Member and others are bandying around, has absolutely no foundation. The number of cars that were imported last year would not have risen under the new agreement or the old agreement to anything like a $300 million export figure going from Canada. It is a pure fantasy.

Mr. Broadbent: What is the figure?

MINISTER'S ACTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, did the Minister personally waive the commitment that was undertaken by Hyundai to purchase in Canada to the extent of whatever amount he cares to attribute to it? If so, did he do this with the knowledge that Hyundai would not be prepared to build either in Quebec or Newmarket with that agreement in place?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again, with all due respect to the Hon. Member, he has missed the point.

Mr. Deans: It is not that I make the point, it is that you answer it.

Mr. Hnatyshyn: Let him answer.

Mr. Stevens: The point is that Hyundai—

Mr. Deans: Did you know?

Mr. Stevens: —in an over-all—

Mr. Deans: Did you make the decision?

Mr. Stevens: —in an over-all—

Mr. Deans: I do not have to listen to that garbage.

Mr. Speaker: Order.

Mr. Deans: Answer the question.

Mr. Speaker: The Hon. Member for Hamilton Mountain will come to order.

An Hon. Member: Give him a chance.

Mr. Deans: He knows what the question is.

Mr. Crosbie: Why don't you resign now, Ian?

Mr. Deans: The question is simple. Did he make the decision or did he not?

Mr. Speaker: Order, please.

Mr. Crosbie: Shirley Carr pulled the chain again.

Mr. Speaker: The Hon. Member for Hamilton Mountain and the Minister of Justice will come to order now.

Mr. Nunziata: Name him.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Glengarry—Prescott—Russell.

* * *

[*Translation*]

THE CABINET

CONFLICT OF INTEREST GUIDELINES—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion and relates to the code of behaviour concerning conflicts of interest.

In light of the points raised in the House today, what does the Minister of Regional Industrial Expansion intend to do to abide by code directive No. 16 which applies to Ministers and prescribes "—avoidance of—activities or situations that place public office holders in a real or potential conflict of interest . . . "?

Now then, what specific measure does the Minister intend to take, other than those he has taken so far and which have proven to be unsatisfactory?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, there is no difference between that question and the others that have been asked throughout six days now. It is the responsibility of the Prime Minister to ensure that the code of conduct is complied with by each and every Minister of the Crown. In the case of the Minister concerned, I have reassured the House time and time again that that compliance has been had and the public records in the ADRG's office will display that, if the Hon. Member takes the trouble to examine them.

BENEFIT SECTION REQUIREMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question concerns Section 35 of the code. Even if the Minister did not know before, now that we have told him and he knows that he benefited from a company doing business with his Department, has he or does he intend to file a declaration under the benefit Section 35 of the code which compels him to file when he has received a benefit from a company doing business with his Government? Has he done so, does he intend to do so and, if not, why not?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the short answer to that is, I have received no such benefit.

CODE OF ETHICS—ACTIVITIES OF MINISTER'S WIFE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister responsible for ethical standards in the Government. It involves a situation where a spouse is involved in a conflict of interest situation, in direct contravention of the September 9 letter from the Prime Minister. Setting aside the letter of the law, will the Minister comment on the basic question of ethics? Does he feel that it is appropriate for the wife of a Cabinet Minister to solicit funds on behalf of the Minister's company, from someone who she knows does business with her husband the Minister's Department?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, it is not my responsibility to hold seminars for the hon. gentleman on the question of ethics.

An Hon. Member: Just answer questions.

Mr. Rodriguez: Just to stonewall.

Mr. Nielsen: The answer is that Ministers of the Crown are required to comply with the code of conduct with respect to public office holders. I am satisfied, and have so informed the Prime Minister, that the Minister concerned has complied with that code of ethics. The hon. gentleman should have discovered that himself if he examined the records, which I am sure he has done by now.

PRIME MINISTER'S LETTER TO MINISTERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, a seminar is to deal with a theoretical question. It is a responsibility of a practising politician to deal with real issues.

Mr. Speaker: Order, please.

Mr. Cassidy: Is it appropriate for this position to have been taken, with a spouse doing business like that?

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question dealing with ministerial responsibility?

Mr. Cassidy: Is the Acting Prime Minister stating that the September 9 letter from the Prime Minister to the Ministers which says that they have an individual responsibility to avoid conflict of interests involving their spouses or their dependent children, is in fact a dead letter? Is that the position of the Government?

Hon. Erik Nielsen (Acting Prime Minister): Not at all, Sir.

REQUEST THAT MINISTER APPEAR BEFORE PARLIAMENTARY COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I want to inform the Minister, as did one of my colleagues, that on Thursday a parliamentary committee will consider the question of the Minister's conduct, the conflict of interest rules and alleged favouritism. Is he prepared to agree to appear voluntarily before that committee to clear the air?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am sure the Hon. Member would want to have the correct facts on the record and not leave any misunderstanding with respect to the situation. As I understand it, there has been a proposal put forward with respect to the business and agenda of that particular committee, but no decision has been made and the matter is under advisement. If there is anyone on that committee who the Hon. Member knows, he may be able to put his own point of view through that member on the committee.

COMMITTEE DECISION INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, will the Minister give his assurance that the decision will be made by the members of the committee and not imposed upon them by the Government, particularly by the Acting Prime Minister, and that if members of the committee want the appearance of the Minister of Regional Industrial Expansion he will be free to come? I ask him again whether he will come in that situation?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker—

Mr. Axworthy: He refuses.

Mr. Nunziata: Stonewall.

Mr. Hnatyshyn: He asked me whether or not the Government imposes its will on its Members. Members in this Party, unlike the Liberal Party where there is always the heavy yoke of Government intervention, are allowed to make up their own minds on all the issues.

Mr. Althouse: Why don't you allow them to speak for themselves, then?

* * *

AUTOMOTIVE INDUSTRY

AGREEMENT WITH HYUNDAI COMPANY—MINISTER'S ROLE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It follows the question asked by my colleague from Hamilton Mountain. I want to put my question to the Minister directly. Did the Minister personally make the decision to exempt Hyundai from its FIRA commitments and did he do so with knowledge of the threat made by the officials from Hyundai that, otherwise, they would close the factory in his own constituency?

• (1440)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, to perhaps give Hon. Members an indication of how bizarre the opposition questioning is becoming, when the Hon. Member refers to closing a factory in my constituency, the fact is that when the MOU was entered into, that factory was not even built, the ground was not even broken.

MINISTER'S KNOWLEDGE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, a senior official from Hyundai said Monday: "If Stevens had not dropped the Canadian purchase commitment the company would have had to abandon either the parts plants in Stevens' riding—"

Mr. Speaker: Order, please. Just a question.

Mr. Langdon: I ask the Minister directly, did the Minister have knowledge of this decision, did he make it personally with respect to the FIRA commitment, and did he do so with knowledge of such threats as these from Hyundai?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think it is unfortunate—

Mr. Broadbent: That's right, yes.

Mr. Stevens: —when a sizeable international firm, in this case an automotive manufacturing concern, decides to invest in Canada and it is so maligned in this House of Commons—

Mr. Broadbent: Maligned? It's you. We're not criticizing it, we're criticizing you. Did you hear the question?

Some Hon. Members: Oh, oh!

Mr. Stevens: —by Opposition Members.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Why don't you resign.

Mr. Speaker: Order, please.

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RAILWAYS

B.C. RAIL DERAILMENT ACCIDENT IN WEST VANCOUVER—REQUEST FOR INQUIRY

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of Transport. In light of the seriousness of an incident which occurred yesterday morning when 10 rail cars of a B.C. Rail freight train derailed in the backyards of a residential area of West Vancouver, British Columbia, causing an estimated half a million dollars damage to municipal and residential property, with the derailment stopping one car short of cars carrying LPG products, will the Minister order an inquiry into this accident? What assurances can the Minister give to the residents along this densely populated rail line that their lives and property are adequately protected?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member is aware that B.C. Rail is a railway which comes under provincial, not federal jurisdiction. Notwithstanding that fact, our CANUTEC people have been advised of the issue and we are monitoring it very closely. Any investigation or corrective measures which may or may not be taken come under the responsibility and jurisdiction of the provincial Government.

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ENERGY

PETROLEUM AND GAS REVENUE TAX—REQUEST FOR ASSISTANCE FOR SMALL OIL PRODUCERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Acting Prime Minister. The Government refuses to listen to the needs of the energy industry. Even the Acting Prime Minister must realize that most small oil producers were not paying the petroleum and gas revenue tax in the first place. Why would the Government give an exemption from this tax which does practically nothing to help these people? When is the Government going to do something concrete to help the small oil producers?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, finally we have a sane question in this House.

Mr. Speaker: Oh, oh!

Mr. Blackburn (Brant): Too bad it's wasted on you.

Mr. McDermid: I could answer the Hon. Member this way. With the dismantling of the National Energy Program most small producers have money today that they would not have had under the old program. That is the first thing, and I think it is very important. Second, the Hon. Member stands up and continues to cry help, but never gives us one iota of a suggestion as to how the Government can help. We took action last week. It was received positively in the oil patch. We are continuing to work with our provincial counterparts in helping this very necessary agency.

PETRO-CANADA—REQUEST FOR INCREASE IN PRICE TO PRODUCERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government did nothing for the small producer. The one thing it can do for the small producer is to tell Petro-Canada to pay them a fair price for their product.

Some Hon. Members: Hear, hear!

Mr. MacLellan: When is it going to do that?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): They are sucking and blowing at the same time, Mr. Speaker.

Ms. Copps: You are sucking and blowing at the same time.

Mr. Rodriguez: You are an expert.

Mr. McDermid: One time they are asking—

Mr. Speaker: Order. That is not necessary. Just an answer, please.

Mr. McDermid: One time they are asking us to lower the prices to the consumers, and then they are asking to raise the price to the producers. They cannot have it both ways.

Mr. Guilbault (Saint-Jacques): That's too complicated for you.

Mr. Speaker: Order, please.

CHALLENGE '86

HIRING OF STUDENTS BY MAGNA INTERNATIONAL

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Apparently the Minister thinks that Canada needs auto parts more than children, otherwise why did her Challenge '86 Program cut back, compared to last year, 20 student day-care appointments in the riding of Spadina and divert the money for the hiring of 15 students for telephone marketing summer employment for Magna International which has no operation in Spadina or even in Metro-Toronto?

Hon. Andrée Champagne (Minister of State (Youth)): Yes, Mr. Speaker, we have done our best this year to ask the private sector to get very much involved and create jobs for young students—

Mr. Blackburn (Brant): You picked up the wrong script.

Mrs. Champagne (Saint-Hyacinthe—Bagot): —jobs where they will learn the skills they will need after graduation.

Mr. Axworthy: Where did you get your loan?

Mrs. Champagne (Saint-Hyacinthe—Bagot): As well, the public sector and all communities are getting their fair share and an awful lot of jobs will be created—

Mr. Broadbent: That's the wrong page.

Mrs. Champagne (Saint-Hyacinthe—Bagot): —there as well through Challenge '86.

DAY-CARE WORK EXPERIENCE

Mr. Dan Heap (Spadina): Mr. Speaker, since the Minister knows well that these students, most of them women, in order to be eligible to study early childhood education, must have hands on experience in day-care work. Why does the Minister deny that experience to more than half of them, compared to last year, in order to give it to telephonists?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the figures quoted by the Member are not really true.

Mr. Deans: Woops! Absolutely true.

Mrs. Champagne (Saint-Hyacinthe—Bagot): Forty-eight per cent of the applications which have been approved right now have come from the private sector and account for 39 per cent of the moneys which have been allocated. Fifty-two per cent of those applications which were approved come from the municipalities and the public sector and account for 61 per cent of the money allocated. As the Hon. Member can see, the community and public sector are very well served.

Miss MacDonald: Hear, hear!

REFUGEES

REFUGEE STATUS—POSSIBLE ABUSE BY TERRORISTS

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Under Canadian immigration laws an individual claiming refugee status is entitled to full access to the refugee determination process. Under this process it is a possible that a terrorist or unconvicted criminal who declares himself a refugee would get exactly the same treatment as an individual from the East Bloc who is claiming political asylum. Are there presently any measures underway which would prevent abuse of our immigration system, thus saving the Government the long, costly process of trying to deport a terrorist?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I welcome the opportunity to assure the Hon. Member that the Immigration Act does provide powers to arrest and detain any known terrorist. As the Hon. Member will know, we have in place a security mechanism to detect any terrorists who may be seeking to enter the country. They would not in any way receive the same treatment as a *bona fide* refugee. They would be detained and after due process be deported.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

USE OF OFFICIAL LANGUAGE OF CHOICE—SUPREME COURT DECISION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a question for the Minister of Justice. The Supreme Court of Canada has ruled that any citizen may plead in English or French before federal courts. It has also stated that the federal State may use the official language of its choice in court action against the accused.

In practice, will the Government of Canada adopt a policy whereby the federal Government will use the official language of the citizen, both in criminal proceedings and in other spheres under federal jurisdiction? Yes or no?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there will be amendments to the relevant legislation proposed to this House before this year is out dealing with these matters. I can assure the hon. gentleman that we will make clear what the rules are and that the use of both official languages will be treated equally in federal courts. Certainly it is our policy that all documents and summonses issued by federal courts, or wherever we have authority, will be in both official languages.

[*Translation*]

REQUEST THAT THE GOVERNMENT MODIFY THE LAW—FEDERAL PROSECUTORS TO USE OFFICIAL LANGUAGE OF ACCUSED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I thank the Minister for his answer. Will the federal Government, that is the federal State, be compelled to take court action against an individual in the language of this individual? If we really want an effective statute, will the federal Government introduce a constitutional or other amendment requiring federal Government counsel to use the language of the accused?

• (1450)

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can only assure the hon. gentleman that the present Government of Canada has done everything it can to improve bilingual services in the courts, including opening language training to both provincial and federal judges. We are meeting with the provinces, and at our insistence they have each agree to work out a schedule with us so that criminal trials can take place in both official languages across the country. All of this is a great deal more progress than was made by our predecessor.

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CURRENCY

PRODUCTION OF BLANKS FOR NEW DOLLAR COIN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Supply and Services. On March 25, the Minister announced that Canada will have a $1-coin. At that time he also indicated that Inco would produce the nickel blanks for the coin and Sherritt Gordon would put the bronze plating on the coin. There seems to be some confusion now about whether or not Inco will get the order for the blanks.

Mr. Speaker: Question, please.

Mr. Rodriguez: Can the Minister clear up the confusion right now by confirming that Inco will in fact produce the nickel blanks and Sherritt Gordon will put the bronze plating on the coin?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I do not know where the confusion arises. We agreed to adopt the all-Party recommendation that the mining and smelting of the nickel be done in Canada. Inco is going to produce the nickel. It is up to Sherritt Gordon to decide who it wants to do its work. That decision rests with that company.

ROLE OF INCO

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, will the Minister clearly indicate to the House whether or not Inco will be given the order to produce the nickel blanks on which Sherritt Gordon will then put the bronze plating? Will the Minister answer that specific question and not confuse it with nickel smelting—

Mr. Speaker: Order, please.

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, production of the coins has been given by contract to Sherritt Gordon and whatever arrangements it wishes to make with Inco is within its jurisdiction.

Mr. Rodriguez: A supplementary, Mr. Speaker.

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

CANADA-U.S. EXTRADITION TREATY—EXCLUSION OF COMPUTER CRIMES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is for the Minister of Justice. The current extradition treaty between Canada and the United States does not take into account crimes involving computers. Can the Minister tell the House if he intends to add this important and growing area of criminal activity to the treaty list, or will he abandon all together the list of specific crimes that currently exists and replace it with more general criteria?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member puts her finger on one of the inadequacies in our laws, that is that the extradition treaties and legislation are of great antiquity and go back to the early years of this century. We in the Department are working with the U.S. and are trying to reach a modern, up-to-date treaty that will cover extradition and such crimes as the Hon. Member has mentioned.

By the way, I would like to let the Hon. Member know that 44 per cent of all our judicial appointments have been either bilingual or Francophone.

Some Hon. Members: Hear, hear!

* * *

CURRENCY

PRODUCTION OF NEW DOLLAR COIN—ROLE OF INCO

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Supply and Services. Is the Minister aware that the Ottawa Bureau of the Sudbury *Star* has on tape the word he gave at the press conference on March 25 at which time he promised that the blanking work would go to the International Nickel Company? Is the Minister prepared to live up to the word he gave at that press conference on March 25?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I do not have a verbatim recollection of what was said at the press conference but to clarify, if I said something that has misled someone, as I have said in response to my friend who just crossed the floor only for a moment—

An Hon. Member: Thank God.

Some Hon. Members: Oh, oh!

Mr. McInnes: —the smelting and mining of the nickel will be done in Canada. Sherritt Gordon has a contract to produce the blanks. It can involve Inco in any phase of the operation it wishes. That is up to Sherritt Gordon.

OPPORTUNITY TO BID ON WORK

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, can the Minister explain to the House why it is that the International Nickel Company is not being allowed the same opportunity to bid on the blanking work as Sherritt Gordon, which is from the Province of Alberta, has been given?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, we received an all-Party recommendation from the House and we followed it absolutely.

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LABOUR RELATIONS

CANADA PLACE PROJECT EDMONTON—APPLICATION OF FAIR-WAGE GUIDELINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Labour and pertains to the $200 million Canada Place project in downtown Edmonton. Why has the Minister not had his Department ensure that the federal fair-wage guidelines that should be associated with this project were followed in order to enable the construction workers to receive a fair wage and have reasonable working conditions?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, strictly because the building to which the Hon. Member has referred is being built by Trizec, a private corporation, and not by the federal Government.

CIRCUMVENTION OF FAIR-WAGE GUIDELINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, perhaps the Minister would explain why the big sign out in front of the project says: "Public Works Canada, the site of

Canada Place". Would the Minister not admit that using this construction technique is simply a way around letting construction workers in that province receive a fair, decent wage?

Hon. Bill McKnight (Minister of Labour): No, Mr. Speaker, I would not.

* * *

IMMIGRATION

PERFORMANCE EVALUATION OF EMPLOYEES—USE OF NUMERICAL INDICATORS

Mr. Sergio Marchi (York West): Mr. Speaker, yesterday in response to the use of enforcement quotas in appraising the performance of Immigration officials, the Minister said the following:

> Numerical indicators are used only for statistics and in the process of planning and organizing.

If that is so, why did his Deputy Minister state the following in a memo dated March 13:

> Numerical indicators may be relevant in evaluating the productivity of employees.

Does he not realize that a conflict exists? When will an inquiry be struck to eliminate such practices?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member will know that a study was held and that this is but one of a number of factors in the overall appraisal.

NATURE OF INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, then the Minister was misleading the House yesterday because he clearly stated in the House that some practices are not—

Mr. Speaker: Order, please. Order. Just a question.

Mr. Marchi: Mr. Speaker, I return to the premise of my question. If an inquiry has been struck, can the Minister tell us when it was and what kind of an inquiry it was because such declarations made by a Deputy Minister run in the face of what this Minister told the House yesterday.

Hon. Walter McLean (Minister of State (Immigration)): Speaker, I repeat, every manager uses numeric ongoing data in order to keep statistics and records and their operations. This is the situation in this case.

Point of Order—Mr. Deans

REGIONAL INDUSTRIAL EXPANSION

LOSS OF DEVCO CONTRACT IN CAPE BRETON

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. His Department, through Devco, allowed the offshore fabricators to lose a contract for Cape Breton. Can the Minister explain how we are going to promote jobs in the Cape Breton region if he is going to let those contracts go offshore?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the contract to which the Hon. Member is referring is one for which Devco solicited various bids, including a bid from those in Cape Breton. After due consideration and the weighing of various bids, it was found that the Cape Breton bid was substantially higher than the other bids.

• (1500)

We have left that entirely to the management and board of DEVCO. Any decision they have made has been purely on commercial grounds after giving due consideration to what they regard as preferential treatment for any Cape Breton bidders.

* * *

POINT OF ORDER

RESPONSES TO QUESTIONS—DEPUTY PRIME MINISTER'S RESPONSIBILITY—MR. SPEAKER'S RULING

Mr. Speaker: Order, please. Yesterday the Hon. Member for Hamilton Mountain (Mr. Deans) raised a point of order concerning the propriety of the Deputy Prime Minister (Mr. Nielsen) answering questions in the event that the Prime Minister (Mr. Mulroney) is present in the House at the same time. He made the point that while the Deputy Prime Minister becomes the Acting Prime Minister during the Prime Minister's absence, he cannot be considered the Acting Prime Minister when the Prime Minister himself is present in the House.

The Prime Minister answers for the Government as a whole and is entitled to answer any question he chooses to answer relating to any ministerial portfolio and any matter of policy. He is equally entitled to delegate this responsibility to the Deputy Prime Minister, a responsibility the latter would normally exercise as Acting Prime Minister during the absence of the Prime Minister.

The Prime Minister may also delegate specific matters to the Deputy Prime Minister. As we know, the Deputy Prime Minister has the current responsibility of dealing with matters relating to conflict of interest and the guidelines by which Ministers are bound. It would therefore seem logical that the Deputy Prime Minister should continue to answer questions concerning conflict of interest, even if the Prime Minister were

in the Chamber, unless the Prime Minister chose to deal with such questions himself. In this case he would be answering not as Acting Prime Minister; he would be answering, like any other Minister, for a matter falling within his assigned responsibilities.

In the final analysis, Ministers are under no obligation to answer questions at all, and the distribution of responsibility in answering them is a matter for the Government to decide. Any Minister may answer any question regarding a matter over which he or she has ministerial responsibility, although the Chair would ask Ministers to consider indicating to the House the ministerial capacity in which they are replying when that is not self-evident, in the way, for example, that the Deputy Prime Minister so explained his assigned responsibility for conflict of interest matters.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Garneau (p. 12980).

Mr. Speaker: Order, please. I see the Hon. Member for Papineau (Mr. Ouellet) seeking the floor. Since the Hon. Member for Shefford (Mr. Lapierre) has finished, his remarks, I must recognize the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is a pleasure to rise in the debate on the Bill dealing with federal contributions to the financing of post-secondary education and health care in Canada. It is particularly a privilege to take part in the debate because of the great importance of federal contributions in developing our health care and our post-secondary educational systems over the years. Those contributions were of enormous importance in the 1960s and 1970s, but very unfortunately they have declined in the last years. This has had the effect of creating uncertainty in post-secondary education and also in particular in our health care system.

I have only a few minutes this afternoon in which to take part in the debate by expressing my concerns.

Mr. Speaker: Order, please. The noise in the Chamber is not fair to the Hon. Member; it is simply not fair to the Hon. Member who has the floor.

Mr. Epp (Thunder Bay—Nipigon): I have only a few minutes this afternoon to comment upon the proposals which the Government has put before us regarding contributions over the next years toward health care and post-secondary education. I want to take those minutes to comment particularly on the effect of declining rates of increase on our universities and colleges because it is there that the crisis in education, research, and the development of the country is most clearly to be appreciated. Our universities and colleges are important in achieving the kind of economy and society which we will require in the last years of the 20th century. Therefore, the proposals of the Government deserve very severe examination. We need to press the Government to reconsider its proposals and to open up the matter of financing for health care and post-secondary education as it deserves to be opened up.

Against this background of general observations, let us take a look in some detail at what has happened during the past 20 years in the development of support from the federal Government for post-secondary education. In fact, we could go back 20 years to a federal-provincial conference which was held in 1966. That conference arrived at understandings among the provinces and the federal Government for support by the federal Government toward post-secondary education. Under those arrangements the federal Government advanced 50 per cent of provincial contributions to post-secondary education to the provinces for those purposes. As a result universities expanded during the late 1960s and early 1970s. Particularly in the Province of Ontario universities finished their construction and were prepared to take in students. Enrolment in universities and colleges grew rapidly, and the support of the federal Government for these purposes was sufficient to meet the need. Through the mid-1970s the arrangements on shared cost financing of post-secondary education had been well developed under arrangements dating back to 1967.

All of these facts have been well surveyed by Mr. Al Johnson who is now a professor at the University of Toronto. The current issue of *Policy Options* has taken a look at the situation in universities. Mr. Johnson considered what took place from 1966 -67 through to 1977. He commented upon the efficacy and upon the usefulness of the system. Then he went on to say the following:

> This is what renders utterly incomprehensible, to me, the decision of the Trudeau Government, ten years later, to abandon the post-secondary education financing arrangements,

That one sentence expresses the astonishment of someone who has given close attention to the matter and conducted a study on post-secondary education for the last Government. He pointed out that the consequence of the established programs financing Bill, to which we are now considering some changes, had the effect of removing the shared cost arrangements between Ottawa and the provincial Governments. As a consequence, when Ottawa transferred funds to the provincial Governments, the provincial Governments were under no obligation to advance those moneys to the universities. They could use them, strings untied, for any purpose at all. As a result, provincial Governments have put less and less provincial

money into universities and colleges. They have allowed more and more of the burden to be borne by the federal Government through these contributions because there was no check on them or no obligation at all, although one would think there would have been an obligation of honour.

I should like to refer to the eventual result in the worst cases. British Columbia poses a startling and stark example of how it could be abused. B.C. universities received less from their provincial Government than the federal Government had advanced to the Province of British Columbia for post-secondary education. In fact, the Province of British Columbia was making money on established programs financing.

The result has been that Canadian universities and colleges have not received the funds they needed in order to carry on their programs. When the federal Government cut back on its contributions in the 6-and 5-period, it exacerbated the problems which had been created by the arrangements of 1977. When the funds universities needed were growing by only 2.5 per cent in real terms while the number of students enrolling in universities grew by 27 per cent and the students enrolling in colleges grew by 36 per cent, a new Government came into office and contemplated the situation. What we were looking for from a new Government was for it to say that, for whatever reason, the Trudeau Government made a fundamental mistake with the 1977 Act. We needed to throw out the 1977 Act and try to return to the arrangements of 1967 and ensure that federal contributions matched provincial contributions so that the university and college system of the country would again be financed on the basis it should.

• (1510)

In an era when free trade is the issue before us all, the quality of the Canadian workforce, the techniques in our factories, the levels of production and the sophistication of the production we want to achieve are important issues. From the economic perspective, the importance of universities and colleges to advance our basic research capability is paramount. I say that not because I want to ignore the other areas of social and cultural importance that universities and colleges also support—because as a professor in an arts faculty I would hardly be ignorant of those things—but to emphasize the enormous economic importance of a strong post-secondary education system.

What has the Government given us? Instead of fundamental reform, it has rejected the EPF arrangements and rejected the development of a system in which federal contributions would encourage growing provincial contributions and adequate support of post-secondary education. We see changes being made in the spirit of six and five. We see the federal Government reducing the rate at which contributions to post-secondary education were expected to grow. We see provincial Governments being told that there will be less money than they expected and that the universities and colleges will have to do what they will.

In this context we see another failure of policy. Mr. Johnson says in his article that it was not that there was any plan here for a different way of doing things and it was not that Governments were saying: "Let's shift the burden to students." That is an action, though, which the Government conceivably might want to take. It might want to think that families and young people should be able to come up with the resources to support their own education, but it is not something my colleagues and I would favour at all. We would want to go in the opposite direction. We would want to see assistance to students expanded and the amount of tuition and other costs students have to bear for their education reduced. It is not that there is any such plan made explicit. There is nothing here except one instance of a Government's desperate desire to reduce its expenditures. It is one more desire to hold the lid on things without any serious recognition of what the consequences are going to be for the country.

I see that my time is almost up, but I want to express most serious alarm about the consequences for Canadian universities of the established programs financing and call upon the Government to abandon these arrangements, take up the report of Mr. Al Johnson and arrive at the kinds of arrangements that will give us the capacity in teaching and research which the country needs so desperately.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity to speak today in the debate on Bill C-96 to amend the 1977 legislation on federal-provincial fiscal arrangements and, more specifically, the contributions granted by the federal Government to the provinces for secondary education and health care.

My hon. colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), has proposed an amendment to the Bill, urging the House to refuse further consideration of a Bill whose principle consists in unilaterally reducing federal payments to the provinces for post-secondary education and essential health services. I want to say that I give my unqualified support to this amendment by my hon. colleague from Laval-des-Rapides, because I think it is absolutely intolerable that the Government, after promising it would treat the provinces with civility, would never act unilaterally, and would ensure that any decision by the federal Government would be taken after prior consultation with the provinces . . . Well it is obvious that Bill C-96, the Bill before the House today, is a complete reversal of what the Conservative Government promised. Once again, this Government has failed to keep its word. Once again, the Conservative Government has failed to meet its commitment to the provinces of Canada. I fail to understand why there are no Ministers or Members from Quebec to protest this absolutely unconscionable decision on the part of the Canadian Government.

Indeed, according to the figures which we were provided with, the province of Quebec will lose some $2 billion over the next few years because of that decision reached by the Tory Government. Gilles Lesage, Legislative Assembly Reporter for

Le Devoir, wrote the following on May 3rd, after the Budget brought down by the Quebec Finance Minister, and I quote:

The kind and gentle Gérad D.—

He is the Quebec Finance Minister.

—whom nobody would ever suspect of dark secessionist designs, is urging his federal counterpart to respect his commitments on equalization payments and to negotiate in good faith on fiscal arrangements, instead of transferring part of his deficit to the provinces, without the latter having their say.

Mr. Garneau: Right on!

Mr. Ouellet: Mr. Lesage goes on to say, and I quote:

He is calling for fairness, justice, respect for the Constitution and regard for one's own word. Nothing less.

Mr. Speaker, such comments by the Quebec Finance Minister concerning this Conservative Government are clearly very serious. And nobody can claim that this is another of those famous federal-provincial bickerings that implied hostility between a Liberal federal Government committed to serving Canadian interests and a separatist Quebec Government committed to serving the interests of Quebec independence. One could understand at the time that there were not only opposing views but basically conflicting goals that necessarily led to confrontation between the provincial and federal levels, to public quarrels between those two Governments because there was no way they could agree on anything.

But now, Mr. Speaker, the situation is altogether different. We have here in Ottawa a Conservative Government which of course is respectful of provincial jurisdictions and which is committed to doing nothing without negotiating with the provinces, and in Quebec on the other hand we have a Liberal Government which is respectful of Canadian unity and which is only asking that this Government live up to its commitments. Indeed, columnist Gilles Lesage writes, and I quote:

So, Quebec is in favour of a Federal withdrawal from certain areas.

The Quebec Government fully understands that, under certain circumstances, the Government of Canada may wish to withdraw from certain areas. I quote:

But it cannot accept such a withdrawal without negotiations with the provinces and, more importantly, without a compensation in terms of fiscal transfers. It (the Quebec Government) wishes therefore a global negotiation of the major programs involved.

If Ottawa can no longer assume its responsibilities regarding some transfer programs, it should withdraw from these areas in return for a compensation in terms of additional tax points. The negotiations would determine the extent of the fiscal field to be allocated to the provinces which desire to assume fully their constitutional responsibilities.

Finally, the Quebec Government considers that a formal agreement between the two levels of Government would be the only way to confer on the fiscal arrangements a more permanent, stable, and less arbitrary character than the current arrangements.

Mr. Speaker, it is obvious from reading this article that the present Conservative Government is not willing to proceed clearly, objectively, even honestly in its negotiations with the provinces.

During discussions with the provinces, the previous Federal Government had considered the possibility of transferring tax points. As we know, this has been done in the past. Tax points have been transferred to the provinces in order for them to better assume their responsibilities.

I suggest the present Conservative Government has assumed an unspeakable attitude, and that my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau) had every reason to move a motion calling on the House not to accept this Bill at this time. Why? Because this Bill will affect all provinces and cause them to lose billions of dollars over the next few years because of a unilateral decision of this Conservative Government.

Second, because the Government is merely transferring its own deficit to the provinces, which is entirely unacceptable in the present situation.

Third, because the Government has acted unilaterally, without the consent of the provinces and above all has failed to respect the tradition of federal-provincial arrangements. And also because during the last election campaign, the Conservatives promised to observe current arrangements for transfer payments to the provinces, especially for post-secondary education and health care services, because as we all know, there are some areas where costs have increased considerably and the provinces have to foot a much larger bill.

Today, it is utterly irresponsible on the part of the Canadian Government to withdraw from its commitments. It is leaving it up to the provinces to cope with an aging population which means more expenditures and health care, and it is letting the provinces foot the whole bill for post-secondary education, a sector that is extremely important to a country that wants to hold its own internationally and that must have a well-educated and above all specialized population in order to meet international competition today.

Finally, Mr. Speaker, I maintain that if this Bill is approved by the Government, it will be a disgrace for all those Conservative backbenchers who are shirking their duty, who are not defending the interests of their voters, and especially for that bunch of Conservative yes-men from Quebec who go along with anything the Minister of Finance (Mr. Wilson) wants to do, in this case, deprive the province of Quebec, over the next few years, of $2 billion Quebec would need to adequately fund education and especially health care programs.

• (1520)

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the effect of Bill C-96 is to reduce transfer payments to the provinces for the funding of health and post-secondary education. This legislation should, of course, be condemned. I hear one of the Government Members saying that it is all going to increase. That is an argument the Liberals could have made. They, of course, exhibit their own inconsistencies of argument.

It is not really enough to condemn this legislation. We should be censoring the Government, not only for policies

inconsistent with the role and necessity of post-secondary education in the country, but for a variety of policies and policy failures which seem to be designed to place the university and college system at a level equal to that of a fourth or fifth-rate nation.

There are those who would want to address the issue of the funding of health care and the effects this legislation will have on the hospitals, patients, and healthcare workers of the country. However, I think it is time to focus on the terrible inconsistency between what the Government says it stands for and what this legislation reflects. I have heard many speakers refer to the fact that the Government claims to be committed to having Canada enter into the late 20th century competition in science and technology, compete effectively in international markets, and use secondary manufacturing and research and development to ensure that our resources benefit us commensurate with their value, which can be enhanced by the entry into the equation of human creativity and so on. This morning we heard of the concern of the Science Council about the failure to anticipate what the result will be of the failure to develop a sound science and research policy for the free trade negotiations and what could be the free trade fact of the future.

Perhaps it is time to reflect on what the universities and colleges of our country mean to us. There is no doubt that universities provide a place where basic research occurs and knowledge is expanded in a fashion which will materially affect our future economic growth, although we sometimes infer from the positions which the Government takes that it is not completely cognizant of the relationship between basic science and industrial development and the fact that one cannot contrive basic research in order to accord with whatever notion one has of economic development and the growth of technological industries. Although the role is significant, it is significant in a way which politicians sometimes cannot quite understand.

I think it is time to emphasize the fact that it is not only technological and hard science research which occurs in universities. The university is a place where knowledge is expanded and new knowledge is discovered. This new knowledge contributes to the civilization, humanization, and economic development of our country. As well, we must emphasize that the university is a place where young people learn and teaching occurs. Leadership develops there, as do the people who are going to continue to contribute to Canada as a civilized place to live. It is also a place where opportunity can be gained by so many of our people who were not born with a silver spoon in their mouths. It is a place where people can break through the fences which have stopped them from making their mark in our society, a mark which in the past was determined by family background, class or whatever. It is in a sense a place of equalization of opportunity for so many people. Yet we have had a series of Governments which have failed to acknowledge the important role which post-secondary education should play in the development of policy.

• (1530)

A number of events have been affecting the university system. There have been a number of reports, including a royal commission in Nova Scotia, a commission in Ontario, as well as the Al Johnson Report and the Macdonald Report. There has been a great deal of formal focusing on concerns in the universities. There has been some expression on the part of the university community about the failure of the federal and provincial Governments to arrive at an agreement for a system of funding universities and colleges in a way that addresses the very severe circumstances in which they are struggling. These circumstances have been a repeated topic of debate, so Government Members should be perfectly aware of the crisis in the university system.

The crisis takes a number of forms of expression. The most important is the increasing number of recommendations appearing in all these reports concerning substitutions for funding not being provided by the federal and provincial Governments. A recurring theme among many of these reports is the statement that universities can no longer continue to place the emphasis on accessibility which characterized the previous two decades. The argument seems to be that this has been done at the expense of the very best in our society, meaning those who in the past have had easy access to university by virtue of wealth or family position. We have reports which say that fewer young people should go to university. We have reports which say quite explicitly that the trend towards equalization of opportunity, which has characterized the last two decades, should be turned around. Perhaps we should have fewer of the poor, fewer mothers, fewer disabled and fewer minority members attending university because that compromises the ability of universities to do research.

There has been another suggestion, that if we need to fund university research, then let's hook up the universities to industry. Let's make grants conditional upon an equivalent contribution by industry. The universities should be more pragmatic, connected more to the economic process in the surrounding communities. However, what we will then find is that basic research, which is so essential to universities, is going to be sacrificed. More important, the university and college system will be steered in the direction of priorities established by business people and corporations which would like the universities and colleges to be their handmaidens. The results are clear. It would mean less emphasis on teaching. If the university fails to teach, then it fails to fulfil its mission.

I could go on citing the effects of no policy or bad policy or inconsistent policy, and my colleagues would have me continue as well. However, I see you crossing your hands, Mr. Speaker, and as a consequence I shall concede the floor to the next speaker.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it gives me a great deal of pleasure to rise to speak once again on this Bill. In particular, it gives me the opportunity to ask the

Government to correct an error in judgment. The Ministers concerned should go back to their provincial counterparts, the Ministers of Education and Ministers of Health and Welfare, and get the proper input so that we can avoid the drastic effects which are possible as a result of this Bill.

Like every other elected Member of this House, whether Minister, Parliamentary Secretary, back-bencher or, as my hon. friend from committee would say, private Member, I have a fundamental duty and responsibility to respond to the needs of my constituents. With that in mind, it is kind of sad that I have had to defend the needs of my constituents on so many occasions over the last few weeks. I have had to stand up and ask for an employment equity Bill which will allow the targeted groups, such as visible minorities, women and the handicapped, real access to real jobs. I have had to stand up and talk about the competition Bill and the real fear of people in my riding, indeed across the country, about the concentration of power and the fact that there is a sense of powerlessness in addressing those concerns. And here I am again, speaking, as I did the other day, on a Bill which addresses itself to equalization payments.

I do not believe there is anyone in this House who does not have a real sense of compassion and concern for the health of our society and its communities. We are concerned about education, particularly the education of young people. I, for one, am also concerned about the education of women, particularly those who are coming back into the workforce. This Bill can have very negative effects on the lives and future potential of many of those people. When you cut funding for education and health care, you are damaging the quality of life in this country, a quality of life of which Canadians have been very proud.

As Members of Parliament, our pathway to this House has been people. Our success here is determined by how we are able to meet the needs and concerns of the people in our society. I think it would be very wise for the Government to reconsider its plans, readdress its programs, and focus its agenda by discussing these issues with its provincial counterparts. I can say in retrospect from my seat here in the Parliament of Canada, along with all of my colleagues, that it is my responsibility to react to and to formulate the laws of this land. I see and I appreciate even more the partnership role one finds within the volunteer sector and this parliamentary wing of our society.

• (1540)

Those of us who ignore the groups which come to speak to us, the volunteers who give freely of their time, effort, energy, concern and consideration, do so at our peril. The volunteer sector fulfils a very vital and key need in our institutions, particularly in our health care institutions. They cannot do the whole job. The volunteers bring caring, sharing, thoughtful consideration, concern and interest with respect to the programs that we have put into place. They are less rigid, less formal and can respond to the needs of the citizens. Because of the bureaucratic nature of our institutions, schools and hospitals, we must keep in mind what is being said to us. We are very vulnerable in the kinds of cuts we may make. If you allow this Bill to go back for consultation the institutions in the provinces are in a better position to start to consider where they may tighten their belts without adversely impacting on either the education or the health structures in the provinces.

We cannot just tell the Canadians to pay their taxes, we must decrease the deficit. You also have to consider the quality of life and where you are going to make up for what you consider to be the key factor in all your deliberations and all the policy positions, that is, the reduction of the deficit. The deficit should be reduced, and I hope that you and I together can find effective and efficient ways to reduce it, but not on the backs on our youth, their potential for education and their future, and not on the backs of the sick and the elderly. Hospitals are already overcrowded, and there is a need for excellence in these services and for the development of new and ongoing programs to meet increasing needs.

This is a society that is undergoing stress. There is tremendous need for mental care. There is tremendous need for facing up to what happens when people lose jobs and lose their sense of self-worth. We will pay more in terms of cost of service to ourselves if we are not wise, careful and capable in the decision as to where we will cut.

As reported at page 12888 of *Hansard*, I asked the Minister of State for Finance (Mrs. McDougall) what she felt and how she responded to the concerns that were expressed in the Quebec Budget. Her answer was the following:

—the Minister of Finance for Quebec reflects some misunderstanding of the formula which was arrived at last year.

I think this indicates a lack of consideration and concern, and indicates even more strongly the need to go back and consult with the provinces.

There was an article in *The Gazette* referring to a questin of mine, and although it does not attribute the question to me, I did ask it. "Quebec surtax not Ottawa's fault: McDougall". The article, covered by CP, says:

Quebec has misunderstood the formula for calculating federal aid for the provinces if it believes Ottawa is to blame for a multi-million-dollar provincial surtax imposed Thursday, junior Finance Minister Barbara McDougall says. McDougall told the Commons that Quebec received fully half of a special equalization payment granted to several of the poorest provinces last year, but because the Quebec economy is doing better than forecast 'the payment does not work out quite the way it did' at first glance. McDougall did not elaborate on how the misunderstanding might have occurred but reiterated that while the growth of the payment has been slowed they will continue to grow faster than the rate of inflation.

Quebec Finance Minister Gérard D. Lévesque announced a $152 million surtax on companies, municipalities and provincial Crown Corporations in the budget he presented Thursday.

He said the surtax was designed to make up for a $148 million shortfall in payments to Quebec from Ottawa intended for health care and post-secondary education and as part of Quebec's equalization payments.

The article goes on to point out that Robert Bourassa said the following:

—Ottawa is discriminating against the province by denying it $66 million it is owed in health and higher-education payments.

Liberal MPs have also demanded in recent weeks that federal Finance Minister Michael Wilson honour a commitment that equalization payments to Quebec not drop by more than 5 per cent a year.

I suggest that this article should be read carefully. The payments to Quebec should return to the 95 per cent floor. If this Government thinks they should be 92.8 per cent, then I would point out strongly that this is one more demonstration of lack of understanding, lack of good faith, and, as might well be the case, lack of goodwill.

I heartily approve the move by my colleague to delay this Bill until it goes back for rediscussion of its implication for the provinces.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet)—Canada Mortgage and Housing Corporation—Rural and Native Housing Program; the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano)—Unemployment Insurance (a) Date of Decision to Apply Regulation with Regard to Early Retirees; (b) Inquiry How Minister can Pretend to Have Informed Beneficiaries in Advance; the Hon. Member for Don Valley East (Mr. Attewell)—Young Offenders Act—Introduction of amendments—Minister's position.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Garneau (p. 12980).

Mr. Les Benjamin (Regina West): Mr. Speaker, yesterday when I spoke on the amendment to this Bill I mentioned that this was not a time to be reducing the total amount of expenditures for health care and post-secondary education. I think all Members would agree that whatever funds the federal Government provides for health care and post-secondary education, the federal authority, in order to carry out its responsibilities, must make sure that those funds are spent well and efficiently from an administrative point of view for the delivery of health and educational services by the provinces.

We say there is probably a greater need for the federal Government to examine more closely, through agreed upon audit procedures, how well the provinces are distributing those funds, whether or not they are being distributed for purposes that they were intended, and if they are not, whether funds are withheld. That is perfectly legitimate. So a province such as British Columbia, as my colleague who spoke earlier mentioned, cannot, so to speak, abscond with funds meant for universities and then put them into something else. In other words, their funds are conditional on their being spent for what they were meant to be spent on, and that they are administered efficiently.

When you consider the economic conditions of Canada's population over the last few years and the way they are likely to be for the next two or three years, this is the worst time of all to reduce the amount that we should be contributing in both health care and post-secondary education. Today, we are experiencing a depression. In previous depressions we were always asked where we would get the money. Tommy Douglas quoted a Minister of Finance at that time who asked a young person whether he thought money grows on gooseberry bushes. When the war started in September, 1939, Tommy said that they found the bush. There was lots of money at that time.

• (1550)

In times of economic depression, when Governments are having difficulty in obtaining funds, that is the worst and least valid kind of argument to make. Governments can arrange financing much easier than individuals, universities or hospitals.

The most positive aspect of it is that the nation as a whole shares in the cost, whether it is through current tax revenues or borrowed funds which are repaid by future tax revenues.

Today, tens of thousands of people are lining up at food banks—a euphemistic name for soup kitchens—in scores of cities throughout the country. Furthermore, a higher proportion of our population is elderly and in need of health care. Therefore, this is the worst time for the Government to be reneging on a fifty-fifty agreement. This is the worst time and these are the worst areas in which to hold down or reduce expenditures in the name of deficit reduction. In fact, any self-respecting Government would not even consider these as programs to hold down or reduce expenditures. In light of today's conditions, the Government should be expanding those facilities.

Even during the "hungry thirties", a Conservative and Liberal Government brought in better care for tubercular and cancer patients when there was little or no money available

because that was the best time to bring in those kinds of programs.

The federal Government should tell the provinces that it will continue its 50/50 sharing, including sharing the cost if the provinces wish to improve or expand their health care systems or university programs, as long as they are in accordance with the agreement and respect the conditions under which the money is provided.

Provinces should be able to provide financial and equipment incentives to the medical profession so that there is a better distribution of doctors in our smaller cities and remote areas. Their respective medical care plans should provide extra money, housing and medical equipment to those doctors as an incentive to go to the remote and the small cities in order that there will be a more equitable distribution of doctors in this country.

I recently saw a television program describing the latest equipment that technology has developed. This equipment, whether it is a kidney dialysis machine or heart transplant equipment, costs hundreds of thousands of dollars. There must be a fifty-fifty cost sharing for the provision of that equipment not only in big city hospitals but throughout the country.

Let me deal with ambulance services. I have a close friend who worked in the ambulance industry. He told me that it is safer and quicker to take a taxi to the hospital if one is suffering from a heart attack. He described a situation where the most experienced paramedic would drive the ambulance while the new recruit would look after the patient in the back. Ambulance services should not be subject to the profit considerations of a private owner. They should be owned and operated by hospitals, the municipalities or the provincial Department of Health. Those services should be completely under the authority of the health care department of the province or municipality. We should spend millions of dollars on paramedic training. There is a distinct shortage of paramedics in this country, for which there is no excuse.

Also, as Canadian nurses have informed us, many hospitals are understaffed. There is no reason why any federal or provincial Government cannot provide adequate nursing and a proper distribution of those nurses. That cost must be shared 50/50. Let us consider home care. Millions of dollars could be saved if people were looked after in their homes rather than occupying hospital beds. There is a great need for chronic care beds for people who are not ill enough to remain in a hospital bed but are too ill to be at home. There are waiting lists as long as your arm for chronic care beds in every city of this country. The federal Government should be willing to share the cost if the provinces and territories increase the number of chronic care beds.

Midwifery is another area in which child birth, under the supervision of the medical and nursing profession, can take place in the home or hospital without the necessity of a physician being in full-time attendance. This may be opposed by some in the College of Physicians and Surgeons, but that is too bad.

Holland provides marvellous home care, chronic care and midwifery systems in conjunction with its medical practitioners. Countries such as Holland have led the way in these areas.

This is no time for the Government to be chiselling the amount of money it contributes. I do not know of any taxpayers who object to their tax money being spent for these purposes. I believe they would even accept an increase, as long as those taxes were fairly applied. I do not believe any Canadian wants to see those services restricted or cut back. Instead, they want a well managed and efficiently run health care system with well trained practitioners and enough equipment so that there will be equal opportunity for treatment for all Canadians, no matter where they live.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I notice that Conservative Members are not standing up to defend Bill C-96. Is it any wonder that they are not defending an otherwise indefensible piece of regressive legislation?

This legislation illustrates the Government's problem with respect to integrity and credibility. During the last election campaign, the Conservative Party made well over 300 promises. One of the major promises it made was that it would not reduce federal transfer payments to the provinces but in fact would increase those payments. That was a promise made in Sherbrooke, Quebec, on July 26, 1984.

The Conservative caucus promised that they would respect the federal obligation to fund provincial health care through established programs financing and make additional funds available to the provinces on a cost shared basis for the Established Programs Financing Act and make additional funds available to the provinces on a cost shared basis for the establishment or enrichment of programs deemed most likely to improve the general level of health and limit long-term costs. That was the promise, and what has the Government decided to do with respect to that particular promise? It has decided not only to break that promise but to breach a previous commitment made by the Liberal administration to provide an adequate level of funding to the provinces for health care and post-secondary education. There was an agreement in place with the provinces. They fully expected to receive a specific amount of money from the federal Government in order to fund health care and post-secondary education. This Government has decided unilaterally to breach that particular agreement. It has decided to transfer to the provinces over the course of the next six years $8 billion less than what the provincial Governments expected to receive under the previous commitment.

• (1600)

What happened to the promise of consultation? What happened to the promise made by the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) after the last national election campaign that the country had embarked upon a new era of national reconciliation? You will recall those words, Mr. Speaker. I ask, where is the new era of

national reconciliation? Because not one single, solitary provincial Government has agreed to the specific measures contained in Bill C-96. In fact, the provincial Governments have roundly condemned the federal Government for breaching the previous commitment and threatening the very foundation of Confederation by withdrawing over $8 billion, which would otherwise have been transferred to the provinces over the next six years.

David Peterson, the Premier of Ontario, pointed out to the Prime Minister at the First Ministers' Conference that what the Government was intending to do was to transfer the national problem, the national deficit, to the provincial Governments. Mr. Nixon, the Ontario Treasurer, pointed out that there was a uniform opposition to Ottawa's plan. Nobody thought it was a good idea. Mr. Gérard Lévesque, the Quebec Finance Minister, said it was not fair to the provinces because they had been counting on the amounts agreed to in the accords.

Notwithstanding the universal opposition of the provincial Premiers and Ministers of Finance, the Government decided to cut $8 billion.

The Government has decided to cut just under $3 billion in provincial transfer payments over the next six years to the Province of Ontario. I note that the Minister of Justice (Mr. Crosbie) is in the Chamber today. I would like to point out to him, if he is not already aware of it, that in his home Province of Newfoundland there will be a reduction of $188 million. Where was the Minister of Justice when that particular decision was made? Was he consulted? Did the Minister of Justice, the Minister responsible for Newfoundland, stand up in Cabinet for the people of his home province? Of course he did not. He was afraid. The Minister of Finance and the Prime Minister said: "Sorry, notwithstanding your protestations, we are still going to cut $188 million in federal transfer payments to the Province of Newfoundland over the next six years".

What impact will that cut have on the province of the Minister of Justice? The Conservative provincial Government of Newfoundland will be faced with some very difficult decisions. No doubt that provincial Government, along with other provincial Governments, will have to cut back in the area of health care and education. I say to you, Mr. Speaker, that we in Canada are blessed with the best health care system and post-secondary education in the world. As a result of the actions of the Government, that particular level of health care and post-secondary education is being threatened. It is unfair, regressive and, as I indicated earlier, it is a threat to the very basic roots of Confederation.

There are tough decisions which have to be made by the provincial Governments. The provincial Government of Ontario will be without $3 billion in federal transfer payments over the next six years. The Government knows that the only way the province could remedy that particular situation is either to raise taxes or to cut services. There is not much of a choice when the federal Government decides to withdraw $3 billion from the economy of the Province of Ontario. It is not fair that that particular Government has either to raise taxes or to reduce expenditures. If the province does decide to reduce expenditures, there will have to be cuts in health care and post-secondary education. The high level of health care we have learned to appreciate will be seriously affected. Provincial Governments will have to close hospitals, cut the number of hospital beds and cut back on such things as cancer research. The universities will have to cut back on the number of courses which are taught and cut back on staff. They will have to increase tuition fees. They might even have to consider charging other forms of user fees in order to make up the shortfall.

Why is the federal Government doing what it is doing? It is obvious that it is absolutely paranoid about the federal deficit. We on this side of the House are concerned about the deficit. We believe that Governments should be fiscally responsible and that we should not spend money without consideration of our national debt. However, if the goal is to reduce the deficit, surely it must be done on a fair basis. It must not be done on the backs of the disadvantaged. Surely it should not be done in a way that would threaten the quality of health care and post-secondary education.

Rather than recognize the serious implications of the measures it is about to take in Bill C-96, the Government is prepared, in order to reduce the deficit and to satisfy its friends on Bay Street and wealthy corporations, to have the average Canadian suffer and simply to push the deficit on to the laps of the provincial Governments. It is patently unfair. Certainly the provincial Governments and all other interest groups will take the opportunity to appear before the committee when this particular Bill is referred to committee. I hope that the Minister of Justice will appear to defend the federal Government on this particular piece of legislation. The people of Newfoundland will be out close to $200 million over the next six years as a result of the broken promise of this particular federal Government. I hope that the Minister will at least have the courage of his convictions and will stand up and explain that to the people of his province.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks about Bill C-96, a most unfortunate Bill which will reduce the growth rate of the federal per capita transfers to the provinces for health care and post-secondary education. These transfers are an important federal contribution which help provinces meet their constitutional responsibility for the areas of health and post-secondary education, which make sure that people all across Canada have access to more or less the same standards of health care and post-secondary education, and which use the ability of the federal Government to raise revenue through taxes, an ability which is greater than that of the provinces, to make sure that the provinces are able to provide adequate services.

• (1610)

Over the next five years, Bill C-96 will see some $5 billion cut from the ability of the provinces to spend on health and post-secondary education. This amount is cumulative. It begins with a relatively minor amount and then builds up each year until it will total $5 billion by 1991. It is slowly but surely undermining a system that has been built up by previous generations. The effects of Bill C-96 will not be felt too much at first but will be devastating in its final impact.

Perhaps I could use British Columbia as an example. In 1986-87, the current fiscal year, British Columbia stands to lose some $36.8 million as a result of this Bill. Next year that figure will be $77.4 million, the year after $123.7 million, then $173.8 million, and in 1990-91, the figure will be $230 million for a total of $641.8 million over the next five years.

If we had listened to and believed what Conservative Members said when they were in opposition or when they were campaigning during the last federal election, we would be in a state of shock because of the Bill before us. I am sure some Canadians must be in a state of shock, particularly those who were naive enough to have listened to what Conservative Members were saying without listening to what the Minister of Justice (Mr. Crosbie) said between the lines.

The Minister of Employment and Immigration (Miss MacDonald) had this to say regarding Bill C-12, the Liberal Government's six and five program:

> First and foremost, Bill C-12 is still a tax grab by the Government. In the 1983-84 fiscal year the Government is able to reduce its projected transfers to the provinces for post-secondary education by almost $120 million and next year that reduction will amount to $260 million. That is the kind of tax grab the Government is getting into with this Bill.

The Minister, when she was in opposition, was concerned about a tax grab of $260 million under the 6-and 5-program. Now we are talking about a tax grab of some $5 billion, and she is applauding it.

During the 1984 election campaign, members of the Progressive Conservative Party stated the following:

> We are committed to sustaining the current federal financial commitment, according to the formula set out in the 1977 Agreement... We believe that financing of post-secondary education is an important priority for both levels of governments.

That commitment was made during the election campaign. Where is that commitment today? Just like so many other commitments Conservative Members made, it is forgotten in their blind fixation on reducing the deficit.

Mr. Benjamin: Should have got that in writing.

Mr. Manly: It was in writing but it did not seem to help.

Mr. Benjamin: They didn't sign it.

Mr. Manly: What we need in writing is the resignations of some of those Ministers over there.

The effect of this Bill will be a two-tiered health care system. Dr. Bill Vail of the Canadian Medical Association, in response to the tabling of this Bill, said the following:

> We will have one quality of health care in the rich provinces and second or third rate services in the poor provinces. The dream of Canadians of having access to reasonably comparable health services, no matter where they live or travel, appears to have been abandoned by the Government of Canada.

Dr. Vail went on to point out that the provinces that are going to be particularly affected by this are Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and, to some extent, Quebec and Manitoba. Where are the members of the Conservative Party from those provinces? Why are they not speaking up against this Bill which will have such a disastrous effect on health care in their provinces?

The Canadian Association of University Teachers pointed out that cuts to post-secondary education are going to mean a $1.7 billion shortfall over the next five years. What will be the results of this $1.7 billion shortfall? It will mean that there will be restricted enrolment. There will be increased fees, and that will mean that the children of rich parents will be able to get into universities from which the children of middle-income, working-class parents will be excluded. Children from communities that are far away from university centres will not have access to education because they will not be able to pay the additional tuition costs as well as the higher costs for room and board.

The $1.7 billion shortfall will result in lower standards of teaching and in less research taking place in colleges and universities. In short, the shortfall will result in second-rate universities and second-rate graduates. The result of second-rate graduates will be a second-rate country as a result of this second-rate Government's legislation. Where is the pursuit of excellence about which Conservative Members spoke when they were running for office?

Time after time, we on this side of the House have spoken of the Tory fixation on the deficit. We agree that the deficit is something that has to be looked at with concern, but how are Tory Members dealing with it? They are dealing with it by cutting back in ways that will harm our country's future. Our Party has made a number of suggestions as to how the deficit should be approached, including a system of fair taxes in which everyone pays their fair share, the elimination of waste and the creation of jobs. We should put people back to work instead of cutting back on essential services like health care and post-secondary education.

Those of us who come from British Columbia saw the results of this kind of idiotic cut-back mentality in the last four years. Cut-backs have created a deliberate depression in British Columbia. I would like to remind Hon. Members from all sides of the House that British Columbia is the only province in Canada in which the employment rate has not yet recovered to pre-recession levels. There are 50,000 fewer people working in British Columbia today than in 1981. That is a direct result of the kind of cut-backs that the Province of British Columbia has been implementing over the last four years, the kind of

cut-backs that we are seeing implemented by the present Conservative Government.

It is interesting to note that Premier Bill Bennett of British Columbia was the one Premier who did not oppose Bill C-96. He did not oppose these cuts when they were announced because he felt that they were right in line. In fact, he boasted that because British Columbia had cut the percentage of its Budget that was devoted to health care and post-secondary education, the federal contributions as a percentage of those expenditures would actually increase.

In 1979-1980, British Columbia spent 36 per cent of its budget on health and post-secondary education. Five years later, that figure had been reduced to 34.7 per cent. British Columbia is now spending a smaller percentage of its budget on these essential parts of life than it was previously. British Columbia began its program by laying off 2,000 workers, by closing 1,200 hospital beds, by laying off 10 per cent of community college instructors, and by cutting whole departments in universities.

• (1620)

I urge members of the Conservative Party to look at what happened to the economy of British Columbia over the last four years. They should ask themselves whether they want to see that pattern repeated in the rest of Canada. If they look at it, I am sure they will want to change their minds about Bill C-96. I am sure they will want to ditch the Bill and bring in a piece of legislation which will restore adequate financing to our universities and health care system.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I hesitated for a moment because I hoped that one of my two favourite Ministers who are present in the House today might choose to rise and say a few words on Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. I would have liked to hear what the Minister of National Revenue (Mr. MacKay) and the Minister of Justice (Mr. Crosbie) might have had to say about the Bill. However, I draw to the attention of the House, and I hope to other Canadians in the gallery and elsewhere in the country, that I have never heard before in the history of Canada about a budgetary measure which has not been defended by a Minister of the Crown during its whole progress through the House.

Bill C-96 was introduced by the Government. It is a budget Bill. However, not one Minister has risen to try to defend it or to try to put forward the Government's case with regard to a measure to which we take so much objection. We in the Liberal Party have tried—and I know the NDP has tried as well—to use every way we can to slow the Bill down in order to bring to the attention of Canadians what is being done here.

I have had the opportunity to speak on another amendment, and I am glad to speak to the amendment of the Hon. Member for Laval-des-Rapides (Mr. Garneau) which asks that the House declines to proceed with a Bill, the principle of which is to reduce unilaterally payments by the federal Government to the provinces for vital health care and post-secondary education services.

No Minister of the Crown wants to speak on the Bill, because they like to travel around the country—and in particular I refer to the Minister of State for Finance (Mrs. McDougall)—telling Canadians that they are increasing payments to the provinces for health care and post-secondary education.

Mr. Redway: They are.

Mr. Lanthier: They are.

Mr. Kaplan: Indeed, some back-benchers have piped up that they are. Let us settle that now. It is true that payments will increase, but if the Bill were withdrawn, the payments would increase by much more than they will increase as a result of it. The Bill reduces the increases to a face-saving, camouflage amount in each year. I challenge any Member, listening to me and making the remark that they are increasing, to deny that the Bill reduces the amounts which would otherwise be paid in each Canadian province over the next six years.

I do not want to make only a general statement about it. I know I only have 10 minutes under the new rules, but I want to put forward the exact figures which we were able to calculate from the material put forward by the Government. They say that payments will increase, but the fact is that payments will be cut compared with what they would be if the Bill could be stopped. That is why I ask people such as the Hon. Member for York East (Mr. Redway), who is paying such close attention to what I have to say, to vote with the Opposition to prevent this nefarious measure from going forward.

I should like to refer to my Province of Ontario. If this Bill were stopped, we would be able to save for the people of Ontario in these two programs $114 million in 1986-87; $250 million in 1987-88, $400 million in 1988-89, $500 million in 1989-90, $750 million in 1990-91, and $916 million in the final year of this six-year period, 1991-92. How can Ontario Conservative Members stand up and vote for a repressive measure about which Ministers will not even talk? As I said before, for the first time in history no Minister has taken the trouble to try to defend a budget Bill which is taking away $3 billion from the health care and post-secondary education programs of Ontario. I urge Ontario Conservative Members not to take away this money from their fellow Ontarians and not to take away billions from the other provinces. I am only talking about my own province, and I see that a Conservative Member from Ontario is listening to what I have to say. However, I could make the same plea, as my colleagues have done, to Conservative Members from other provinces. Bill C-96 does not increase payments to the provinces. It takes away payments from the provinces.

I should like to talk about the programs from which the Conservatives are taking away. It is interesting to note that the

health care support and the post-secondary education support of the federal Government have a very special background. We have put money into health care from the national Treasury, from federal taxpayers, not in the way in which we supported other initiatives of the province in which we believed. It was special. When the program was set up, the federal Government encouraged the provinces to do it. The provinces were against medicare. The Province of Ontario did not want Canadians to have a medicare program—it was a Conservative Government back in the mid-1960s. In fact, when medicare was set up, it refused to enter the program for several years. It stood back and refused to be part of it. We have medicare in Canada, even though it is within provincial jurisdiction, because of a special responsibility which the national Government assumed to support it. All these years we have supported it generously.

What have the Conservatives done without making any announcement about it? Certainly they did not campaign on it. In fact, they said that they would cut the deficit by removing Government waste from the activities of the federal Government. That is where the billions in savings were to come from. They indicated that there was so much waste and extravagance that good programs could be continued. Now the cards are on the table. Ontario and other taxpayers are getting it in the neck.

Instead of finding all the alleged waste and extravagance which they were to cut, they are cutting one of our most important programs—the national health care program, which would not have been in place if the federal Government had not promised to stand behind it, and if Liberal Governments had not stood behind it for many years. Today we see it being cut back, and health care programs have never needed support more than they do now. Senior citizens are increasing as a percentage of the population. They, more than the rest of us, rely on health care programs, and they voted for the Conservative Government. They are the ones who are getting it in the neck. Before turning to the post-secondary education betrayal, about which I also want to make a comment, let me ask the following questions about health care.

How do they expect the provinces to cope with it? They are saying that the health care program is riddled with waste and extravagance and that provincial Governments can cut back on health care and save money without reducing services to people. They were misrepresenting the situation, perhaps unintentionally, when they talked about the big savings in waste and extravagance in the federal household. They are misrepresenting the situation also when they talk about waste and extravagance at the provincial level. I know where the savings will come from at the provincial level. What choice do the provinces have? Ontario is the best off. Will hospital beds be cut? Will emergency departments be cut? Will health care for senior citizens be cut? Will medical research for cancer be cut? Will hospitals be closed? Will user fees have to be introduced by provincial Governments or hours of service by hospitals? What is the answer in Ottawa when serious questions are asked? "You can find the money. We couldn't cut waste and extravagance in Ottawa but you in the hospitals across the province in the health care centres, in doctors' offices, can cut waste and extravagance".

• (1630)

That will not wash, Mr. Speaker. I hope Ontario Members at least will do the decent thing. If no Minister is prepared to stand up and defend these horrible cuts, why should the backbenchers defend them?

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in the absence of any Government Minister rising to defend Bill C-96, it falls to me to attack the Bill and to do so along the lines that have been so ably expounded by my colleagues.

It is a sad day when Opposition Members are left to carry on the entire debate on Bill C-96. Bill C-96 should offer an opportunity for the Government to expound the way in which it is handling its election promises. What is the Government here for if not to put those promises into effect? It appears that the silence on the Government side is very well justified. Perhaps it is the best way for the Government to react. In Bill C-96 we have one of the clearest examples of a Government that has retreated so far from its election commitments as to be in a position now, notwithstanding my hon. friend to my left, of being turned around 180 degrees away from the position it took before the election of September 4, 1984.

Let me quote from the PC campaign handbook. In doing so I know Members opposite will understand that I only do it to bring attention to their own words. I am not doing it in spirit of meanness or gloating that the Conservatives are not living up to their commitments. I am doing this to inspire in them the noble sentiments of remorse that they are not living up to their commitments they collectively and, I am sure, individually made at the time.

An Hon. Member: Let us hear some good news.

Mr. Parry: We would have heard something good had the Government kept its word and lived up to its commitment.

It says here:

P.C. Position

We would return to the 1977 funding formula—

And then, somewhat of a crocodile tear given today's circumstances, it goes on:

—though we cannot compensate the provinces for their 6 and 5 funding losses.

Let us analyse the statement "We would return to the 1977 funding formula". Far from returning to it, the Government is dancing in the ruins of the 1977 funding formula. Having seen the Liberals beat it to the ground, the Conservatives are now busily engaged in trampling the debris. Next is the statement, "though we cannot compensate the provinces for their 6 and 5 funding losses". Far from compensating the provinces for those losses, the Progressive Conservative Government is subtracting further from the six and five losses over the 1977 funding formula.

That brings me to the whole specious and totally insupportable argument used by the Government in putting forth the cuts it is proposing. What it has said is that the growth of transfers in the Established Programs Financing Act will be reduced by 2 per cent. On the other hand we see the Conservatives' true colours in the 1985 Budget in transfers to provincial Governments. Under the heading of Total Expenditure Reductions and Cost Recovery, it shows a reduction of $2 billion. This brings into question the whole philosophical and economic principle of what is a dollar. The only legitimate measure for a dollar is not the simple numerical index, it is what the dollar will buy. Purchasing power is the only measure of a currency's worth. That is a principle which, if my hon. friend would dare to get up again to speak on this Bill, he would be only too happy to endorse and embrace.

The only measure of currency is its purchasing power. For the Progressive Conservative Government to say that there is no cut-back is false. It is at best misleading and at worst it is gratuitously deceptive.

There will be an increase in the nominal dollars transferred, but what the provinces will be able to buy with the dollars transferred will be 2 per cent less. It will be 2 per cent less next year, 2 per cent less than that the following year, and 2 per cent less than that in the following year. Savings to the federal Treasury will mount up, but the value of what is being transferred to the provinces for the legitimate, praiseworthy and fundamental operations of health care and education will be reduced.

Not only have the Progressive Conservatives broken their election promises, the effect is worse with Bill C-96 than the cuts imposed by the Liberals in this area of EPF.

The Government's action has been taken unilaterally. It was not taken in consultation with the provinces. No province came to Ottawa and volunteered to assist the federal Government in its deficit. Perhaps it would have been a good idea if that had happened.

Mr. Redway: Right on.

Mr. Parry: These cut-backs were not negotiated with the provinces, but imposed unilaterally. It is well to juxtapose that action with the way in which the Government rushed into the bank bail-out. The Government, after all, did not look for provincial participation in that bank bail-out, but it is putting the whole burden of the cut-backs in the establishing programs financing on to the provinces. It is essentially a transfer of the deficit to the provinces, which will have some very unfortunate consequences.

My hon. friend mentions the role of the provinces in transferring burdens to municipalities.

Mr. Redway: Right on.

Mr. Parry: I believe he was in municipal Government at the very time the province was carrying out similar cuts. If the Member did not speak out at that time against those unilateral cuts on the part of the province, then he was letting down his electors at the municipal level, however well he would be serving them at the federal level.

The federal Government is projecting a nominal GNP growth between now and 1990 at around 7 per cent, and the increase in the health and post-secondary education transfers will be 5 per cent. That means the provinces have to bear the difference.

I would like to quote some wise words on what happens when this sort of cut is made. They are as follows:

> First and foremost, Bill C-12 is still a tax grab by the Government. In the 1983-84 fiscal year the Government is able to reduce its projected transfers to the provinces for post-secondary education by almost $120 million and next year that reduction will amount to $260 million. That is the kind of tax grab the Government is getting into with this Bill.

Mr. Redway: Who said that?

Mr. Parry: My colleague asks who said that. I have to reveal with no great pleasure that it was the present Minister of Employment and Immigration (Miss MacDonald) in addressing Bill C-12 brought in by the Liberal Government. I am sure that were she here, she would rise to explain how Tory cuts are different from Liberal cuts, because there is not only a substantial and highly attentive audience in this House for that sort of explanation, but I am sure most of the people of Canada would like to know the difference between Tory cuts and Liberal cuts. We know what the effect will be. We know that with these measures the federal share of health and post-secondary education financing will drop from a high in 1979-80 of 49.9 per cent, which is just a hair below the fifty-fifty split which was originally envisaged for established program financing, to, in 1990, a period of only 11 years, 36 per cent, which is slightly more than one-third.

• (1640)

The federal Government is washing its hands of responsibility to the people of Canada for the provision of health care and post-secondary education by the provinces. It is loading the responsibility on that level of Government which, as all Members of the House know, is well over-burdened with that sort of responsibility now. I believe that is shameful and I wish more members on the Government side would rise and say why they are prepared to support this type of measure.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I too would like to contribute to this debate dealing with the transfers to provinces. As a matter of fact, I have here an article published in the *Journal de Montréal* newspaper with the following headline:

"Lévesque blames Ottawa for acting unilaterally"

This article appeared not in 1982, but on May 2, 1986, the day after the Quebec Government tabled its Budget.

Mr. Speaker, the new Quebec Government has been forced to impose additional taxes on businessmen in that province and

increase the contributions to medicare to compensate for the $148 million it will not get from the Federal Government in 1986 and 1987. Honourable Members need only go back in time a year and a half to remember the statements made during the election campaign, when Conservative candidates were promising a new era of reconciliation. They insisted there would be cooperation between the Federal Government and the provinces. They said they were sick and tired of confrontation. Only a year and a half after promising that there would no longer be any confrontation, we are still reading such headlines as "Lévesque blames Ottawa for acting unilaterally".

Mr. Speaker, I should like to remind the House of what the present Minister of Finance (Mr. Wilson) said on March 23, 1982, in his capacity as Finance critic for the Official Opposition, and I quote:

"The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial Governments." " The provinces", said Mr. Wilson, "are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. That is not cooperative federalism. That is predatory federalism, and it will not and cannot work in this country".

That is what he said on March 23, 1982.

What has happened after... Now in March 1986, four years later, what change has he made, Mr. Speaker? For the Minister of Finance to say no... Not only has he failed to keep the stand he had taken in 1982, but he does not abide by what he said in the House, not such a long time ago, when he was guaranteeing at least 95 per cent of these payments. Now, he has decided to cut entirely, or part of it, including $148 million for Quebec, which is very serious, and the new Quebec Government has been forced to impose an additional tax on businessmen in that province to compensate for the $148 million it will not get from the Federal Government.

Mr. Speaker, we have figures here which show the impact Bill C-96 will have on the province of Quebec: a loss of $82.3 million for 1986-87; a loss of $174.9 million for 1987-88; a loss of $277.2 million for 1988-89; a loss of $389.2 million for 1989-90; a loss of $512.4 million for 1990-91 and a loss of $687.6 million for 1991-92, a total loss of over $2 billion. This is entirely unacceptable, Mr. Speaker.

How can anyone make such drastic cuts! Of course it is very easy for the federal Government since its deficit-reducing operation is done at the expense of the provinces. It reduces the federal debt, then tells the provinces to increase their deficit or slash expenditures for health care, education. The focus is on research these days because we want to help young people go into business and spur economic activities. Yet the Government intends to cut back to the extent that universities will be directly affected, so much so that they will be forced to eliminate the very research programs we need so badly to give young Canadians an opportunity to build a career and look forward to a promising future right here in this country.

Once again, Mr. Speaker, the Conservatives have shown that their promises are worthless. We need only recall what happened barely a few months ago, the Matane deal between the Minister of Regional Industrial Expansion and the Quebec Minister of Energy. There again, broken promises, treachery, broken words! What about the Quebec Minister of Agriculture, Mr. Speaker, who is so outraged that he wrote a letter to all the Members from Quebec, and especially to the Conservative Members, asking them if they had enough backbone to rise and protest against the fact that the federal Government once again was penalizing Quebec farmers operating in the potato industry! The last time, Mr. Speaker, it was in the Quebec Budget, and here is a quote from *Le Journal de Montréal*. In a report by Normand Girard, the now Quebec Minister of Finances is quoted as saying: "In the same declaration of war, the Quebec Minister of Finance stated that fiscal arrangements between governments should come under the umbrella of a formal agreement between the two levels of government, to give them a more permanent, were stable and less arbitrary nature than the current arrangements". What is the federal Government doing, Mr. Speaker? It moves overnight, unilaterally, failing to consult with anyone to cooperate or actually to ask the provinces whether they could live with those kinds of cuts. Is there a way to settle that? Of course, everyone is aware that we have a deficit at the federal level, but the provinces also have their deficits, Mr. Speaker. And the same taxpayers are footing bills, whether they come from Quebec or Ottawa. Why then did they promise a new era of consultation, of reconciliation? There would be no more confrontation, we would all march together for the good of the country. But today, Mr. Speaker, they find it easier to simply forget all their promises, such as the indexation of old age security pensions, unemployment insurance, the footwear and textile import quotas, and I could go on and on and on, Mr. Speaker. They forgot everything. They came here, they made a horrible about-face which certainly will be remembered by Canadians. And then they will get out as fast as they came in!

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, this is not the first opportunity I have had to speak on this legislation. However, I think there are many more things which have to be said with regard to it. The few members of the Conservative Party who have spoken have tried to paint a picture of New Democrats and Liberals taking their turns speaking against this legislation in the House of Commons because they are afraid to attack the deficit. That is not true. We are as concerned about the deficit as is any other group of Canadians. We in the New Democratic caucus have suggested ways of reducing the deficit to the Minister of Finance (Mr. Wilson) and his Liberal predecessors. Most of the ideas which we put forward were based on a fair regime of taxation. More than once we have talked in the House about the need to reduce tax expenditures. We have talked about the need for a fairer system of taxation to ensure that the cleaning lady working for the Bank of Commerce is not paying a higher rate of taxation than is the Bank of Commerce itself. We have spoken about all

of those things. We spoke about the bail-out of the oil companies and of Dome. We talked about the need to bring the whole financial system of the country under control, whether taxation or Government expenditures.

• (1650)

What the Conservative Members of Parliament have said is not true. It is not just Liberals and New Democrats who say that this legislation is bad. It is groups from all across the country. We have heard my colleague quote the Canadian university students. We have heard Members speaking on behalf of the Canadian Association of University Teachers. We have heard speakers on behalf of nurses, doctors and the Canadian Health Association. All those groups and individuals are concerned about this legislation. There are others who are also concerned. The provincial Premiers, Ministers of Finance, Ministers of Health and Ministers of Education are concerned. It is not just the NDP Premier of Manitoba, or the Liberal Premiers. The Conservative Premiers, especially those in the have-not provinces, are concerned.

Mr. Manly: Everyone but the Social Credit.

Mr. Murphy: That is the exception. I must admit I have not received a response from the Social Credit Premier. Let me quote from a letter from the Minister of Finance of the Government of Newfoundland and Labrador, dated April 22, 1986. He makes it very clear that he is responding on behalf of his Premier. He says:

> As no doubt you are aware, there has been extensive discussion of the matters covered by Bill C-96 at the official and ministerial level between the Federal and all Provincial orders of Government. These discussions included vigorous protests by the latter over the Federal intention to alter current EPF funding arrangements prior to May 1987.

That is the Conservative Minister of Finance of our easternmost province. That is the province the Tories tried to give away when they were drawing their map last week. This letter was written just before that, perhaps that explains why the map was drawn that way.

In any event, he said they are against this legislation. As we know, the present legislation had one more year to go. It should have covered the period from April 1, 1986, to the end of March, 1987. Despite the fact that promises were made that this money would be given to the provinces, the federal Government has decided to take the money back. As I indicated earlier, this is money based on which the provinces have already made commitments. They did not know that the federal Minister of Finance was going to change the law and reduce the amounts they would receive. As a result, they entered into negotiations with their hospitals, community colleges, universities, and the people who work at those institutions. They made commitments based on what the law of the land was and the fact that the federal Conservatives had not indicated their intention of changing that legislation.

I see the Minister of Justice (Mr. Crosbie) is in the House. It is unfortunate that he did not have an opportunity to hear the words of the Minister of Finance of his province. It is interesting that the provincial Minister is saying that the federal Minister of Justice is wrong, that he is not representing the interests of his province. If memory serves me well, I believe the Minister of Justice was, at one time in his probably too long political career, the Minister of Finance of that very province.

Mr. Crosbie: I was the father of medicare in Newfoundland.

Mr. Murphy: Yes. I think it was your grandfather who almost took the province into bankruptcy, if I remember correctly. Perhaps the family is trying to get back to its old traditions. Perhaps one of the reasons the Minister of Justice is not representing his province is that he wishes to see it go bankrupt again.

To be fair to the Minister, that has not always been his position. There was a time when he would get up in this House and talk about the need to make sure there was adequate funding for Memorial University. There was a time when he was concerned about the ability of the provinces to provide adequate medical service, especially in his own province. As he always does, he spoke with much eloquence about the need for the federal Government to recognize that responsibility. As soon as I find the page I intend to quote that Hon. Member because I think what he said then is so appropriate. I am sure that if he were let loose from his chain, he would be quite willing to get up and say it again. On February 7, 1984, just over two years ago, as reported at page 1139 of *Hansard*, the Hon. Member for St. John's West said this:

> The Province of Newfoundland, already strapped, already with a current account deficit, already with the highest per capita debt in Canada, is not going to be assisted by this Government.

He was referring to the then Liberal Government. He also said:

> This Government is going to grind Newfoundland further down, if it can do it.

Those were the quiet, unassuming words of the Minister of Justice at a time when the federal Liberal Government was introducing legislation which would restrict the growth of funding for post-secondary education.

Mr. Manly: He has been muzzled.

Mr. Murphy: It is interesting that that Minister, now muzzled, now demure, is not saying a thing when this Conservative Government is reducing funding for his home province even further. If the Liberals were grinding Newfoundland into the ground, where the heck are the Conservatives grinding Newfoundland to? What is below the ground? Are you grinding them into hell? Is that what you are saying?

We have quoted the Minister of Finance, the Minister of National Health and Welfare (Mr. Epp), the Minister of Employment and Immigration (Miss MacDonald) when they were in opposition. They stood up and said that what the Liberals were doing was atrocious and should not be done. It was unilateral action which would hurt the health care system of this country. It would hurt young people, people in hospitals

and nursing homes. That is what they said then, and they called for co-operative federalism. They said the provinces should be listened to. They would have used the letters I received from the Minister of Finance of the home province of the Minister of Justice and said they were sincere.

I know I am running out of time and I cannot quote any more Conservative cabinet Ministers. However, let me tell you that the people of their home provinces will remember what type of hypocrites they were collectively.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, it gives me pleasure to contribute to the debate on this important Bill to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act of 1977. This Bill would reduce payments by 2 per cent beginning in 1986, which means that, during the next five years, the Conservative Government would take away $8 billion from the provinces. This would be for the next five years.

Before the September 1984 elections, this Government made over 300 promises, including a commitment not to change the federal transfers to the provinces.

• (1700)

Mr. Speaker, since the beginning of this debate, I have seen no Minister or Government Member defend the provinces. I can see the Minister of Justice (Mr. Crosbie) looking at me, and I would like to tell him once more that he should at least have the heart or the courage to defend the provinces. However, I see that, like many others, he does not have the courage to speak and to keep the promises made in 1984.

Mr. Speaker, I see that there are two Members from Quebec in this House, but they have not had the heart to rise until now. However, I hope that they will now.

I also see the Hon. Member for Lotbinière (Mr. Tremblay), who now takes it upon himself to make interjections. He has just woken up after sleeping in his seat for about an hour. It is time for you to defend your province!

Mr. Speaker, the Members for Quebec who are pretending—and I did say "pretending"—to defend our beautiful province have until 6 o'clock to act with courage and to show that, even though their leader, the Prime Minister (Mr. Mulroney), does not keep his promises, they are people of honour who have heart and who can defend Quebec.

Mr. Speaker, we saw what impact this decrease will have on the evening of the provincial Budget. We saw the impact of this $2 billion cutback when the Quebec Government was forced to impose a surtax on business benefits for the year 1986-87.

Such a surtax should bring in some $152 million during the current year, or an amount equal to the losses incurred as a result of the cuts made by this Tory Government, the so-called Government which is supposed to do everything, conclude agreements with the provinces without cutting anything—however they were the first to deny it and break their promises.

Mr. Speaker, I will be very brief. I wanted to try and encourage the Members from Quebec to rise and take part in the debate. However, I feel that this Bill is very important—and again I invite the Hon. Member for Lotbinière (Mr. Tremblay) who is busy gossiping over there to say a few words on behalf of the provinces and more especially on behalf of his own riding.

Finally, Mr. Speaker, it would perhaps be advisable to point out also to the Hon. Member that the reduction will affect post-secondary education, health costs, dental costs, etc.

An Hon. Member: Louder again!

Mr. Rossi: The Hon. Member will have every opportunity until 6 o'clock to speak. But you are as dumb as an oyster. You do not have the guts to stand up and defend the provinces.

Before I conclude, Mr. Speaker, I would say to the Hon. Member for Lotbinière, to the Quebec Members and also to all Government Members: There was a September 4, 1984, but there will be a September 4,1988. It is fast coming and you will see what will happen then.

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I also welcome this opportunity to take part in this debate—

Mr. Speaker—

Mr. Deputy Speaker: Order, please! Order, please! Order! Could we hear the Hon. Member for Richmond—Wolfe (Mr. Tardif), please?

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I also welcome this opportunity to take part in the debate on Bill C-96, which, as we have seen in the last few months, is just another unfair and extremely discriminatory measure.

Mr. Speaker, the title of the Bill is as follows: An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

Mr. Speaker, this Bill is supposed to amend certain arrangement. I think we should remember the language used by this Government during the last election campaign. It was supposed to be the team that would bring harmony, communication and a climate of goodwill to its dealings with the taxpayers and the provinces. And now we have Bill C-96 amending certain agreements or arrangements that had been concluded between the parties concerned, that is, between the provinces and the federal Government.

Once again, we have here, at least in my humble opinion, a striking example of how this Government, which has now been in power for a year and a half, unilaterally attacks groups that are in no position to defend themselves. The injustice of it all is simply shocking—to decide unilaterally to recover millions of

dollars, and oblige the provinces to use their own taxation powers to compensate for foregone revenue so they can continue to provide health care services and finance post-secondary education.

This is not the only case where the provinces were taken by surprise, where in fact they were held hostages in a situation which is altogether unacceptable. Who can forget the promises of this Government — and my colleagues have already mentioned this — to provide direct assistance to pork producers, not to mention the sheep industry. Seeing the Hon. Member for Lotbinière (Mr. Tremblay) reminds me of the Government promise to carry out a major project in his riding, but unfortunately he has not said a word about it since his election, and I am referring to the proposed phyto-protection laboratory in Victoriaville. There again they cut off $12 million without batting an eye.

Mr. Tremblay (Lotbinière): Mind your own business!

Mr. Tardif (Richmond—Wolfe): Another thing to keep in mind is what happened in the case of the sugar beet industry—

Mr. Tremblay (Lotbinière): Mind your own business! You can't even look after your own riding.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, referring to stabilization—

Mr. Tremblay (Lotbinière): What a foul mouth!

Mr. Tardif (Richmond—Wolfe): You should be as aggressive in the House of Commons as you were with your association president! It might do wonders for the economy of your riding!

Mr. Speaker, I have here a table which shows in mathematical and monetary terms the impact this—

Mr. Tremblay (Lotbinière): Dirty mouth! Brush your moustache and learn how to articulate!

Mr. Tardif (Richmond—Wolfe): —legislative measure would have in the Province of Quebec. I might point out that in 1986-87—

Mr. Tremblay (Lotbinière): Sit down, foul mouth!

Mr. Tardif (Richmond—Wolfe): Because of the distance between the Hon. Member from Lotbinière (Mr. Tremblay) and me, Mr. Speaker, I feel quite secure. He could not reach me with his fist. But I realize that if I were closer, he might probably blow his top as he did once before.

Mr. Deputy Speaker: Could we agree to return to the debate on Bill C-96? I should appreciate if Hon. Members on both sides ... The Hon. Member for Richmond-Wolfe (Mr. Tardif) has the floor.

Mr. Tardif (Richmond—Wolfe): As I was saying, Mr. Speaker, the Bill before us will make sure that in 1986-87, Quebec—

Mr. Tremblay (Lotbinière): You do not know what you are talking about, Tardif!

Mr. Tardif (Richmond-Wolfe): —will lose $82.3 million. If it continues like this, by 1991-92, the Quebec Government, already faced with a difficult situation due to a major deficit, and in great need of its equalization payments to insure often essential and vital services, stands to lose as much as $2.083 billion. And that is the measure which the Hon. Member for Lotbinière (Mr. Tremblay) and his Quebec colleagues are willing to support, by keeping absolutely quiet, because they do not have enough courage to denounce it.

• (1710)

Mr. Speaker, there is also—

It would have been a lot wiser to speak out with your voice rather than with your fists, Sir. It would have been much more profitable for your political career!

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

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) rises on a point of order.

Mr. Malépart: Mr. Speaker, could you advise my honourable friend that he should mind what he says. I remind him that he is not in his office riding where once he could punch on the nose the chairman of his own county association.

Mr. Deputy Speaker: Order, please. I call both Hon. Members to order. Could we please let the Hon. Member for Richmond—Wolfe (Mr. Tardif) continue?

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I would also like to bring to the attention of the House a statement made by the Quebec Minister of Agriculture, in which he stated that the Conservative group of Members who are representing, or have a mandate to represent, the interests of Quebec, had an obligation to react to the latest decision providing help to the Maritime potato growers while those in Quebec were totally ignored. Again, this is a shameful injustice which, unfortunately, not a single Member from Quebec raised or defended—

Mr. Speaker, in the budget brought down by the provincial Government last week, taxation measures had to be introduced unexpectedly to compensate for what the Province of Quebec would lose on equalization payments.

Mr. Speaker, it is my view that this measure, like many others, is a very clear example and a most obvious proof that this Goverment is much more concerned, much more ready to help multinational corporations, large banks, big corporations than small and average taxpayers. The legislation now before us, Bill C-96, is concrete evidence of this Tory Government's

propensity to launch an attack on those who unfortunately have no alternative but to live with those cuts.

We have now before us, Mr. Speaker, an amendment which in the circumstances seems very reasonable to me. It reads:

"This House refuses to continue the consideration of this Bill, the purpose of which is to unilaterally reduce federal payments to the provinces for post-secondary education and health services which are essential.

This does not seem to be an unreasonable suggestion, but I regret to say that we are alone with the New Democratic Party in raising the issues. And we are being faced with a shameless, shocking stonewalling by those whose role should be to defend and represent the interests of their respective provinces.

The proposal as it now stands is to effect a colossal $8 billion cut, and we have a flock of Members who, although they are a large number, let everything go by without any reaction, representation, or comment whatsoever. Besides, as indicated earlier by my colleagues, not a single Minister had the courage and fortitude to rise and attempt in any way to defend the provinces which, in the circumstances, are being led to an extremely significant impoverishment.

Mr. Jean-Claude Malépart (Montreal—Sainte Marie): Mr. Speaker, the people who are listening to us are probably disappointed and even discouraged at the attitude of the Conservatives. Mr. Speaker, this Bill is very important, not only for our institutions and for our provinces, but also for the people in each of our constituencies. The purpose of this Bill is to reduce the amounts allocated to two extremely important sectors of which most people have benefited in the past, namely health care and education.

Mr. Speaker, egoistically, like the Prime Minister (Mr. Mulroney) himself, and without telling the truth, this Government has decided unilaterally to reduce payments to the provinces for health care and education.

Mr. Speaker, who is now being held hostage by a Government which, a while ago, introduced legislation to help people with deposits of over $60,000 in certain banks? After this, we might well ask: What does being a Conservative mean? Who do the Conservatives represent? They represent the wealthy, Mr. Speaker. Once more, we have a Bill which clearly shows the attitude, the incompetence, the ignorance, the carelessness of the Conservatives because no Conservative from Quebec has risen to speak. In 1979, when the Liberals, with the help of the New Democratic Party, defeated the Conservative Government, six Members of Parliament from Quebec, six Members of the Social Credit, did what the Conservatives are now doing and refused to stand up. At the following elections, they were defeated and rejected so that there is no longer a single Social Credit Member in this House, Mr. Speaker.

I have just come back from a tour of Quebec in Trois-Rivières, Saint-Hyacinthe, Quebec City—

An Hon. Member: There were not forty of you.

Mr. Malépart: I see that they are beginning to wake up, Mr. Speaker. The Hon. Member for Lotbinière—

An Hon. Member: He will be back.

Mr. Malépart: Mr. Speaker, if Jean-Guy Dubois, the excellent Member for Lotbinière, were here, he would have risen to defend the people of Quebec. He would not have left to give his President a bloody nose; he would have remained in this House to defend the population. This is what he would have done.

An Hon. Member: More.

Mr. Malépart: Mr. Speaker, let us see what impact this Bill will have if the Conservatives from all regions of Canada do not wake up. Our senior citizens will have to pay for the care they receive in hospitals or they will be refused admission to hospital because the provinces will not have enough funds to provide adequate services. Our young people are being abandoned and they do not have jobs because of the incompetence of this Government. Our youth will be even more disappointed now as the costs of post-secondary education will increase.

Mr. Speaker, if the Hon. Member who has just shouted could rise and speak to defend the interests of his constituents . . . Mr. Speaker, that is what those people cannot do.

Mr. Tremblay (Lotbinière): You have been away.

Mr. Malépart: Yes, Mr. Speaker, the Hon. Member for Lotbinière says I was away on a trip. I was on a trip in the Quebec City area, in your region, Mr. Speaker, in the riding of Saint-Hyacinthe and in Trois-Rivières, to defend the interests of early retirees whose unemployment insurance benefits were savagely cut by your Government, Mr. Speaker. I was paying my own way on this trip, to defend the people of Lotbinière who don't have a Member to defend them here in the House.

An Hon. Member: Resign!

Mr. Malépart: Mr. Speaker, we have the people of Quebec City and Mrs. Lalande who defends the rights of people in need, who asked me to rise in the House to defend them because there is no Member, not even a Minister in Quebec City to defend their rights—

Mr. Speaker, this is all very distressing. I remember newly elected Conservative Members saying that first day: It is our turn now. And I am sure some of them got elected for the sake of the patronage jobs they could hand out. I am sure that was their primary motive. Some even wrote a nice letter to their constituents saying that if they wanted their name on a contract they would have to do this and they would have to do that. But they never mentioned Bill C-96. They never said they would be cutting the indexation of Old Age Security pensions or levying a tax on drugs, Mr. Speaker. They were interested

in patronage. They beat the other guys and now they were top dog.

An Hon. Member: Shame!

Mr. Malépart: But when the interests of the province of Quebec are at stake . . . We see that the Minister of Finance, Mr. Lévesque and Mr. Bourassa have levied a special tax on businesses because the federal Government cut $66 million from its equalization payments to the province.

As in every other case, Mr. Speaker, our beloved Prime Minister who is visiting Tokyo—our national master of ceremonies—said, with his hand on his heart: I promise you will not lose a cent. But in the future, the people . . . He did the same thing to the elderly. Remember what Mrs. Denis told him: Charlie Brown, you lied to us! He said the same thing to any number of people, and the provincial Governments have just been given a taste of the same thing.

The people listening to us today and Hon. Members in the House know perfectly well that it doesn't mean much when our beloved Prime Minister puts his hand on his heart.

An Hon. Member: He doesn't have one!

An Hon. Member: He has no heart!

Mr. Malépart: As my hon. colleague said, he doesn't have one, Mr. Speaker. He puts his hand on his jacket.

Mr. Speaker, I wish a Conservative Member would stand up and tell us why he does not want to debate this Bill. Would it be that he does not agree with the Bill, that he is against it, that he thinks it is a shame that Quebecers are penalized once again, particularly since the Government recently had to find some money to help western Canada? It is as though Quebec were not even on the map. What is the use of defending the province? What are the Conservative Members doing here? I can remember that the former Member for Champlain did not hesitate to speak up. As everyone remembers, Mr. Jean-Guy Dubois was a staunch defender of farmers and Quebecers.

An Hon. Member: He will be back!

Mr. Malépart: Mr. Speaker, why is it that not a single Conservative Member and Minister . . . True enough, the Ministers from Quebec get $40,000 more and ride in limousines, but their only job is to attend official ribbon-cutting ceremonies. Ribbon-cutting is the only responsibility left to the Minister of State (Youth) (Mrs. Champagne). She gets $40,000 and a limousine to do that, Mr. Speaker, but what we are talking about is very important.

Our colleague from Laval-des-Rapides (Mr. Garneau) has introduced an important amendment. Hon. Members ought to be able to stand up and convince their colleagues, at least those who are from Quebec. I can understand the Members from western Canada because they had all kinds of goodies, Mr. Speaker. But their Quebec colleagues never did get anything. There was Hyundai, but it was the Minister's wife who reaped all the benefits. Quebec lost everything. We ended up with nothing. And when I see . . . Mr. Speaker, you are signalling there are two. Not two, but 58! When the Member for Duvernay came on the scene he said he would make the oil multinationals toe the line. Gas prices went up. Do you know what he did? He bought . . . He changed business and bought a Mr. Muffler franchise. And he muffled the 58 Quebec Members—

Mr. Deputy Speaker: Order, please. Let us get back to Bill C-96.

Mr. Malépart: Indeed, Mr. Speaker, they have been fitted with mufflers, they are unable to speak to Bill C-96. I would like to know why they cannot talk about it. Is it because they agree with the Bill? They are ashamed of their convictions and do not dare say so? Or would it be that they are against the Bill but are afraid of their leader? They are afraid of the Prime Minister or of the Deputy Prime Minister? Stand up on your own two feet! Show some guts! Quebecers are not afraid of anything! Be brave. Stand up, you are either for or against the Bill.

I saw a program where the Hon. Member for Blainville—Deux Montagnes (Mrs. Landry) was heard to say: We the women of the Conservative Party will be there to make decisions, not to have a good time. Mr. Speaker, she did not stand up once to defend her interests. While we are debating, she reads and nods. She should have the courage to rise and speak up.

Mr. Speaker, I conclude by reminding my Quebec Conservative colleagues and friends that in 1979 there were six Quebec Members in the corner over there, six Créditistes Members who did not have enough courage to speak up one way or another. They remained glued to their seats. The electors simply turfed them out. That is what is coming, I hope that is what will happen to you.

• (1720)

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, we are currently debating a motion that this House declines to proceed with a Bill, the princple of which is to reduce unilaterally payments by the federal Government to the provinces for vital health care and post-secondary education services.

There are a number of things which are very much wrong with this Bill. I do not think we can stress too often one of the most serious failures of the Bill, that is, through this Bill the Government is proceeding unilaterally to cut some $8 billion out of moneys which would otherwise go to the provinces for worth-while programs such as health care and post-secondary education. The Government may argue that this measure was already announced, or at least foreshadowed in its May, 1985 Budget, but that is not really the case. The Budget Speech did refer to a reduction of the federal EPF contributions, but made no mention of the date on which it would take effect. If one refers to Table 2.1 of the fiscal plan and Table 2, Chapter 5, of

the Budget Papers published in May, 1985, one would find there no indication of a reduction for the fiscal year 1986-87. This shows that the Government was probably planning at that time to introduce changes at the end of the normal five-year term, that is, on April 1, 1987.

The Government waited until the Annual First Ministers' Conference, which was held on November 28 and 29, 1985, in Halifax, to make the formal announcement of specific changes and of the date on which they would take effect.

Why did the Government change its mind between the May 1985 Budget and the November 1985 Halifax Conference and decide to move the date ahead? To understand that move by the Government, we have to recall that this period coincides with the Government's decision to reimburse the uninsured depositors of the two failed banks, as a result of which the Government, I suggest, realized that it would not be able to achieve the deficit reduction objective it had set for itself. After bungling the bail-out of the Canadian Commercial Bank and the Northland Bank, the Government had to find the money somewhere to make up for its poor handling of that banking situation. It can therefore be argued that the depositors of the bankrupt banks were reimbursed, at least in part, by funds which would otherwise have been used to enhance the quality of our educational system and our health care services.

Finally, it should be noted that the February 1986 Budget pretty well ignored this new measure despite the fact that it is to take effect, if the House makes the mistake of approving it, on April 1, 1986.

Let me again stress, as has already been stressed in this debate, that the only reason offered by the Government to justify this cut-back is the effort which all Canadians and all provinces must make, so the Government claims, to reduce the federal deficit. The Minister of Finance (Mr. Wilson) has acknowledged that he is transferring part of his deficit to the provinces, but he has argued that this transfer is a problem of lesser importance than that of the deficit. In other words, this heartless Government is cutting health care for seniors and for middle and lower-income Canadians and making it impossible for tens of thousands of middle and low-income young people to go to university. That does not matter so long as the Government can reduce the deficit. How cruel, how misguided and how wrong! Certainly, if one is concerned about the deficit, economic growth and the greater revenues which come from that, and having a more efficient, productive and healthy population, that is a better way of tackling the deficit, if it must be tackled at all, than by cutting $8 billion from moneys the federal Government had promised to the provinces. That was money which was going to be spent, and which would have been spent, to improve post-secondary education and health care, if not just to maintain existing standards for millions and millions of Canadians in every province.

• (1730)

The record is clear. Beginning with this Bill, the Government has acted unilaterally, without consent of the provinces, and has failed to respect the tradition of federal-provincial agreements. The EPF Program is administered under a federal Act and we have to admit that technically speaking, it can be changed by the federal Parliament unilaterally without the formal consent of the provinces. However, the tradition has been to renegotiate, and I stress the word "renegotiate", these fiscal arrangements every five years.

This Act was amended for the first time in 1982 and the provincial Governments expected to be able to renegotiate shortly the new arrangements that would take effect as of April 1, 1987. The Conservative Government has thus failed to respect the long-standing tradition and has unilaterally announced amendments that would take effect a year ahead of the normal date of expiry of the agreement. No wonder that, when the federal Government announced its intentions at the federal-provincial conference, the representatives of the provinces unanimously rejected the federal proposal.

The premiers rejected the proposal, whether they were members of the Conservative Party or of other Parties. They rose to say that what the federal Government was doing was wrong. It was adding to the burden of the provinces the effort of the federal Government to cut the deficit. It was adding to the burden of the provinces the desires of the federal Government ahead of the responsibilities of the provinces to their populations; in effect, the same populations about which the federal Government should be concerned when it comes to maintaining and improving standards of health care and post-secondary education.

Once again, let us look at what the provinces will have to do as a result of the cuts in transfers of funds required by the provinces, cuts totalling $8 billion by 1991-92. What are the alternatives the provinces have? As a result of these cuts, the provinces will be forced to increase taxes as one alternative. Another alternative is to increase deficits and another would be to rethink priorities and cut back on services accordingly.

The Conservative Government might well be forcing provinces to reduce the number of hospital beds. The Conservative Government, through this legislation, might well be forcing the provinces to restrict the number of students who are admitted to universities and colleges across the country. The Conservative Government, through this legislation, might well be forcing the provinces to increase fees paid by consumers of provincial services. This might cause provinces to increase or institute hospital user fees and might force provinces to increase or institute tuition fees at universities and other post-secondary education institutions. Whatever method is adopted by the provinces, it is the individual taxpayer who will bear the cost of the cut-backs, and that without any benefit whatsoever accruing to the individual Canadian and his or her family.

It is very clear why we moved this motion. When we look at the evidence, we find that the Conservative Government broke its promise to consult with the provinces before doing anything like this. It broke its promise to develop and implement a new kind of harmony with the provinces. Instead, it has caused

dismay and shock, even on the part of Conservative provincial Governments. The provincial Governments have rejected this legislation unanimously. They have sent us a signal and we have to follow through with it by adopting this motion and then defeating this Bill.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think we are entitled at least once during the afternoon to hear a truthful rendition of the actual facts and not the pious mouthings of the criminals opposite who have returned to the scene of their crime. Why does this Bill have to be proposed to the House? By the way, the only thing this Bill does is reduce the rate of growth in transfers from the Government of Canada to the Governments of the provinces over the next five years. It does not reduce the amount of money the provinces will receive for health care and post-secondary education.

Why is this Bill necessary? It is necessary because of the hon. gentlemen opposite. Here I am referring to Members of the Official Opposition, not Members of the New Democratic Party who never had any responsibility for governing this country, thank God. Therefore, I cannot address these comments to them. Members of the Official Opposition opposite formed a Government for 20 years and got the country so far in the red that the present administration has to do something to retrieve the financial Niagara of debt that was left behind.

The Hon. Member for Bourassa (Mr. Rossi), in all his previous—

Mr. Rossi: We finally flushed you out, John.

Mr. Crosbie: I never realized that he had a tongue until he went into Opposition. The Hon. Member for Montreal—Sainte Marie (Mr. Malépart) was like a blushing bride for all his previous years in this institution. There was never a sound from him. All he did was nod his head and say yes whenever the Government proposed anything.

Mr. Rossi: We finally flushed you out. We finally did it. That's what we wanted.

Mr. Crosbie: We see now the alternative there is to the present Government. When looking at the Hon. Member for Montreal—Sainte Marie and the Hon. Member for Bourassa, we can see what kind of Government they would give this country.

The Hon. Member for Laval-des-Rapides (Mr. Garneau) was a Finance Minister in Quebec and at least he knows something of which he speaks. He was out in the private sector for a number of years and knows how badly his cohorts served this country. He realizes the need for this piece of legislation. This is Liberal legislation, legislation caused by the Liberal Government that preceded us. This is Trudeau legislation. This is Turner legislation because he sat by and allowed the hon. gentleman to do this when he was in power. This is Chrétien legislation. This is Gauthier legislation.

Mr. Gauthier: Thanks, John.

Mr. Crosbie: This is legislation caused and inspired by Gauthier. Attorney General Scott of Ontario does not know who Gauthier is, but I have been trying to tell him who Gauthier is. Gauthier is a Member—

Mr. Deputy Speaker: Order, please. Could the Minister please make a speech?

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I would ask the Hon. Member who has the floor to speak to Bill C-96. It seems to me it is important enough.

[*English*]

Mr. Deputy Speaker: The Hon. Minister of Justice (Mr. Crosbie) has the floor.

Mr. Crosbie: The Hon. Member for Montreal—Sainte Marie mentioned Mr. Muffler. I hope to God he goes to Mr. Muffler before he speaks here again in order to get himself muffled down a bit.

Mr. Rossi: What province are you from? Your Minister doesn't seem to know. You're not on the map.

Mr. Crosbie: If the hon. gentleman had had a chance to be appointed to the Livestock Feed Board, he would have been gone before the last election as well.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The only reason that those two hon. gentlemen are still here is that they did not get to the trough of the Livestock Feed Board. They ran out of places too late for you guys.

This is Liberal legislation caused by the Liberal Party and its stewardship. Do you realize, Mr. Speaker, that when Liberal Members left office, they left us with a deficit of $34.5 billion? That is why this legislation is being introduced.

If we can introduce a note of sanity here for the first time this afternoon, this is a federation of 10 provinces, two territories and a federal Government. The provinces are very proud. They want to exercise their jurisdiction, and health services and education are both matters totally within the jurisdiction of the provinces. If we attempted to amend the BNA Act to remove any of that, they would howl like banshees. They would howl like weird will-o'-the-wisps, like the Hon. Member for Montréal—Sainte-Marie. They would howl like Mr. Muffler himself, if we attempted to take away any of their jurisdiction over health and education. They have the jurisdiction, yet it is the Government of Canada which is being abused here today by that great advocate of provincial

rights, the Liberal Party of Canada, about the fact that we are slowing down the rate of transfers to the provinces. Presumably—

• (1740)

Mr. Rossi: What was that you said?

Mr. Crosbie: When the Hon. Member from *la grosse bouche* goes back to his district in the Province of Quebec, will he advocate to them that we remove jurisdiction for health from the province or that we remove jurisdiction for education from the province? No, *la grosse bouche* will not open his *grosse bouche* when he gets back to Quebec.

Mr. Rossi: *En français.*

Mr. Gray (Windsor West): If you had only done that during the leadership, you would be Prime Minister.

Mr. Crosbie: Had I shown this facility—

Mr. Rossi: You would be the Leader, John.

Mr. Crosbie: I am only getting started. I am going to be here for a long time yet. Laurier had the 20th Century. I have the 21st.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Hon. gentlemen opposite do not realize that 23 per cent of the money which the Government of Canada is spending this year is going to pay interest on the Liberal debt. That 23 per cent is gone.

Some Hon. Members: Shame, shame!

Mr. Crosbie: We cannot use it to improve health services, education or roads.

Mr. Nunziata: What about bank bail-outs?

Mr. Rossi: Are you talking about the interest for Stevens?

Mr. Crosbie: What about an operation on the honourable tongues opposite? In Newfoundland we have a dish called cod tongue. There are the cods and there are the tongues; they are both opposite. They have everything in the Liberal caucus. As I said, 23 per cent of all the money we spend this year goes in interest on the Liberal debt. That is why we had to propose this legislation to the House. That is why the House should pass it. That is why those hon. gentlemen should vote for it. They caused it. They left us in a position where 23 per cent of the $110 billion we are spending this year is on interest to bond holders, rather than being in a position to use it to improve educational facilities, hospital facilities, and other services in the country. They have done that dirty work, and they should now vote to pay for the dirty work.

Mr. Rossi: We finally got you going, John.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. The Hon. Minister is doing so much damage to his cause, his Party and his Government that the Official Opposition would gladly give unanimous consent to allow him to speak until six o'clock.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Thank you.

Mr. Deputy Speaker: Is there in fact unanimous consent to allow the Minister to continue for a minute?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister to contine for five more minutes?

An Hon. Member: For 15 minutes.

Mr. Rossi: Your friends are on this side, John.

Mr. Crosbie: I have consent to carry on.

Mr. Nunziata: Let the clown carry on.

Mr. Deputy Speaker: Very well, the Hon. Minister of Justice has unanimous consent to continue for a few minutes.

Mr. Crosbie: I will restrict myself to two or three minutes, Mr. Speaker. It is noticeable that the unofficial Opposition opposite, the New Democratic Party, has not said much this afternoon. That is because its chain has not yet been jerked by Shirley Carr. She has not indicated to the members of that Party what position they should take in this matter. I was down in Windsor a week ago and I told them the story of Bob White and the three dwarfs—the Hon. Members from Windsor, the Hon. House Leader of the Liberal Party—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Minister, but I doubt if this is relevant to Bill C-96.

Mr. Crosbie: Mr. Speaker, I will leave the subject of Bob White and the three dwarfs—the Hon. Members from Windsor who are up every day here and the other distaff Member, the House Leader of the Official Opposition. I will leave that and simply say that since the CLC has not instructed New Democratic Members of Parliament on what position to take on this matter, they have had precious little to say. We hope that the message will get through to them by tomorrow and that they will be able to participate in the debate.

I do not know who has pulled your chain, Herb, but you are looking as though you are suffering a lot of pain at the moment. I believe the Hon. House Leader regrets the fact that I was given the chance to introduce Bob White and the three dwarfs to the House. I do not want to take unfair advantage of the hon. gentleman because I do not think he can survive to six o'clock if I continue. I thank the House for the three extra

moments I was given. I thank the House Leader opposite for the opportunity to point out to the House some of the problems which he is experiencing in his stewardship. Anyone who is a House Leader of a group which looks as though it has just broke out of the Montreal zoo has to be commiserated with.

An Hon. Member: That is why you do not do well in Montreal, John.

Mr. Crosbie: Or the Toronto zoo.

Mr. Deputy Speaker: On debate, the Hon. Member for Beaches (Mr. Young).

Mr. Neil Young (Beaches): Thank you very much, Mr. Speaker.

Mr. Crosbie: Shirley Carr.

Mr. Young: Shirley Carr sends her regards.

Mr. Crosbie: On a point of order, I have something here I want to show to the House. It shows the great tit, the blue tit, the coal tit, the marsh tit, and the crested tit. Which are you?

Some Hon. Members: Oh, oh!

Mr. Young: "Mr. Speaker, this is a deplorable piece of legislation because the principle of it is one of betrayal. The Bill betrays the provinces of Canada, the provincial Governments of Canada and betrays the universities of Canada. It betrays post-secondary institutions of Canada. It betrays the young people of Canada and it illustrates rank hypocrisy in the actions of the Government".

Mr. Murphy: Who said that?

Mr. Young: "The House is discussing a Bill to reduce federal contributions to post-secondary education—for the fiscal year ending next March and to reduce the federal contribution to post-secondary education by $260 million in the next fiscal year starting April 1, 1984. Is that not rank hypocrisy? Is it not an illustration of the rottenness and internal self-contradiction of the people now administering the affairs of Canada? ... That is the rankest hypocrisy ... Whom does it affect the most? Whom is this the most crippling blow to? It is the most crippling blow to the Atlantic provinces and, in particular to the Province of Newfoundland. It is a blow to those provinces which are financially strapped, and the four Atlantic provinces are among the most financially strapped of any of the provinces of Canada. This is a vicious blow to those provinces just when they need federal financial assistance, and more of it, to help their post-secondary education system. Just when they have fantastic highs of youth unemployment and unemployment generally, this Government reduces what they are to receive, using the fiction that it has to apply a six and five program to contracts which it entered into with the provinces in 1977. The Government has turned its back on its commitment and asks us to pass this legislation".

Mr. Redway: You have your back to me.

Mr. Young: I am sorry about that. "What is the effect on Newfoundland? In the year which is ending now, Newfoundland will receive $2.7 million less than it would have received for post-secondary education. I believe in the year 1984-85, next year, when Newfoundland will be more in need of educational and training services than ever, there will be a reduction, I believe of $6.1 million. The Province of Newfoundland, already strapped, already with a current account deficit, already with the highest per capita debt in Canada, is not going to be assisted by this Government. This Government is going to grind Newfoundland further down, if it can do it". I could not have said it better. The words I have just repeated were those of the present Minister of Justice, the Hon. Member for St. John's West (Mr. Crosbie), in the House, as reported in the *Debates* for February 7, 1984 when the Liberal gang attempted to do exactly what the Tory gang is attempting to do today. There is not much difference between both of them.

I should like to refer to a letter from the Minister of Finance for the Government of Newfoundland and Labrador who wrote to the Hon. Member for Churchill (Mr. Murphy) on April 22, 1986 in which he commented on the legislation presently before the House. He said:

• (1750)

Dear Mr. Murphy,

Premier Peckford has asked me to reply to your letter of April 9th concerning Bill C-96.

As no doubt you are aware, there has been extensive discussions of the matters covered by Bill C-96 at the official and ministerial level between the Federal and all Provincial orders of Government. These discussions included vigorous protests by the latter over the Federal intention to alter current EPF funding arrangements prior to May 1987.

No doubt you are also aware that discussions are continuing concerning an amendment to the Federal/Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 which would put in place a further five-year arrangement for the period 1987 to 1992. These discussions have not yet concluded. The Government of Newfoundland and Labrador regards this larger amendment of very great importance for the continued co-operation between both orders of Government for the joint funding of our Education and Health systems. For this reason we will persist in making presentations to the federal Government detailing the particular problems and needs of our Province in those regards.

I trust I have given you the information which you are seeking.

I thought it was important that the House be made aware of such a letter. The impact this will have on Newfoundland and other Atlantic provinces, as well as other provinces across Canada, will be devastating on the ability of medicare to provide adequate service to the people of Canada. It will be devastating to a lot of young people, one of our greatest natural resources, in being able to afford higher education because of what the Government is doing to the transfer of funds for post-secondary education financing.

It is rank hypocrisy, Mr. Speaker. The Hon. Member for St. John's West properly and adequately described this measure in

1984 when he talked about what the Liberals were doing and what the present Government is now doing.

By the end of 1991, just to illustrate the total impact this measure will have on the provinces, Newfoundland is to lose $128 million; Prince Edward Island is to lose $27.5 million; Nova Scotia $195 million; New Brunswick is to lose $156.8 million; Quebec is to lose $1,435.4 million; Ontario, my own province, is to lose $2,014 million.

Mr. Redway: $400 million more than last year.

Mr. Young: I am glad to hear my friend, the Hon. Member for York East (Mr. Redway) mention that because in the Newspeak of the Minister of Finance (Mr. Wilson) and Conservative Members of the Government, they have tried to defend what the Government is doing. They said all they are trying to do is to moderate the transfer of money from the federal treasury to the provincial treasury.

They can use all the moderation they want in the language they use to describe what they are trying to do, but the fact is there will be a reduction of $5 billion from the federal Treasury to the provincial governments over the next five years for health care delivery and post-secondary education purposes.

The Minister of Finance, when he was the Finance critic for the Official Opposition, called them cuts when the Liberals attempted to use the same type of *newspeak* terminology to excuse themselves from what they were doing. A $5 billion cut over five years is a cut. By any other name it is a cut, a cut of $5 billion—

Mr. Redway: It is $90 billion more.

Mr. Young: —that will not be used for educational purposes for the young people, and it will not be used to provide good medical services to all Canadians on an equal basis, regardless of where they live. If you happen to live in Newfoundland and Labrador, you will be entitled to a lesser degree of medical services than you would be in a better off province. That is what the measure means. It is a cut of $5 billion.

Mr. Redway: It is $90 billion more.

Mr. Young: As I said before, the Minister of Finance properly described this when he was in Opposition as sheer hypocrisy. I see that my time is up. I thank Hon. Members for listening.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have prepared a few notes for another speech on Bill C-96, but considering the little time I have left and especially the outrageous comments we heard by the Minister of Justice (Mr. Crosbie), I would prefer to raise some of the points he made in his speech.

First of all, Mr. Speaker, you may have noticed, as all other Members of this House may have done, that when the Minister of Justice rose to speak just now, he happened to be the very first Government Member and the first Minister to speak to this subject before the House.

The Bill was introduced in the House by the Parliamentary Secretary. I was there. I remember clearly it was the Parliamentary Secretary to the Minister of Communications, the Hon. Member for Hamilton—Wentworth (Mr. Scott). There wasn't a single Minister who had the guts to rise in the House and introduce a Bill as sordid as this one. And now, after several days of debate, we see the Minister of Justice rise in the House and take ten minutes or so to make an outrageous speech, livened up with jokes that would be more appropriate in a zoo than in the serious debate we are having today.

The Minister started by explaining why the Bill was proposed in the House in the first place. According to him, it was to make up for the mistakes of the previous Government which had accumulated deficit after deficit. Well, my opinion is slightly different, and I would say that the Government has added to the deficit by introducing measures to suit its friends.

Mr. Speaker, the Government's decision to give people in a position to make capital gains in this country a lifetime exemption of up to $500,000 will cost Canadian taxpayers, both rich and poor, something like $4.5 billion between now and 1990. And I don't want to hear the excuse that payments to the provinces are only being cut back in an attempt to reduce a deficit that was accumulated by the previous Government, because I would say to the Government: Today, you give handouts to your friends, and you ask the little man, the average taxpayer and low-income Canadians to foot the bill.

Let us talk about the rescue operations for the two banks that went belly up in western Canada. When the Government came to the House begging for billions, it was to bail out people with deposits in excess of $60,000, not ordinary people who were already covered under deposit insurance.

An Hon. Member: Ordinary Canadians.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the debt is shifted over to the provinces for payment, and this is one way of compensating for the gifts given by the Government to its friends, high income people. I could go on and on about this. I do not have much time left but before resuming my seat, Mr. Speaker, I can tell you that the changes to the national energy policy — we all know this — will bring billions of dollars in profits to the multinationals whose first consideration is not to look after the needs of Canadians. Such are the real objectives of the Government across the aisle. It expects the provinces and individual Canadians who can hardly make ends meet to pay for its lavish gifts to its friends. That is the truth! When he spoke that is the truth the Minister of Justice should have told instead of clowning around.

[*English*]

The Acting Speaker (Mr. Nickerson): The Hon. Member will have six minutes available to him when the debate on this matter recommences.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CANADA MORTGAGE AND HOUSING CORPORATION—RURAL AND NATIVE HOUSING PROGRAM

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I am pleased to have this opportunity to comment further on the Rural and Native Housing Program operated by Canada Mortgage and Housing Corporation. This program was designed to ensure adequate housing for low income people living in rural areas and small communities. The federal Government funds 75 per cent of the project and the province contributes the remaining 25 per cent. The program was established under Section 40 of the National Housing Act over 10 years ago. In Ontario, rural and native housing projects are administered through centrally located CMHC offices. It was a good idea which lacked consultation. That is why I rose in the House earlier to ask the Miniser responsible for CMHC a question, and it is why I rise now. My colleagues here and my constituents know only too well that this program has not been working properly and that serious revisions in the delivery and supervision of this program are needed.

The problem began with the centrally located administration of this program. The central office had little, if any, previous contact with the various communities in which rural and native housing projects were placed. An occasional visit was all that the client and the community received. The community was not involved in the selection process for either the client or property, but they were the ones who had to live with the situation. Decisions were made by people outside of the community.

That insensitivity is now going to stop. The Minister assured me, following my representation to him and my later questioning in the House of Commons, that CMHC has placed increased emphasis on involving municipalities in the Rural and Native Housing Program delivery schedule. CMHC personnel will now meet with municipal councils prior to introducing a rural and native housing project into each municipality. The client selection process and the number and type of units which CMHC would like to deliver in the municipality will be discussed. Such meetings will increase the municipal council's knowledge of the program and, hopefully, answer any questions council members may have. To continue a good exchange of information, CMHC managers will meet at least once a year with local councils to discuss any problems which may have developed during that year.

One of my constituents put the problem very well as follows:

> I am not opposed to government assistance to low income earners. Low income earners struggling to make ends meet and renovating old homes, trying to make them liveable, should undoubtedly have Government assistance. Proper policing could make this an excellent Government program.

Once a Rural and Native Housing Project is in the area, it seems that enforcing of the guidelines of the program is left to the honour system. That may be fine in a perfect society but, unfortunately, we do not live in a perfect society. People could take advantage of this program and the hardworking Canadian taxpayers who provide their own shelter for their families would be at a disadvantage. Fortunately, with increased municipal consultation, the administration of the rural and native housing program will be enhanced.

Guidelines and the intent of the Rural and Native Housing Program must be followed. It is vital that the people involved, the client and the participating community, know the boundaries within which it operates. This is a good program and it would be unfortunate if it were cancelled because of abuse.

Another problem was raised by a constituent who is concerned about what we are teaching our children. I quote as follows:

> The newest and best house in the area is given to an unwed mother of one. She has never worked . . . What will we tell our daughters? "Don't get married. Have a baby and the Government will keep you and give you a new modern home better than a husband could provide".

The Rural and Native Housing Program started off as an attempt to encourage people, to give them incentive and initiative and an opportunity to take pride in their home. These noble ideals fall by the wayside when the program is abused. Where is the incentive to work toward owning your own home when the Government will buy one, and sometimess a well-above-average home for the area, for only 25 per cent of your income? There is concern that we are showing our citizens that work is not always rewarded. The average Canadian who works hard to afford a down payment and then scrimps and saves to meet monthly mortgage payments, often at very high interest rates, becomes very discouraged.

• (1805)

I am not suggesting the program be cancelled. No one, myself included, feels that the Government should not help those in need. The Rural and Native Housing Program is designed to assist low-income earners in need. Last year in my riding, approximately 40 per cent of the RNH clients were fully employed low-income earners. That is exactly the kind of people who deserve assistance in purchasing a home. However, it is important to ensure that our social programs are not abused. After 10 years of this program, it was time for a review so that changes for the better can be made. I would like to see increased emphasis on helping people renovate their

homes. Another possibility is to have the rent-to-own principle become a higher priority. It would give people a chance to prove they can be responsible and have a healthy respect for their property. Shelter is an important factor in the quality of life Canadians have come to expect. It is vital to remember that it is a privilege to live in a fine house, not a right.

I would like to thank the Minister for listening to my concerns and those of my constituents and for improving this Rural and Native Housing Program.

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, on behalf of the Minister responsible for CMHC, I would like to respond further to the matter raised by the Hon. Member on March 6 of this year and again today. It concerns the consultation and participation by Members of Parliament and municipal and local representatives in the delivery of the Rural and Native Housing Program.

The Minister appreciates the Hon. Member raising this matter. He also appreciates the opportunity to comment on this program. The Minister was already aware of some of the concerns expressed. He had already instructed CMHC officials to thoroughly review the matter. On his behalf, I am pleased to say that several important initiatives will be undertaken by CMHC to address the concerns expressed. Some of those concerns were mentioned by the Hon. Member.

CMHC will place increased emphasis on involving the municipalities in the Rural and Native Housing Program delivery schedule. Before introducing units into a municipality, CMHC will consult with the municipal council to thoroughly explain the program's objectives, the client selection process, and the number and type of units it proposes to deliver in the muncipality. This will increase the council's knowledge and support of the program and answer any questions the council may have. As well, where the program is already in place, CMHC officials will meet periodically with the local council to discuss any problems which may have occurred.

CMHC will also be looking at additional rental units and the acquisition of suitable existing houses rather than new construction. As well, CMHC is undertaking increased client counselling to ensure that clients are aware of their responsibilities with respect to property maintenance.

Under the agreement signed with the Province of Ontario on February 28, 1986, CMHC will continue to deliver this program this year. On behalf of the Minister, I can assure the Hon. Member that there was extensive consultation with several interested native and non-native groups prior to implementing the new program directions. The opportunity for continued consultation is always available and welcome.

I thank you for the opportunity to respond to this issue, and I thank the Hon. Member for raising it.

[*Translation*]

UNEMPLOYMENT INSURANCE—DATE OF DECISION TO APPLY REGULATIONS WITH REGARD TO EARLY RETIREES—ENQUIRY HOW MINISTER CAN PRETEND TO HAVE INFORMED THE BENEFICIARIES IN ADVANCE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, on April 17 I put a question to the Minister of Employment and Immigration (Miss MacDonald) concerning the date of the decision to apply regulations with regard to early retirees. The Minister gave me the usual answer we have been hearing for months, namely that the decision had been made in November 1984.

• (1810)

Mr. Speaker, in my question I referred to a letter from the Minister of Employment and Immigration, dated November 26, 1985, several months before the effective date, one month and several days, to be exact, a letter in answer to a letter from the Hon. Member for Trois-Rivières (Mr. Vincent), the Parliamentary Secretary to the Minister of National Revenue at the time. In the penultimate paragraph, the Minister said, and I quote:

> I would also like to mention that the regulations as such have yet to receive final approval by the Government. Consequently, the specific details of their application have yet to be determined. I am therefore not in a position to answer your question about applications that will already be in effect on January 5, 1986, and those filed after that date.

There, Mr. Speaker, you have the crux of the matter. It is true in principle that those measures were announced in the economic statement made by the Minister of Finance (Mr. Wilson) in November 1984. After that, we waited until January 1986 to implement the regulations, but we never told the people, those who are supposed to go on advanced retirement, whether those regulations would be implemented retroactively.

I was on the Quebec tour with my colleague for Montreal—Sainte-Marie (Mr. Malépart) and, at each meeting we attended people were not opposing the Government's decision to impose such regulations. What people were against was retroactivity. It would seem that a number of companies were in touch with the Department, some even contacted a few MP's. There were very clear responses. The Minister herself, in her letter of November 26, did not know at that time whether it would be applied retroactively or not.

There would seem to be 40,000 people, at least 13,000 of them in Quebec, who were affected by those regulations. Those people would never have gone on early retirement, they would never have accepted their company's offer had they known that one or two months later their unemployment insurance benefits would be stopped. There lies the whole question.

Again, it is clear . . . I have here a copy of a telegram dated December 30, 1985, from the Director of Benefit programs to Manpower and Unemployment Insurance Centre Offices, and I quote: "The new regulations on pension income have been adopted and will come into force on January 5, 1986, as

anticipated. A stuffer advising claimants of the changes made by the new regulations will be inserted in mailings starting from December 29, 1985. Further instructions to follow".

That was on December 30. I checked with the Unemployment Insurance Office in my constituency on December 30, no information was available as to whether that was retroactive or not.

We have been putting the question for months to the Minister, asking that those regulations be rescinded, unless they are not retroactive. The answer is that everything is before the Forget Commission. By golly, if you want something to be studied, let it be studied. And once a report is submitted, a response, then you should act. And I agree as to the substance of the case, that if benefits were to be paid to someone going on early retirement or not, this is a question that should be considered, and I am anxiously awaiting the Forget Commission's report.

However, while this principle is being considered, it is unfair to withdraw benefits from people who were not aware of what would happen when they took an early retirement, and it is very obvious from the letters of the companies and the statements of those involved that they were not aware of the situation. The Minister herself did not know on November 26 whether this rule would apply retroactively or not. From what we have heard when we were there, this system is penalizing people who cannot afford it and who will lose $200 or $300 a week while still having to pay unemployment insurance contributions. They will certainly not be able to live on their early retirement pension. They will have to go back on the labour market and to pay unemployment insurance contributions even though they can never collect.

I think that this decision is unfair and that the Canadian workers, and especially these people, did not deserve such a treatment. To my knowledge, it is the first time that such a rule is applied retroactively. In addition, when the notice of application of this rule was sent out on December 30, 1985, no instructions were provided.

Mr. Speaker, this shows that, maybe not voluntarily, but perhaps because she was badly advised, the Minister of Employment and Immigration (Miss MacDonald) made a mistake, and the right thing for her to do would be to make an announcement and withdraw this rule, at least for those who applied before December 5 or during the fall of 1985. It is clear that these people were not aware of this rule in the fall of 1985 because they would never have taken the chance of seeing their unemployment insurance benefits withdrawn two weeks or one month later.

I hope, Mr. Speaker, that the Hon. Parliamentary Secretary will be able to announce that the Minister has come back to reason and withdrawn this rule.

• (1815)

[*English*]

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, as the Minister of Employment and Immigration (Miss MacDonald) has already stated on many occasions, changes to the pension income were announced on November 8, 1984, by the Minister of Finance (Mr. Wilson) in his Economic Statement.

As the House is aware, Cabinet decided on December 20, 1984, to postpone the implementation of the changes on earnings on separation to March 31, 1985, with some exemptions, and to postpone the implementation for pension income to January, 1986, without giving any other exemptions.

The amendments to the regulations dealing with pension income were approved by the Governor General in Council on December 20, 1985, and those amendments were in line with the Cabinet decision, which was to apply the new rule to all claimants in receipt of a pension income without exception.

All Canadians were informed of the coming changes through public statements and a press release. Those who were already UI recipients received a notice in late December, 1985, and early January, 1986, informing them of the changes and asking them to report their pension income on their bi-weekly reports as of January 5, 1986.

It must be noted that according to Privy Council Office rules, the content of a regulation cannot be divulged between the Department of Justice clearance and the approval by the Governor General in Council.

When the Hon. Member originally asked the question on April 17, the Minister indicated that she had referred this particular matter to the Forget Commission for consideration, that she is awaiting the results of that review and will respond in kind.

YOUNG OFFENDERS ACT—INTRODUCTION OF AMENDMENTS—MINISTER'S POSITION.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on a number of occasions I have risen in the House to share with the Solicitor General (Mr. Beatty) and other colleagues my concerns and the concerns of the residents of Don Valley East about the Young Offenders Act.

Let me first state that I am totally supportive of the basic principles and philosophy of this progressive Act. The four principles that underline this legislation are: one, that young people are responsible for their actions; two, that young people enjoy rights protected under the Charter of Rights and Freedoms; three, that society has a right to be protected from criminal behaviour; and finally, that young people have special needs because they are at various stages of development and maturity.

• (1820)

I know I am not alone in welcoming this modern piece of legislation. I think it does not speak very well of the fact that our laws have not changed for some 60 years in this regard. This Act, as you know, Mr. Speaker, replaces the Juvenile Delinquents Act.

On November 28, 1985, I asked the Solicitor General when we could expect amendments to the Young Offenders Act to address those areas where problems have arisen in actual practice. I am very pleased that such amendments were tabled in the House on April 30, 1986. There are several areas of particular concern which have emerged over the two years since the Young Offenders Act was proclaimed in April of 1984. One such area is that the authorities have found it difficult under the Act to deal effectively with young offenders who have violated parole conditions or other dispositions of the court. The proposed amendment will streamline the process to allow for quick police action in such cases.

Another area identified by police officials as causing undue difficulty is the procedures concerning pre-trial detention. I have spoken on several occasions with Inspector Jim Clarke, the head of the Youth Bureau of the Metropolitan Toronto Police Department. The procedures requiring the separate detention of those over 12 and those under 12, although necessary, are too inflexible. One case he cited involved two brothers, one over 12 and one under 12, who could not be sent home in the same police cruiser because of the procedural requirement. It is my understanding that the amendment, while adhering to the important principle that adults and young people should be kept separate in detention and custody, will allow police more flexibility in dealing with young offenders in cases such as the one I previously mentioned.

Professionals who have been working with the Young Offenders Act have found that the prohibition of publication of information concerning a young offender has, in some circumstances, created an unreasonable risk to the public. For example, when a dangerous young offender escapes custody and is at large, publication of information can be vital in warning the public and in aiding the police to apprehend the offender.

Much public attention was focused on the maximum sentence of three years which could be imposed on someone tried and convicted under the Young Offenders Act, especially after a court decision in a Scarborough murder case in which a 14 year old was convicted of three murders and sentenced to the maximum of three years. Cases involving young people who are involved in particularly violent crimes can be tried in adult courts if the Crown Attorney so chooses. The amendments proposed by the Solicitor General allow for courts to impose consecutive sentences for new crimes.

The retention of records relating to young offenders also became an issue during the two years since the proclamation of the Young Offenders Act. In a celebrated case in Orangeville, records and psychiatric assessments of a young man found not guilty of murder by reason of insanity could not be released to the hospital to which he had been sent. The amendment to allow more flexibility in maintenance and destruction of records is well taken.

Law enforcement professionals have also had some problems with how to deal with offenders under the age of 12. This problem was brought home to me by one of my constituents, Mrs. McCullough, whose cottage in the Port Parry area was broken into and vandalized by two young girls aged 10 and 12. Mrs. McCullough is concerned, and I share her concern, that these young girls may not be deterred from repeating their crime. Our home was broken into a few years ago and we were told it was broken into by young people under the age of 12. I feel we must keep in mind the number one objective with respect to youngsters under 12, and that is that they be rehabilitated. I believe that is an important aspect of this Act.

Individuals who counsel or encourage children under the age of 12 to commit crimes are committing a serious offence against the children and society and I am pleased that the Criminal Code will be amended to allow for criminal prosecution of such people. The Young Offenders Act does not deal with children under 12 years. Last November, the Ontario Legislature enacted the Child and Family Services Act which deals with children under 12 years and the legal system. Let us hope that this legislation will help those children who come into conflict with the law to change their ways before criminal activity becomes a habit. I must point out that Ontario, regrettably, was the last province to bring in such legislation, even though it was told that federal legislation would come in in 1984.

• (1825)

In summary, I have followed the Young Offenders Act with great interest since I was elected to the House. I have attended consultation meetings with law enforcement professionals such as Metropolian Toronto Police Chief Marks, Inspector Clarke of the Youth Bureau and representatives of the various social agencies such as the John Howard Society. I was pleased to be present when the Solicitor General announced the amendments to the Young Offenders Act in Toronto on April 30, 1986.

From these experiences and from discussions I have had with my constituents and others about the Young Offenders Act, I believe it is a good Act and a real improvement. While there have been some initial problems, these amendments should help resolve them. We just need a little bit more time and experience for everyone to appreciate the full value and thrust of the legislation. I commend the Solicitor General for acting so quickly on these much needed changes.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, in response to the question put by the Hon. Member for Don Valley East (Mr. Attewell), I would like to make a few brief comments at this time on behalf of the Solicitor General (Mr. Beatty), reserving a fuller explanation of the proposed changes to the Young Offenders

Act for second reading stage and study by the Standing Committee on Justice and Legal Affairs.

Shortly after the Solicitor General was sworn into office, he promised to amend this Act. The improvements contained in Bill C-106 respond to the concerns identified during national consultations undertaken by the Minister with concerned citizens, juvenile justice professionals and provincial administrators. A federal-provincial meeting of Ministers responsible for juvenile justice held in Vancouver on February 11, 1986, also resulted in an endorsement of the proposals. During these consultations, the Solicitor General found widespread support for the principles of the Act, despite some concern about a few of its provisions.

The proposed changes would allow for the publication of the identity of dangerous young offenders. No longer will they be able to hide their identity from the public at large. The changes will allow for consecutive sentences totalling more than three years where a young person commits a subsequent offence while still subject to an earlier sentence. They will ensure that the police have adequate access to records for continuing investigations, will create minimum standards regarding the use of records and will ensure that records are kept in cases of acquittal by reason of insanity. These measures will address current problems in the Act's records maintenance and destruction provisions, problems that have interfered with effective administration of justice and law enforcement.

The proposed changes will permit the efficient and effective enforcement of probation orders and other non-custodial sentences. There is now no provision under the Act empowering police to intervene quickly and make an arrrest when a young offender fails to comply with the conditions of a probation order. This limit has caused difficulties for correctional agencies and courts as well as police. The proposed changes will modify the provisions of current law on the testimony of children and on detention prior to sentencing. They will clarify that any adult or young person involving children in criminal behaviour is subject to prosecution. This is an important aspect of the Bill, Mr. Speaker. They will resolve several technical, administrative and procedural problems. It is my hope that this Bill will receive rapid passage through Parliament with the support of all Parties.

[*Translation*]

The Acting Speaker (Mr. Nickerson): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:29 p.m.

APPENDIX "A"

P.C. 1986-1084

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by Her Excellency the Governor General on the first day of May, 1986.

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from the National Capital Region of the Prime Minister or in the event of his being unable to perform the functions of his office
   (a) the Deputy Prime Minister, the Honourable Erik Nielsen, or
   (b) in the absence from the National Capital Region of the Deputy Prime Minister, the Honourable Erik Nielsen or in the event of his being unable to perform the functions of the office of the Prime Minister, the next Minister named in order of priority in the list of Ministers set out in Schedule A who is in the National Capital Region and is able to perform the functions of the Office of the Prime Minister,

   be authorized to act for the Prime Minister;

2. that in the absence from the National Capital Region of a Minister whose name is set out in Column II of an item of the Schedule B, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

3. that in the absence from the National Capital Region of the Ministers named in Columns II and III of an item of the Schedule B, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

4. that in the absence from the National Captal Region of the Ministers named in Columns II, III and IV of an item of the Schedule B, or in the event of all those Ministers being unable to perform the functions of their Office,
   (a) the Prime Minister,
   (b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office, the Deputy Prime Minister, the Honourable Erik Nielsen, or
   (c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Erik Nielsen, or in the event of both of them being unable to perform the functions of their Office, the next Minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

   be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item;

5. that, where an Office set out in Column I of an item of Schedule B is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item;

6. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and

7. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Ministers named in Columns III and IV of that Schedule, or in the event of those Ministers being unable to perform the functions of their Office,
   (a) the Prime Minister,
   (b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office, the Deputy Prime Minister, the Honourable Erik Nielsen, or
   (c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Erik Nielsen, or in the event of both of them being unable to perform the functions of their Office, the next minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

   be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item.

SCHEDULE A

LIST OF MINISTERS TO ACT FOR THE PRIME MINISTER IN HIS ABSENCE OR IN THE EVENT OF HIS BEING UNABLE TO PERFORM THE FUNCTIONS OF HIS OFFICE

The Hon. E. Nielsen
The Right Hon. J. Clark
The Hon. F. MacDonald
The Hon. J. Crosbie
The Hon. D. Mazankowski
The Hon. E. MacKay
The Hon. J. Epp
The Hon. S. Stevens
The Hon. R. Hnatyshyn
The Hon. R. de Cotret
The Hon. M. Wilson
The Hon. P. Carney
The Hon. M. Masse
The Hon. M. Côté
The Hon. G. Hees
The Hon. R. La Salle
The Hon. J. Wise
The Hon. D. Crombie
The Hon. H. Beatty
The Hon. J. Murta
The Hon. H. Andre
The Hon. O. Jelinek
The Hon. T. Siddon
The Hon. C. Mayer
The Hon. W. McKnight
The Hon. W. McLean
The Hon. T. McMillan
The Hon. A. Bissonnette
The Hon. B. Bouchard
The Hon. A. Champagne
The Hon. J. Kelleher
The Hon. R. Layton
The Hon. B. McDougall
The Hon. G. Merrithew
The Hon. M. Vézina
The Hon. S. McInnes
The Hon. F. Oberle

SCHEDULE B

LIST OF ACTING MINISTERS

Column I Office	Column II Name	Column III Acting Minister	Column IV Second Acting Minister
1. Minister of Agriculture	J. Wise	C. J. Mayer	G. S. Merrithew
2. Minister of Communications	M. Masse	B. Bouchard	F. Oberle
3. Minister of Consumer and Corporate Affairs	M. Côté	R. R. de Cotret	T. M. McMillan
4. Minister of Employment and Immigration	F. I. MacDonald	W. F. McLean	A. Champagne
5. Minister of Energy, Mines and Resources	P. Carney	R. E. Layton	D. E. Crombie
6. Minister of the Environment	T. M. McMillan	T. E. Siddon	J. Wise
7. Secretary of State for External Affairs	C. J. Clark	J. F. Kelleher	M. Vézina
8. Minister of Finance	M. H. Wilson	B. J. McDougall	R. R. de Cotret
9. Minister of Fisheries and Oceans	T. E. Siddon	E. H. Nielsen	T. M. McMillan
10. Minister of Indian Affairs and Northern Development	D. E. Crombie	J. Epp	P. Carney
11. Minister of Justice and Attorney General	J. C. Crosbie	J. F. Kelleher	R. J. Hnatyshyn
12. Minister of Labour	W. H. McKnight	F. I. MacDonald	A. Champagne
13. Minister of National Defence	E. H. Nielsen	H. Andre	C. J. Clark
14. Minister of National Health and Welfare	J. Epp	O. J. Jelinek	D. E. Crombie
15. Minister of National Revenue	E. M. MacKay	M. Côté	B. J. McDougall
16. President of the Privy Council	R. J. Hnatyshyn	E. M. MacKay	J. C. Crosbie
17. Minister of Public Works	R. La Salle	S. McInnes	W. H. McKnight
18. Minister of Regional Industrial Expansion	S. M. Stevens	P. Carney	A. Bissonnette
19. Minister of State for Science and Technology	F. Oberle	S. M. Stevens	M. Masse
20. Secretary of State of Canada	B. Bouchard	O. J. Jelinek	J. Murta
21. Solicitor General of Canada	H. P. Beatty	J. C. Crosbie	R. J. Hnatyshyn
22. Minister of Supply and Services	S. McInnes	R. La Salle	D. F. Mazankowski
23. Minister of Transport	D. F. Mazankowski	J. Wise	C. J. Mayer
24. President of the Treasury Board	R. R. de Cotret	M. H. Wilson	H. P. Beatty
25. Minister of Veterans Affairs	G. H. Hees	E. H. Nielsen	H. Andre

HOUSE OF COMMONS

Wednesday, May 7, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

OFFICIAL LANGUAGES

SUPREME COURT JUDGMENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, last Thursday the Supreme Court of Canada rendered two judgments which substantially reduced the constitutional language rights of French and English-speaking Canadians. The court ruled that Section 133 of the Constitution, 1867 gave the state—that is, cities, provinces, and the federal Government—the right to choose the language of a summons or proceeding before a federal and Quebec court, not the citizen who is called to answer before the court. This is a regrettable and illogical judgment. Surely the rights entrenched in Section 133, which allow the use of French or English before the courts, are to benefit individuals, not the state.

As a result of these judgments, a constitutional amendment is required to clarify and restore those rights. I urge the Government to respond positively to this request.

* * *

MULTICULTURALISM

UKRAINIAN-CANADIAN DEVELOPMENT COMMITTEE FUNDING

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister of State for Multiculturalism (Mr. Jelinek) thinks that his office has been spoon-feeding ethnocultural organizations which do not contribute to Canada. He declares that from now on grants will be given only to those organizations which are an investment in Canada. The Minister's view of these organizations as weak children unable to feed themselves has aroused resentment in many communities.

Members of the Ukrainian Canadian Development Committee in Edmonton have examined their financial statements and have discovered that federal multicultural funds made up about 1 per cent of their resources. The Ukrainian Canadian Development Committee is only one of many groups which have received very limited funding from Multiculturalism Canada and have been forced to depend on other sources, particularly their own members. These organizations have invested far more of their own resources into the enhancement of a multicultural Canada than the Ministry of State for Multiculturalism has ever provided them. Their efforts deserve commendation rather than the criticism—

Mr. Speaker: Order, please. Sixty seconds.

* * *

EDUCATION

CANADIAN AMBASSADOR TO UNITED NATIONS—REPRESENTATIONS CONCERNING SCHOOL CURRICULA

Mr. John Reimer (Kitchener): Mr. Speaker, Canada's long-cherished role as an international peacekeeper has been eloquently enhanced by the indefatigable and insightful efforts of our present Ambassador to the United Nations, Mr. Stephen Lewis. Consequently, it was with surprise and consternation that I learned of the Ambassador's recent appeal to Canadian educators that so-called "peace activism" be made an indispensable component of high school curricula.

As a former teacher of Canadian history and a school board trustee, I am convinced that a conscientious and objective presentation of premise and fact best equips Canadian young people for analysis and debate, thereby allowing well-informed decision-making on a wide range of crucial issues, including international peacemaking. This is in stark contrast to the Ambassador's call for a "peace-activist" curricula. This myopic approach risks a pedagogy, whose method prejudges the issues and leads to conclusions which verge on uninformed propaganda. Therefore, I urge the ambassador to channel his undoubted capabilities in a manner which better reflect his appointment as Canada's representative—

• (1405)

Mr. Speaker: Order, please. Sixty seconds.

* * *

EXTERNAL AID

SUPPORT FOR AFRICA 2000 PROGRAM

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, when the Minister for External Relations (Mrs. Vézina) announced Operation Africa 2000 in the House yesterday we were all pleased to see that the thrust of the Government's initiative

focuses on partnership. For those of us who have lived and worked in Africa we recognize that the Minister has paid the highest tribute to the NGO community in naming them partners in development.

[*Translation*]

Africa 2000 reflects the lasting commitment of Canadian men and women to promote development in that country. The Government's food and agricultural programs for the next 15 years are long-term priorities.

[*English*]

Canada's continued leadership with the African Drought Assistance Program and other developmental issues in Africa will form an integral part of the upcoming May special session at the United Nations on Africa. We thank all Canadians for their continued support.

* * *

EXTERNAL AFFAIRS

CANADA-KOREAN RELATIONS

Mr. John Nunziata (York South—Weston): Mr. Speaker, just what is the relationship between this Conservative Government and the Korean Government? How intimate is the relationship between the Industry Minister, the Korean Government, Hyundai and the Hanil Bank? Canadians have a right to know, and it is about time that this Government came clean. The public interest demands it.

Why do so many Conservative Members of Parliament have such a special relationship with the South Korean Government? Why did five Conservative MPs surreptitiously sneak out of Canada to visit Korea at the expense of the Korean Government? What personal interest do they have in Korea?

Mr. Speaker: Order, order. Order, please. The Member knows he is now making a comment about Members and that that is out of order.

Mr. Nunziata: I am stating the facts.

Mr. Speaker: Order, please. The Hon. Member for York Centre (Mr. Kaplan).

* * *

PROSTITUTION

CALL FOR INTRODUCTION OF NEW LEGISLATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to say a word about the Government's legislation against street prostitution. I think all Canadians agree that there ought to be laws to prevent street prostitution, but when the Opposition objected to the laws the Government brought in it was because they were harsh, unfair and they treated prostitutes and their clients as if they were not human beings within Canadian society. Court decisions are now showing that they are human beings and that they must be treated as such.

I want to call upon the Government to rethink those harsh laws to which we objected so strongly, to read the Fraser Report, to bring forward legislation that will work and that will effectively remove street prostitution without treating prostitutes and their jobs like sub-humans.

* * *

[*Translation*]

YOUTH

SUMMER JOBS—GOVERNMENT PERFORMANCE

Mr. Gilles Bernier (Beauce): On March 23, Mr. Speaker, the Hon. Member for Yorkton—Melville (Mr. Nystrom) made these discreditable remarks about the Challenge '86 program:

> Let us not make use of youth summer job creation programs designed to improve their employment opportunities by enabling them to work in a field related to their chosen career.

This was the Hon. Member's way of belittling young people anxious to find summer jobs as clerks, waiters and waitresses, drug store employees, and so on.

Mr. Speaker, it is unfortunate to hear a Member of the Opposition discredit the kind of jobs young people can find, knowing as we do the efforts they have made to get summer employment. The Government does not share the views expressed by the NDP Member. We consider that all jobs are rewarding, and we are not in office to depreciate any kind of employment.

We have achieved concrete results in Beauce because the private sector, in co-operation with the Government, has taken a positive approach and created jobs for as many young people as possible. We commend them and wish them happy holidays!

Mr. Speaker: Order, please, the 60 seconds have expired.

* * *

[*English*]

COMMUNICATIONS

CTV *MASTERS OF DECEPTION* PROGRAM—COMMENDATION

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I want to take this opportunity to compliment CTV on a program it aired last Sunday night entitled *Masters of Deception* which exposed the large extent to which the Soviet Union has gone to spread disinformation around the world.

• (1410)

Two things are important in terms of Canada. The World Peace Council is a major funding agency for the so-called peace demonstrations around the world. Many well-meaning Canadians, who think they are working for peace when they join the peace councils and march for peace in organizations funded by the World Peace Council, are actually not working for peace as we understand it, but only as the Soviets understand it.

Second, that program made it evidently clear that those who work for peace in an independent way in the Soviet Union do not share the freedom of demonstration which we enjoy in Canada. I want to compliment CTV for the work it has done and to encourage it to do it again.

* * *

TRADE

CANADA-U.S. NEGOTIATIONS—IMPACT ON TECHNOLOGICAL INDUSTRY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we have heard much about the need for a level playing field in the trade negotiations and, with it, condemnation of the social, equalization, and other subsidies in Canada that the Americans will challenge. Another side of the coin has been cited by the Science Council.

What concessions will our Government demand and what mechanisms will be in place to equalize the playing field for Canadian technology-based industries so that they can compete with their American counterparts? What greater subsidies do we provide than the massive competitive advantage given to the U.S. high-tech industries by inherently preferential, if not incestuous, defence department expenditures for procurement and research and development? Will Canada insist on excluding much of our high technology industry from free trade negotiations, or will we, in our haste to benefit from the engine of U.S. economic prosperity, be driven to submissive acceptance of U.S. military policy so that we can share its profitable secrets?

* * *

THE ECONOMY

DECLINE IN INTEREST RATES—GROWTH IN BUSINESS INVESTMENTS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Government's program of economic renewal has helped cause lower interest rates and increased business investments. These factors helped stimulate almost 600,000 new jobs in the past 18 months. One-year mortgage rates have dropped to 9.75 per cent, the lowest rate in eight years. This trend of lower borrowing costs will materially assist home buyers, small business owners, and all consumers who borrow.

New business investment continues to grow. I attended a sod-turning ceremony last week in my riding of Don Valley East. Ikea, the furniture people from Sweden, are building a new store which will open in 1987. It will be Ikea's seventy-sixth store in the world. It will cover 220,000 square meters, over five acres, making it their largest store in North America. Most important, between 150 and 200 new jobs will be created in Don Valley East.

* * *

PUBLIC SERVICE COMMISSION

ANNUAL REPORT—EMPLOYMENT OF WOMEN

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, yesterday the Public Service Commission presented its annual report which contains some startling statistics. The report offers little hope that women will be given a better shake in the federal Public Service. Women hold fewer than one-quarter of the thousands of Public Works jobs and only 32 per cent of the over 30,000 civilian positions in National Defence. In the Departments of Transport and the Environment women hold 20 per cent and 27 per cent respectively.

I can go on. Women hold under 8 per cent of the well-paid senior civil service management and executive jobs while they are still the majority in those ghetto jobs, that is, clerical support staff, where they hold 82.7 per cent of the jobs. Furthermore, women only account for 4.8 per cent of those paid $60,000 and over.

The Tories promised fair representation in Government for women but there has been little improvement. When will there be action? Just prior to the next election in the form of token nominations? Certainly not through applying their famous, yet toothless, employment equity Bill, C-62.

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ENERGY

DEREGULATION OF CRUDE OIL PRICES—EFFECT ON PRIMARY PRODUCERS

Mr. Pat Binns (Cardigan): Mr. Speaker, it is high time that Canada's oil companies dropped the price of bulk fuel to primary producers. Farmers, fishermen, woodlot owners and others who buy in bulk are not benefiting from the Government's policy of deregulating crude oil prices so that the benefits can be passed on to users.

In my Province of Prince Edward Island all fuel comes in the same tankers, is stored in the same tanks, and is delivered in the same trucks. While prices have dropped at the gas pumps for consumers, the same benefits have not been passed

on to primary producers who must buy in bulk. This is a disgrace.

I have written to oil company presidents protesting this injustice and I urge affected producers to do the same. If they want to call me at the House of Commons, I will be happy to provide names and addresses so that they, as well, can join in the protest of this injustice.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday, in response to a question from my colleague from Glengarry—Prescott—Russell relating to the Minister having benefited from a conflict of interest, he stated categorically that he received no such benefit. My questions to him are these. Does he deny that he received a benefit from a $3 million loan from a Korean bank associated with the Hyundai company? Does he deny that he received a net benefit of $314,000, representing a one year interest-free loan of $2.6 million? Does he deny that he received a benefit from those two sources?

Mr. Speaker: Order, please. Perhaps the Right Hon. Leader of the Opposition could modify that question to one dealing with ministerial responsibility.

Some Hon. Members: It is.

Mr. Turner (Vancouver Quadra): This not only relates to—

Mr. Speaker: Order, please. I appreciate the seriousness with which the Right Hon. Member takes the matter but I do ask him to bring it into the context of ministerial responsibility.

Mr. Turner (Vancouver Quadra): Mr. Speaker, this not only relates to the conflict of interest guidelines but also to the way this Minister is administering his portfolio, subject to outside benefits and conflict of interest. It goes right to his responsibility as a Minister.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): He said in this House he had received no benefit so he is open to questions. I want to put these questions to him because he has opened it up.

[*Translation*]

Yesterday, the Minister said he had received no such benefit. How does he know he received no benefit if all his assets were in a blind trust? Who told him? Is he or is he not aware of the negotiations conducted by his wife to protect his assets? How did he know there was no such benefit?

[*English*]

Mr. Speaker: The Right Hon. Member knows that the Chair can only permit questions regarding ministerial responsibility. I am sure he can find a way to put a ministerial question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, these questions relate to companies doing business with the Minister's Department. They relate to the way he is discharging his obligations. I want to say to you, Sir, having had an opportunity of getting around the country, particularly western Canada, over the last week—

Some Hon. Members: Order!

Mr. Speaker: Order, please. The right hon. gentleman is an experienced parliamentarian. He knows the dilemma the Chair is in when questions are put which relate to personal matters. I ask him one more time to put the question in the context of ministerial responsibility, please.

MINISTERIAL RESPONSIBILITIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, what I am asking, and I have to do it through the Deputy Prime Minister in the absence of the Prime Minister, is why will he not let the Minister stand up and clear his name? Canadians are saying that this whole deal smells of corruption.

Some Hon. Members: Order!

Mr. Turner (Vancouver Quadra): That it is a cover-up. I ask the Deputy Prime Minister why will he not let his Minister speak or else cut him loose from the Government?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Minister was answering questions fully yesterday and the day before. The right hon. gentleman was not here to hear the answers. I am certainly not preventing the Minister from standing up. He has been the star of the show for two days in a row.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): He is the star all right.

[*Translation*]

REQUEST FOR DETAILS—ALLEGED BENEFITS TO MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion himself. Yesterday in the House, in answer to my question about the conflict of interest guidelines, he said that he did not receive, either directly or indirectly, any benefit in excess of $200. Now if the company that had

dealings with his Department,—I emphasize "his Department", Mr. Speaker, in order to clarify the connection with this question,—if this company "provided" him, interest-free, with the sum of more than a quarter of a million dollars, what is this supposed to be if it isn't a benefit in excess of $200? It is not exactly peanuts!

• (1420)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in response to the Hon. Member I would invite him to read, once again, the question he put to me yesterday and then the answer that I gave.

ACTIVITIES OF MINISTER'S WIFE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question yesterday was very clear. Assuming the Minister did not know of this loan, assuming we believe that, would he deem it appropriate in the future to let his wife negotiate an interest free loan for companies doing business with his Department?

Mr. Speaker: Order. Next question. Order, please. The Hon. Members know the rules about which questions are in order and which are not. Order, please. Does the Hon. Member have a question to the Minister, not about government policy but about his ministerial responsibility?

Mr. Boudria: Supplementary now, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Boudria: Mr. Speaker, my question is directed again to the Minister concerning his Department. Does he feel it is appropriate that his wife should negotiate such a deal when his Department is involved in granting to the same business that his—

Mr. Speaker: Order, please. Order, please. The question is to the Minister about his ministerial responsibilities.

DEPUTY PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, seemingly we have to accept your definition of ministerial responsibility. I will direct my question to the Deputy Prime Minister. Considering the Minister in question said yesterday he did not get a direct benefit from a company doing business with his Department—my question goes to the heart of the conflict of interest issue here—does the Deputy Prime Minister agree that the Minister did get a benefit from the loan negotiated by his wife?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, let us put into sharp accurate focus the question and answer yesterday, which will be found at page 12996 of *Hansard*. The Member for Glengarry—Prescott—Russell asked the following question:

> Mr. Speaker, my supplementary question concerns Section 35 of the code. Even if the Minister did not know before, now that we have told him and he knows that he benefited from a company doing business with his Department, has he or does he intend to file a declaration under the benefit Section 35 of the Code which compels him to file when he has received a benefit from a company doing business with his Government? Has he done so, does he intend to do so and, if not, why not?

That, Sir, was the question. The answer by the Minister is the following:

> Mr. Speaker, the short answer to that is, I have received no such benefit.

An Hon. Member: We can read. Let him answer.

Mr. Speaker: Order, order.

An Hon. Member: Who are you trying to protect?

Mr. Speaker: Order, please. Order. The Hon. Member for Hamilton East will withdraw that comment which the Speaker just heard her make.

Ms. Copps: Could you tell me what I am to withdraw?

Mr. Speaker: Only to say, "I withdraw the comment".

Ms. Copps: I am not sure what the comment is you are asking me to withdraw?

Mr. Speaker: The suggestion that the Chair is trying to protect anybody that the Hon. Member just made. The Hon. Member will withdraw that.

Ms. Copps: I did not suggest that the Chair was to protect anyone, Sir.

Mr. Speaker: The Hon. Member is withdrawing that implication and I accept that.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I just want to say that the Deputy Prime Minister is avoiding the most serious questions that go to the root of ministerial responsibility. I want him to answer my question this time. Does he agree that the Minister received a direct benefit as a consequence of the loan negotiated by his wife? If the answer is yes, would he not agree that this is a conflict of interest and the Minister should leave his job?

• (1425)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I answered as I did because the Member for Glengarry—Prescott—Russell and the Leader of the New Democratic Party distorted the question that was answered yesterday by rephrasing it.

Mr. Broadbent: I am asking a different question.

Mr. Nielsen: The Minister said yesterday that he complied not only with Section 35 of the Code but with the entire Code, which I have been saying for a week now.

Oral Questions

REQUEST FOR AMENDMENT TO GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, notwithstanding what he has just said, and setting aside what I regard to be the inadequacy of his answers, I have a further supplementary question. Considering that the previous Conservative Government of the Right Hon. Member for Yellowhead had much more stringent guidelines that were more carefully spelled out, would the Minister agree that if they had been in force we would not be in the mess we are now in? If he agrees with that, why does the Government not bring in those guidelines and toughen them up so we can get on with the business of this country that the people of Canada want?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I cannot agree that the previous guidelines were more stringent and tougher because the existing guidelines—more accurately, the Code of Conduct—that were tabled on September 9, 1985, are more strict and more stringent. Furthermore, the Prime Minister wrote to the hon. gentleman with respect to his input concerning that Code of Conduct—

Mr. Broadbent: He got my proposal.

Mr. Nielsen: The Hon. Member has yet to reply to that letter of September, 1985.

Mr. Cassidy: That is not true.

Mr. Nielsen: If he or any other Member have—

Mr. Speaker: Order.

Mr. Nielsen: —ideas with respect to improvement, of course they will be considered.

Mr. Speaker: Order, please.

PRIVATIZATION OF CANADAIR—MINISTER'S ROLE

Mr. John Nunziata (York South—Weston): Mr. Speaker, the real victim of the Minister's action is public confidence in Government. My question is directed to the Acting Prime Minister. It concerns public confidence in the Government in relation to Magna's bid for Canadair. If Magna's bid for Canadair is accepted it will be perceived as a pay-off; if Magna's bid for Canadair is not accepted it will be perceived as being a result of the close relationship between Magna and—

Mr. Speaker: Order. I am sure the Hon. Member has a question.

Mr. Nunziata: Does the Acting Prime Minister not realize that the Minister of Regional Industrial Expansion is unable to carry on his public duty in a manner that is perceived by the public as being fair, objective and above board?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman very cleverly smuggles in two or three empty hypotheses preceding his question, when he reaches into the future to ask what if something happens.

An Hon. Member: That is the issue. No confidence in the Government.

Mr. Nielsen: I explained last week and again this week the process that is in place for privatization. There are four very distinct steps and we are not even through the first one.

PERFORMANCE OF MINISTERIAL DUTIES

Mr. John Nunziata (York South—Weston): Mr. Speaker, the industry Minister is drowning in conflict and he knows it. He is showing utter contempt for the anti-corruption guidelines.

Mr. Speaker: Order, please. Just a supplementary question.

Mr. Nunziata: Mr. Speaker, there has to be some integrity to conflict of interest guidelines. My supplementary question is directed to the Acting Prime Minister. How can the Minister of Industry carry on his official public duty, having full knowledge of the personal benefits he has received from Hyundai and Magna corporations?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Minister responded to that kind of question yesterday. I have no problem with my integrity, unlike the hon. gentleman. The Minister for Regional Industrial Expansion does not have any problem with his integrity. The only problem which exists is this constant leap-frogging distortion in which the Hon. Member and his colleagues in the opposition are engaging.

• (1430)

ACTIVITIES OF MINISTER'S SPOUSE—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is properly directed to the Minister of Regional Industrial Expansion in view of the Prime Minister's letter of last September 9 which stated that Ministers have an individual responsibility to prevent conflicts of interest, including those which might arise out of the activities of their spouses. What steps did the Minister take to avoid conflicts of interest involving his spouse last year, and what steps has he taken to eliminate the conflict of interest involving his wife since it became public knowledge last week?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Once again, Mr. Speaker, I can simply assure the Hon. Member, and all Hon. Members of the House, that I have applied the Code of Conduct fully. The blind trust is established and that, as I understand it, is the full purport of the Prime Minister's letter to which the Hon. Member referred.

PRIME MINISTER'S LETTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware that the Code of Conduct is augmented and

supplemented by the letter from the Prime Minister on September 9 last year? In that letter he is enjoined under his individual responsibility to avoid conflict of interest such as the conflict of interest which 25 million Canadians know exist in the case of the loan which his wife arranged with Magna, or through the intervention of Magna's chairman. What steps did the Minister take to avoid that conflict of interest by his spouse, and what action has he taken now since it became public knowledge that that conflict of interest exists?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is a repeat of the questions which were put repeatedly last week and this week and it is answered—

Mr. de Jong: Cover up.

Mr. Nielsen: It is not a cover-up at all.

An Hon. Member: Sure it is.

Mr. de Jong: Absolutely.

Mr. Nielsen: It is answered—

Mr. de Jong: No answer.

Mr. Riis: No answer.

Mr. Nielsen: They don't like the answer, Mr. Speaker—

Mr. Riis: Nixon lives on in this Chamber.

Mr. Nielsen: —but the answer is that the requirement is for the Minister to comply with the Code of Conduct. That is the responsibility of the ADRG who administers—

Mr. Orlikow: He has no authority.

Mr. Nielsen: —the Code. That compliance has been had.

Mr. Gauthier: How do you know?

Mr. Nielsen: The Hon. Member knows that because he has been in touch with the office of the ADRG himself.

CODE OF CONDUCT—CO-OWNER OF FARM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion. In his capacity as Minister he was required to sign a Code to which he put his signature on March 26, 1986 which states:

> I own a 50 per cent interest in Kings Lynn Farms, Township of King, Regional Municipality of York. While I am subject to the Code, the management of the farm is entirely the responsibility of the co-owner.

Can the Minister tell us who the co-owner is?

Mr. Hnatyshyn: Order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member realizes, I think, that she is asking a question to the Minister in a personal capacity, not about his responsibilities as a Minister.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Can the Hon. Member find a ministerial question, please.

Ms. Copps: I am asking about how the Minister has complied in his capacity as a Minister of the Crown. It is only a Minister of the Crown who is required to sign the Code. I believe in that respect it is a perfectly legitimate and applicable question and I would seek an answer from the Government—

Mr. Speaker: Order.

Ms. Copps: —with respect to the Minister's own responsibility as the Minister.

Mr. Speaker: Order, please. Does the Hon. Member have a supplementary question about the Minister's responsibility?

REQUEST FOR REMOVAL OF MINISTER FROM OFFICE

Ms. Sheila Copps (Hamilton East): Is it not true that the co-owner of the Kings Lynn Farms in fact happens to be one and the same Noreen Stevens, the wife of the Minister? In light of the fact that Mrs. Stevens has her finger in more than one business or subsidiary of York Centre, do you not think it's about time to remove the Minister and to make sure that this cloud which is hanging over the whole Mulroney Government is lifted?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is an expression of an opinion by the Hon. Member. But she is entitled to hold that opinion. I do not.

Mr. Andre: My wife owns half of my house, too.

Mr. Nielsen: In my responsibility to ensure compliance with the Code of Conduct, I am satisfied that that compliance has been had.

LOAN NEGOTIATED BY MINISTER'S WIFE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Deputy Prime Minister. It is quite straightforward. In his opinion, did the Minister, or will the Minister, receive any benefit from the loan which was negotiated by his wife?

Hon. Erik Nielsen (Acting Prime Minister): My answer to that question, Mr. Speaker, is equally straightforward. The Minister is required, as are all Ministers of the Crown, to comply—

Mr. McCurdy: Come on. Yes or no?

Mr. Nielsen: —with the Code of Conduct by a public office holder.

Mr. de Jong: Is that what you consider a straight answer?

Mr. Orlikow: Answer the question. What are you afraid of?

Mr. Nielsen: It is my responsibility to satisfy myself that it has been discharged. I have taken the necessary steps and compliance has been had.

Mr. Speaker: A supplementary question.

ACTING PRIME MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, can I assume that the Minister's answer, since he deigns not to answer directly, is, yes, the Minister did in fact, and will receive, benefit from the loan negotiated by his wife?

Hon. Erik Nielsen (Acting Prime Minister): My responsibility, Sir, is to ensure compliance with the Code—

Some Hon. Members: Oh, oh!

Mr. Orlikow: Coward.

Mr. Nielsen: —with respect to ministerial compliance.

Mr. Broadbent: Is it the fifth amendment, Erik?

Mr. Riis: Who believes you?

Mr. de Jong: What a sham.

Mr. Blackburn (Brant): Erik, it's time for you to go, too.

Mr. Speaker: Order.

An Hon. Member: You're going to sink with Sinc.

Mr. Speaker: Order, please.

RESPONSIBILITY OF ACTING PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to direct a question to the Acting Prime Minister. This is about his own competence to ensure compliance with the ministerial responsibility Code. The Acting Prime Minister has a record of standing up and defending the indefensible—

Mr. Crosbie: Order.

Mr. Kaplan: —then backing down and changing his mind.

Mr. Hnatyshyn: You premise your questions wrongly.

Mr. Kaplan: —the former Minister of National Defence, the former Solicitor General, the former Minister of Fisheries and Oceans and himself on the question of wiretapping the Liberal Caucus. So I want to ask him how he can be expected to be taken seriously in his responsibility—

Mr. Crosbie: Order.

Mr. Kaplan: —to make judgments of other Ministers about the applicability of this Code?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, all I can do in response to that question is to observe that we have sunk to new lows in the House of Commons.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): We sure have. Yes, we have.

Mr. Speaker: Order, please.

Mr. Crosbie: Turner's back worse than ever. It's a disgrace. Go back to the hog farm.

Mr. Speaker: Order, please.

ENFORCEMENT OF CODE OF CONDUCT

Hon. Bob Kaplan (York Centre): I want to direct my supplementary question to the Acting Prime Minister. With that kind of track record, should not the responsibility of presiding over the enforcement of that Code be given to some other Minister?

An Hon. Member: Yes.

Mr. Andre: How can you allow that kind of question from that kind of slimy—

Some Hon. Members: Oh, oh!

An Hon. Member: Scumball.

Mr. Kaplan: It's a fact. It's on the record.

Mr. Speaker: Order, please. Next question.

ACTIVITIES OF MINISTER'S WIFE—COMPLIANCE WITH CODE OF CONDUCT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we have asked the question of the Minister and the Acting Prime Minister which goes to the root of the question of whether the Minister's wife and therefore, the Minister, received benefit from this loan transaction. If the Acting Prime Minister is not going to answer and if the Minister is not going to answer, who is it who will respond to that simple, straightforward question?

An Hon. Member: We have to know.

An Hon. Member: Ask his wife.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I have anwered that question.

Mr. Broadbent: No, you've avoided it.

Mr. Nielsen: The Minister has answered a similar question yesterday.

Mr. Broadbent: No, you haven't answered it.

Mr. Nielsen: My responsibility is to ensure compliance with the Code. I have said that often enough.

Mr. de Jong: You haven't exercised your responsibility.

Mr. Nielsen: I have also said that I am satisfied that compliance has been had. If the Hon. Member is not prepared to accept that, there is nothing I can do to help him.

INQUIRY OF THE MINISTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the public has a right to know, I believe, an answer to this very simple question, that is, did the Minister through his wife, receive benefit as a result of this loan transaction? The Deputy Prime Minister refuses to answer the question. The Minister himself refuses to answer the question. To whom can we go with this question to obtain a straightforward and simple response?

• (1440)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the assertion in the question of the hon. gentleman is absolutely false. I have continued to answer questions now for seven days in a row on this matter, as has the Minister concerned, as recently as yesterday.

Mr. Broadbent: You're taking the fifth amendment now!

* * *

AUTOMOTIVE INDUSTRY

HYUNDAI COMPANY—MINISTER'S ROLE WITHIN CABINET

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is also for the Deputy Prime Minister. In a previous Question Period the Minister of Regional Industrial Expansion indicated that the decision to absolve Hyundai of its obligation to purchase billions of dollars worth of Canadian goods was made by Cabinet. In presenting his recommendations to Cabinet did that Minister declare his conflict of interest? Did he declare to Cabinet that he was the recipient of a loan which was held by a bank in which Hyundai was a major shareholder? Upon receipt of that information what action did the Prime Minister take in order to absolve that Minister of his responsibilities because of that conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman has come to a conclusion which I do not share. Quite apart from that, he knows, or should know better than to ask me questions with respect to what goes on or what does not go on in Cabinet meetings since traditionally that has not been discussed on the floor of the House.

REQUEST THAT MINISTER DIVEST HIMSELF OF RESPONSIBILITIES RELATING TO HYUNDAI DECISIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in this very crucial case which will cost the country billions of dollars worth of goods, did the Minister declare the fact that he had a basic conflict because he was in receipt of a loan? Knowing now that he was in receipt of a loan—having that knowledge at the present time—is the Deputy Prime Minister now prepared to ask this Minister to absent himself from any responsibilities in making decisions as they relate to Hyundai which are clearly a conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman mixes up, as is his usual fashion, and as seems to be the habit of Members opposite, false premises with questions studded with accusations. I do not share his convictions.

Mr. Orlikow: You wouldn't admit it if you did share them.

Mr. Nielsen: I am satisfied that the answers of the Minister yesterday with respect to the so-called hundreds of millions of dollars of loss to Canada gave adequate explanation. The Hon. Member may choose not to believe that those figures are inaccurate—

Mr. Speaker: Order, please.

Mr. Orlikow: Time to quit, Erik!

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THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Deputy Prime Minister. The public has the right to know what is going on with regard to the conflict of interest guidelines. Will the Minister answer this question directly? Did the Minister receive some benefit from the loan negotiated by his wife with Magna International?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the public has a right to know that Ministers of the Crown have complied with the Code.

Mr. Nunziata: How do we know? Give us the facts.

Mr. Nielsen: There is a public record which is kept in the office of the Assistant Deputy Registrar General. I could ask the hon. gentleman whether or not he has visited the office of the Assistant Deputy Registrar General in order to look at the public records which are available to him. Has he done that?

Oral Questions

REQUEST FOR ASSURANCE THE MINISTER DID NOT RECEIVE ANY BENEFITS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we know the understanding that the Deputy Prime Minister has of the guidelines and so on, but the public must know whether or not the conflict of interest guidelines have been breached. That is something which is not decided by the Registrar. Will the Minister assure us that the guidelines were not breached and that there were no benefits to this Minister as a result of the loan as it was negotiated?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, it is quite obvious that the Hon. Member is asking questions without even having taken the trouble to visit the office of the ADRG to look at the public record. If he had done so he would have found that the Minister had fully complied with the Code, as he is required to do.

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HOUSING

INTRODUCTION OF RENTAL HOUSING ACT BY PROVINCE OF ONTARIO

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Minister responsible for the Canada Mortgage and Housing Corporation. On Monday, May 5, the Peterson Government of Ontario introduced a Draconian piece of legislation—the Rental Housing Act—which effectively blocks tenants of the former Cadillac Fairview apartment buildings from purchasing their own units. In view of the federal Government's interest in the buildings *vis-à-vis* the CDIC, will the Minister tell the House what action the federal Government is prepared to take in order to protect taxpayers and to assist tenants in their struggle for self-determination of their future and their homes?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I thank the Hon. Member for his very important question. It is the first one today.

The Hon. Member must know that the responsibility rests with the Province of Ontario and the municipality. I can inform the Hon. Member that CMHC's policy as it pertains to social housing which is being sold is that tenants are given the right of first refusal. The Ontario Government has made a decision which is within its jurisdiction. I am very sorry, but there is nothing that the federal Government or—

Mr. Speaker: Order, please.

Some Hon. Members: Sit down!

CROWN CORPORATIONS

PROPOSED SALE OF CANADAIR—ROLE OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The Minister knows that in the next number of months one of his prime responsibilities will be with respect to the Government's decision to proceed with the sale of Canadair. He knows that Magna has submitted one of a number of bids which have been made for the company. As well, as Minister he knows—

Mr. Hnatyshyn: Order!

Mr. Tobin: —neither the business community nor the public at large believe the Minister can be objective in managing this sale—

Some Hon. Members: Order!

Mr. Tobin: I wish to ask the Minister this. Does he not agree that if a senior official of York Centre, his own company, says he deserves a slap on the wrist, it is not surprising that the public of Canada believes he deserves a kick out of Cabinet?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I take it that the thrust of that—if we can call it a question—was, what is the process with respect to the privatization of Canadair? As I indicated to the House earlier, we have received five proposals which are now being analysed by Warburgs, Merrill Lynch and Burns Fry. In turn, they will be making recommendations to the officers of CDIC, who in turn will make a recommendation to the divestiture committee of CDIC, and then to the Board of CDIC, which will then make a recommendation to myself. From myself that recommendation will go to the privatization task force of Cabinet and, ultimately, the entire Cabinet will decide on what deal, if any, will be made with regard to Canadair.

INQUIRY OF MINISTER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the real question is, what is the process by which this Minister, after a couple of weeks of heavy grilling in the House, comes to his senses, rediscovers his sense of decency and respect for public institutions—

Some Hon. Members: Order, order!

Mr. Speaker: Order, please.

Mr. Tobin: Does the hon. gentleman intend to tender his resignation and restore dignity to Parliament and to his post? That is the real question.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member knows that the comments in his preamble are out of order.

Mr. Tobin: Supplementary question, Mr. Speaker.

Mr. Crosbie: Sit down, Tobin!

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THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—LOAN NEGOTIATED BY MINISTER'S WIFE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. For a week we have been attempting to get an answer from the Minister. Up until today the Deputy Prime Minister has been answering, whether we like it or not. I wish to ask the Deputy Prime Minister this question. Whether the Minister gets a direct benefit from the loan obtained by his wife goes to the very root of the conflict of interest principle. I want the Minister to answer these questions. Will he tell us whether he agrees that the Minister is deriving a benefit? If that is so, should the Minister not leave his post? Will he answer those questions now, yes or no?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman might not be happy with the division of responsibilities and my responsibility as Acting Prime Minister to respond in the House with respect to the administration of the Code of Conduct and the Minister's responsibility for the Department which he heads. However, those are the facts of life. I do not share with the Hon. Member the accusations which he makes in the form of his questions. I am required, and have done so, to ensure that compliance is had with the Code of Conduct, to which all Ministers must comply.

ACTING PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again, that was no answer to the question. I say to the Minister with great seriousness, in the parliamentary system of government there is no place for the fifth amendment, which is a moral cop-out on the part of this Minister. That is what it is.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Broadbent: I will try it this way. Is the Minister now telling the House that on a question which goes to the root of the principle of conflict of interest, namely, whether the Minister obtains the benefit which goes to his wife, the Minister who claims responsibility for dealing with those issues would not have the courage and the integrity to answer the question? Is that what he is saying?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman can try it whichever way he pleases. He and all Members who have been asking questions on this matter for seven days have been trying to have me say what they would like me to say. I am not going to say what they would like me to say. I am going to discharge my responsibilities by telling them that I am entrusted with ensuring that the Code is complied with, and that that Minister has complied with the Code.

* * *

CANADIAN WHEAT BOARD

DOMESTIC PRICE OF WHEAT—EFFECT ON PROCESSORS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The prospect of domestic wheat price increases is concerning the processors of many flour-based products in that they may become non-competitive with imports from the United States. What action is the Government considering to safeguard the viability of Canadian food processors who are already paying six cents per pound more than their American competitors?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member has raised a question of concern to all of us in the industry. As he will know, the parliamentary committee is investigating ways by which we can accomplish an increase in the domestic price of wheat, and at the same time ensure that there is fairness to processors, manufacturers, consumers, and farmers who are facing some very serious price competition. Before any decision is made, we want to ensure that all those considerations are being taken into account. At any rate, no decision will be made or no price increase will come into effect before the first of August.

* * *

[*Translation*]

THE ADMINISTRATION

ETHICS—GOVERNMENT'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Today, in an article by Paul-André Comeau appearing in the newspaper *Le Devoir*, I read, and I quote:

> The federal Minister of Regional Industrial Expansion should have the courage to hand in his resignation to the leader of the Government.

Doesn't the Deputy Prime Minister agree it is immoral to defend his Minister's stand and that the people of Quebec can no longer trust this Minister with the Canadair dossier and the Matane paper mill project?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): No, Mr. Speaker, not at all. I am really surprised that the hon. gentleman, coming from the Province of Quebec, would have condemnatory words to say about a Minister who, for the first time in 16 years, signed a $1 billion ERDA agreement with his own province.

Some Hon. Members: Hear, hear!

[*Translation*]

POSSIBLE RESIGNATION OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary.

I would like to remind the Deputy Prime Minister that two Quebecers did have had the courage of their convictions: Mr. Masse and Mrs. Blais-Grenier had the courage to resign and to leave their jobs.

Is the Deputy Prime Minister prepared to ask the Minister of Regional Industrial Expansion to resign his portfolio, since the attitude of the Minister and the Deputy Prime Minister reflects on the reputation of all Members of this House?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I am surprised that the hon. gentleman would accuse the former Minister of State of resigning by reason of some impropriety, because that is simply not the truth. In respect of the Minister of Communications, the facts are of record. He acted quite properly, and he is back with us, I am sure much to the pleasure of the hon. gentleman.

* * *

FISHERIES

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to switch for a moment to some other fishy business. My question is directed to the Minister of Employment and Immigration. As she knows, major trade unions representing fishermen and shore workers on both the East and West Coasts are here in the Gallery today for the first time in history—

Mr. Speaker: Order, please.

Mr. Hnatyshyn: My mother-in-law is here too, but I wouldn't want to say it.

Mr. Speaker: Order, please. The Hon. Member knows full well that any reference to the presence of anyone in the Gallery is out of order. The Hon. Member for Saskatoon East.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will come back in a minute to the Hon. Member for Skeena.

Some Hon. Members: Oh, oh!

Mr. Speaker: Yes, I will.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. This is a difficult enough day without all the noise. I will come back to the Hon. Member, but he knows that that reference was improper. The Hon. Member for Saskatoon East.

* * *

TRADE

NEGOTIATIONS WITH OECD COUNTRIES ON AGRICULTURAL ISSUE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister for International Trade. In the past few days we saw the Prime Minister focus a great deal of international attention on the plight of western Canadian farmers in light of increasing and harmful American and European farm subsidies. When is the OECD expected to commence its study on the international agricultural issue, and what other measures will be taken by the Minister's officials with OECD countries to resolve the issue?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I advise the Hon. Member that work has already been started by the OECD. A report will be prepared and ready for the next OECD ministerial meeting. In the meantime, I and my colleagues, the Minister of Finance, the Secretary of State for External Affairs and other relevant Ministers, will be discussing the issue at every opportunity with members of the European Economic Community.

Mr. Speaker: The Hon. Member for Skeena. Just a question, please.

* * *

FISHERIES

COVERAGE OF FISHERMEN UNDER UNEMPLOYMENT INSURANCE ACT

Mr. Jim Fulton (Skeena): Mr. Speaker, is the Minister of Employment and Immigration prepared to allay the fears of fishermen on both the East and West Coasts of Canada and to assure them and their communities that they will continue to be fully covered by the Unemployment Insurance Act? Does the Minister, and her Government, agree that fishermen are workers in fact and must be covered by the Unemployment Insurance Act?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I had the opportunity of meeting

with these individuals yesterday, of exchanging views with them, and of receiving their representations. I must say that I understand their fears and concerns. I trust that I was able to allay them in some measure.

Some Hon. Members: Not at all.

Miss MacDonald: I also wish to state that at the conclusion of the meeting, they thanked me for the opportunity of having had the discussion.

MINISTER'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to get to the nub of it. Will the Minister rise in her place and agree that fishermen are workers in fact and that they should be covered by the Unemployment Insurance Act?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there seems to be some confusion in the Hon. Member's mind. Fishermen are covered by the Unemployment Insurance Act.

Mr. Fulton: Are they workers, and are they to stay covered?

* * *

THE ADMINISTRATION

GOVERNMENT INVESTMENTS IN QUEBEC—ROLE OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Deputy Prime Minister. A few minutes ago he reproached the Hon. Member for Montreal—Sainte-Marie by indicating, in a way, that he should not ask questions related to investments in Quebec. Did the Deputy Prime Minister seriously mean to imply that investments made by the Minister of Regional Industrial Expansion in Quebec should deny the Opposition the right to pose questions to him on the integrity of that Minister?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I do not mean at all to stop the liberal flow of questions directed to me in my capacity as Deputy Prime Minister, as Minister of National Defence or, at the moment, as Acting Prime Minister.

REQUEST FOR COMMITTEE REFERRAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in light of what transpired again today, why does the Deputy Prime Minister consistently reject the notion of sending this whole matter to the Standing Committee on Elections, Privileges and Procedure?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this is a curious question which keeps getting raised. I think Hon. Members know that my distinguished colleague, the Minister of Regional Industrial Expansion, will defend his

Estimates tonight. He is going to be available to answer questions on departmental responsibilities. If the Hon. Member doesn't know that, he doesn't know anything.

• (1500)

* * *

POINTS OF ORDER

RESPONSES TO QUESTIONS—MINISTERIAL RESPONSIBILITY

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order about your rulings during Question Period about ministerial responsibility. I respectfully submit that the questions which you did not allow to be placed to the Minister of Regional Industrial Expansion (Mr. Stevens) were clearly phrased and intended to refer to the Minister's handling of his responsibilities concerning his Department and his administration of that Department. Second, even if the questions related to the compliance of the Minister with the conflict of interest guidelines, I submit that they were still matters of the responsibility of the Minister of Regional Industrial Expansion.

The Prime Minister (Mr. Mulroney), in the letter which has been cited often in this House, says:

> I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interests, including those that might arise out of activities of their spouses.

It may be that the Prime Minister has delegated to the Deputy Prime Minister (Mr. Nielsen) the job of administering the process of the application of the conflict of interest guidelines, but the Prime Minister has said very clearly that the responsibility for complying with those guidelines is on the shoulder of each and every Minister.

Surely if the Prime Minister of Canada says in writing what he considers to be the responsibilities of his Ministers, then I submit with the utmost respect that it should be good enough for you, Sir.

If you accept what the Prime Minister of Canada has said, and it is clear that questions can be validly directed to Ministers about how they comply with those guidelines, I want to bring my remarks on this point to a conclusion by bringing to your attention what I think is a very important precedent.

In February, 1983 questions were directed in this House to the Hon. Marc Lalonde when he was Minister of Finance. These questions related to a matter which, as the then Opposition alleged, involved conflict of interest, which we submit was in that case unfounded—

Some Hon. Members: Oh, oh!

An Hon. Member: You have blown your case.

Mr. Gray (Windsor West): —but that matter arose when the Hon. Marc Lalonde was Minister of Energy, Mines and Resources, the portfolio he held prior to being Minister of

Finance. These questions to Mr. Lalonde were not only allowed by the Speaker but were answered by Mr. Lalonde. Among those asking questions was the then Hon. Member for Don Valley West (Mr. Bosley), and that individual is still in this House as the Hon. Member for Don Valley West.

I respectfully submit to you, Sir—and I now speak to you in your capacity as Speaker of this House—that if it was acceptable to your predecessor that a question asked by the Member from Don Valley West concerning a matter of conflict of interest involving a Minister not in the capacity he held when the questions were addressed but in his preceding capacity was in order, I say that there is now an unassailable precedent.

I say with the utmost respect that you should apply this precedent to questions being posed at this time in this House to the Minister of Regional Economic Expansion involving his compliance with the Prime Minister's conflict of interest guidelines, which the Prime Minister himself said is a matter of individual ministerial responsibility. I ask you to apply this precedent in your undoubted role as the protector of the interests of all sides of this House and, in particular, the Official Opposition.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on the same point of order.

Order, please. Could I appeal to the House on behalf of the Hon. Member for Don Valley West (Mr. Bosley) who would like to hear the rest of this matter, please.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to join with my colleague in asking that you reconsider over the next days the questions that were posed today and on other days that were put to the Minister to determine whether or not those questions are proper and can be put to the Minister. We are dealing with the Minister's capacity to perform duties assigned to him as a Minister for a particular portfolio. Those questions were directed with regard to whether the Minister is able to perform those duties properly. In addition, certain matters have occurred outside.

I want to suggest, for example, that in looking at the question you take into account a number of matters. To begin with, I ask you to get and read the open letter to Members of Parliament and Senators sent by the Prime Minister (Mr. Mulroney) dated September 9, 1985. On page 3 it says:

> I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependant children.

I also draw to your attention, Sir, in the guidelines themselves at page 3, Item 7 under the heading Principles, which reads:

> 7. Every public office holder shall conform to the following principles:
>
> (a) Public office holders shall perform their official duties and so arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of Government are conserved and enhanced—

Mr. Hnatyshyn: What has that got to do with this?

Mr. Deans: I contend that questions with regard to whether or not an individual Minister has lived up to both the requirements within the letter and the requirements within the guidelines can and ought to be addressed to the Minister himself or herself and no other Minister regardless of how competent they may think they are. I contend that the Minister can answer individual questions relating to matters that do touch upon his or her capacity to administer his or her Department properly. In this instance, given that there is a close relationship between events that occurred as a result of an action taken by the spouse of the Minister and the Minister's ability to perform his duties as set down by law, questions with regard to the action of that spouse, as they touch upon the Minister's responsibilities, are appropriate and can be put to the Minister.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, what we have just witnessed is, I guess, a reflection of the frustration of the Opposition with the ineffectual way in which the Opposition has been making unfair accusations without foundation against a Member of this House.

An Hon. Member: Read the newspaper.

Mr. Hnatyshyn: Let us simply put this into perspective.

I listened with great care to the Hon. Member for Windsor West (Mr. Gray) when he brought out the so-called precedent concerning the much remembered Coalgate issue. With all deference to my hon. friend, that is a completely different and unrelated set of circumstances. I remember it very clearly. I know that the questions put by people who had something to question about at that time were directed to Mr. Lalonde in his capacity as Minister of Finance. He responded in that capacity with respect to the administration of his Department.

• (1510)

The opposition Members are trying to have it both ways. They are the first to rise in the House if a Minister, who does not have responsibility for departmental concerns, attempts to answer questions, because they allege a person is a reasonable representative, or if a Minister from the Province of Saskatchewan, for example, tries to answer a question with regard to the Province of Quebec. The rules are quite clear, Mr. Speaker. You are following precedents which have been established by Speakers through time immemorial in this place, that is, if a Minister has ministerial responsibility for a Department he can and should respond to questions.

The fact that there is a Code of Conduct for all Ministers does not give any particular responsibility to all Ministers. In this case, the Deputy Prime Minister (Mr. Nielsen) carries out the responsibility of monitoring the situation on behalf of the

Prime Minister (Mr. Mulroney). Questions with respect to compliance or otherwise with conflict of interest guidelines or the code of conduct are not a matter of ministerial responsibility. I am sorry to disappoint the Hon. Member opposite, but that is the fact. Yesterday and the day before he complained because the Acting Prime Minister was answering questions. He was trying to constrain the Acting Prime Minister from answering on behalf of the Government. Today he says the rules have all changed, and now they want Ministers to answer with respect to issues which do not fall under their departmental responsibility or the mandate of the position they hold.

With the greatest of deference, Sir, the precedent which has been put forward by the Hon. Member for Windsor West is totally irrelevant and has no bearing on this particular situation. On a number of occasions you have set out the rules with regard to Question Period. The Acting Prime Minister is responding with respect to policy and conflict of interest. There is no complaint whatsoever. The Minister of Regional Industrial Expansion (Mr. Stevens) has answered every question put to him with respect to departmental responsibility. He makes himself available in the course of Estimates before committees of the House. The proposition put forward is without foundation or precedent.

Mr. Penner: I rise on the point of order, Mr. Speaker.

Mr. Speaker: On the same point of order? I think the Chair has heard the arguments. I will hear the Hon. Member for Cochrane—Superior (Mr. Penner) very briefly.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have been looking carefully for some direction in Beauchesne's in the form of a ruling which would support the contention that a Minister may not be asked about his compliance or otherwise with a Code of Conduct to which he has individually agreed to adhere. I fail to find anywhere in Beauchesne's Fifth Edition that such questions are inadmissible. Citation 359 on page 132 says:

> A question must be within the administrative competence of the Government.

It then deals specifically with the Minister within the Government and says:

> The Minister to whom the question is directed is responsible to the House for his present Ministry—

Sir, we link competency and responsibility for that Ministry. I find it inconceivable to imagine how you can have competency when you have failed to live up to the responsibilities which are outlined in a Code of Conduct. Competency and adherence to the code of conduct are directly linked.

The Hon. House Leader has argued as well that we cannot put questions to Ministers which are outside of their direct responsibility. Again, Beauchesne's is very clear on what kind of areas lie outside. Nowhere does it mention that the Code of Ethics is excluded. Citation 361 on page 133 reads:

> A question may not be asked of a Minister in another capacity, such as being responsible for a province, or part of a province, or as spokesman for a racial or religious group.

It does not say "his or her responsibility for the Code of Conduct".

Without citing particular instances, but rather speaking in generalities, it is clear in my memory that whenever a Minister of the Crown was, at some point in his career, in personal difficulty with respect to ethics, it was never suggested by the Chair that that Minister could not be cross-examined. There are all sorts of examples in the *Journals*—

Mr. Speaker: Order, please!

Mr. Penner: —where a Minister was cross-examined by members of the Opposition.

Mr. Speaker: Order, order! Order, please. This is now veering into comment on the Chair, with respect. I accept and welcome the arguments which have been made on the procedural question. I will be glad to hear the Hon. Member for Gander—Twillingate (Mr. Baker) very briefly in one second. As I heard them, to my hearing, the questions which were put by the Right Hon. Leader of the Opposition (Mr. Turner), were put to the Minister about his personal affairs. That is why I ruled them out of order. I would be glad to check that with the "blues".

Mr. Penner: Mr. Speaker, I want to make it very clear to your Honour that in my latter remarks I was not, in any way, reflecting upon the Chair. I was saying that Speakers had allowed those questions. It was no reflection on you, Sir. I was simply saying that there are many, many precedents in the House where a Minister was cross-examined regarding his or her personal conduct. The questions were not necessarily directly related to his or her portfolio. I was not, therefore, in saying that, reflecting upon you. I was simply quoting historical precedents in the House of Commons.

Mr. Speaker: I thank the Hon. Member. I will recognize the Hon. Member for Gander—Twillingate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in bringing down your decision on this point of order I believe that probably the most important thing to be kept in mind is that we all recognize that the House of Commons has, over the years, for one reason or another, lost its control over what we define as law-making. The major duty of the House of Commons today is a surveillance function of the Government of Canada, that is, holding the Government accountable. I fear that unless there is a division in the ruling that you give, and not a decision based on a general principle which, granted, appears to have become accepted, your primary concern should be that the House of Commons still be able to fulfil perhaps the only role that it has left, and that is, its proper surveillance of the Government of Canada on behalf of the people of Canada.

Mr. Speaker: Perhaps I could share with the House a brief note from the Clerk which reads: "I assume you will reserve". Yes, I intend to. I do want to reiterate to the Hon. Member for

Windsor West (Mr. Gray) that my reasoning on the first set of questions was that, as far as I could tell, there was no mention in the body of the questions as to how they related to the conflict of interest issue. That was my reason in that case.

For the last few days the Chair has tried to grant as broad a latitude as it could within the practices of the House. The Chair has been quite concerned about where to draw the line. I will be happy to look at the arguments and return to the House. I will recognize the Hon. Member for Don Valley East (Mr. Attewell) on a separate point of order.

QUESTIONS PUT TO COMMITTEE CHAIRMEN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise on a point of order. There is a very important rule in this House. I would like to draw your attention to Standing Order 66(3). As I understand it, it provides that any Member who asks a question during Question Period and, for whatever reason, thinks the answer is incomplete or unsatisfactory, is able to send notice to the Clerk and participate in an Adjournment Debate. Section 66(3) outlines that the Member has up to seven minutes in which to speak and that a Minister of the Crown or a Parliamentary Secretary has up to three minutes in which to speak.

With great respect, Mr. Speaker, I would like to bring it to your attention that last Monday I asked the Chairman of the Standing Committee on Energy, Mines and Resources a question and wanted to pursue it through the Adjournment Debate. I sent a note to the Clerk at the Table. I was later advised that this process was not available on a question asked of a chairman of a standing committee.

• (1520)

With great respect, given my extensive experience of 20 months in this House, I ask that you consider this question. It may have been a drafting oversight. If not, could we perhaps avail ourselves of the reason for what appears to be an omission?

Hon. Herb Gray (Windsor West): Mr. Speaker, I think the second part of the point of order by the Hon. Member, as I understood it, about being able to have what we call a "Late Show" on his question, is a point worthy of consideration. If the rules as interpreted by you, Sir, in your judgment, are too narrow—and I hope you will not find that—I will be happy to consult with my colleagues about possible changes. However, if he was suggesting in the first part of his point of order that there is something questionable or improper about raising points of order concerning Question Period, I respectfully submit that whatever the rules say about Question Period, there are innumerable precedents concerning points of order being raised, listened to by the Speaker, and accepted. I just want to put that on the record.

Mr. Speaker: I do not think the Hon. Member was suggesting that. The matter has been brought to my attention. I am afraid the Hon. Member for Windsor West (Mr. Gray) is going to be slightly disappointed because I am ready to say something.

The Chair looked at this matter when it was brought to my attention by the Table Officers at the request of the Hon. Member for Don Valley East (Mr. Attewell). I have examined the rule quite carefully. It seems to me that the rule was drafted in the context of questions to and answers by Ministers or Parliamentary Secretaries. The whole issue of a change which would allow questions to the chairman of a standing committee or whatever is not contemplated in the rule. I conclude that from the part of the rule which indicates that a Minister of the Crown or a Parliamentary Secretary speaking on behalf of a Minister, if he or she wishes to do so, may speak in reply for not more than three minutes.

I have to find that because I have to rule that the chairman of the committee may not reply. The reason for this is that the chairman of the committee is not mentioned here as having a right to reply. Therefore, if the House follows me, I have to rule that the first seven minutes of the "Late Show" cannot be, under the rules as they are written, granted in that situation. In other words, the right to comment carries with it the right to reply. The rule says that. If I have to rule that no reply is proper, then I have to rule that the commencement is improper. I do not think I have any other choice, given the rule.

Therefore, I suggest that if Members wish the rules changed, they will have to proceed that way. House Leaders may wish to advise me that they want me to interpret the standing order in some other way, but that is the way the Chair interprets it for now. If the Hon. Member for Windsor West and the Parliamentary Secretary are asking me to say that without making a final decision, I am happy to do so and then to discuss it further.

On another point of order, the Hon. Member for York South—Weston (Mr. Nunziata).

REASON REQUESTED FOR DISALLOWANCE OF S.O. 21 STATEMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, while I was making a statement pursuant to Standing Order 21 today, Your Honour prematurely cut me off. I would like to ask Your Honour to explain why I was not permitted to make a full statement pursuant to Standing Order 21.

Mr. Speaker: For the reasons I indicated at the time. In my view the statement was out of order.

Mr. Nunziata: May I ask why the statement was out of order?

Mr. Speaker: Order, please. The Hon. Member may wish to consult the rules. I think it will be clear.

Mr. Nunziata: Mr. Speaker, if I may—

Mr. Speaker: Order, please.

Mr. Nunziata: If I may?

Mr. Speaker: Order, please.

Mr. Nunziata: On the same point?

Mr. Speaker: What is the Member's point?

Mr. Nunziata: Mr. Speaker, I was making a statement of fact about a relationship—

Mr. Speaker: Does the Hon. Member now wish to raise a point of order saying that the Chair was wrong?

Mr. Nunziata: Yes, the Chair was wrong, Sir.

Mr. Speaker: The Hon. Member knows that such a comment is against the rules.

Mr. Nunziata: It is not fair not to allow me to make my statement.

Mr. Speaker: Order, please.

Mr. Nunziata: It is pretty unfair.

Mr. Speaker: Order, please. Is the Hon. Member now commenting on the Chair again?

Mr. Benjamin: He is just trying to figure a way around the rule.

Mr. Speaker: If he is commenting on the Chair, I will require him to withdraw it. If he is not, if he did not mean it that way, I am perfectly happy to go no further.

• (1530)

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honor to table, in both official languages, the Government's response to the following seven petitions: Nos. 331-436, 331-463, 331-464 and 331-470 to 331-473 inclusive.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF THIRD REPORT OF CANADA-EUROPE PARLIAMENTARY DELEGATION

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present

the third report of the Canadian section of the Canada-Europe Parliamentary Association, in both official languages.

[*Translation*]

PRESENTATION OF THIRD REPORT OF INTERNATIONAL ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the third report of the Association of French-Speaking Parliamentarians concerning our visit to Brasilia from April 20 to April 25.

* * *

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—ELEVENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the eleventh report of the Standing Committee on Public Accounts. The report deals with the administration of the Law Reform Commission. Members of the committee recognize the important role of the Law Reform Commission in improving and modernizing Canadian law, but this report addresses a number of concerns relating to the management of the Commission. The commission has not updated or revised its original research program since its inception in 1972. It has not kept the Minister of Justice and Parliament fully informed of changes to its work plan. In the view of the Public Accounts Committee, greater attention should be given to project management practices in order to avoid costly delays as is the case with the criminal law review project.

ENERGY, MINES AND RESOURCES—SECOND REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Energy, Mines and Resources concerning Order in Council appointments tabled pursuant to Standing Order 103(1) and referred pursuant to Standing Order 67(5).

The committee has considered and is in agreement with the following appointments and nominations: Mr. Kenneth Morton Bridge to the British Columbia-Yukon-Northwest Territories Boundary Commission; Mr. Andrew Boyd Gilmour, as temporary member of the National Energy Board; and Mr. de Montigny Marchand, Mr. P. M. Towe, Mr. W. H. Hopper and Mrs. M. Catley Carlson to the Board of Directors of Petro-Canada International Assistance Corporation.

[*Editor's Note: See today's Votes and Proceedings.*]

[*Translation*]

PETITIONS

REQUEST FOR REPEAL OF CHANGES TO UI REGULATIONS

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour to present a petition from residents of the Municipality of Saint-Hyacinthe, the City of Saint-Hyacinthe, and other Quebec municipalities. The petitioners maintain that recent unemployment insurance changes have put Canadian early retirees in a very precarious financial situation, that the changes were decreed without any debate in the House of Commons, and that most Canadians affected by these changes were not given sufficient notice before opting for early retirement.

Wherefore the petitioners humbly call upon Parliament to repeal forthwith these changes to the unemployment insurance regulations. And as in duty bound your petitioners will ever pray.

[*English*]

CANCELLATION OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, for those on the government side who think that the anger about the cancellation of Katimavik did not exist or, if it did, has passed by, I have another 100 names on petitions from British Columbia and Quebec. These young people again take this opportunity to express their anger at the Government over the cancellation of Katimavik and for failure to develop a proper youth program.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 261.

[*Text*]

DALY BUILDING

Question No. 261—**Mr. Gauthier:**

1. Has the Department of Public Works in any way disposed of its title to the Daly building and/or the Daly building site and (*a*) if so (i) by what means (ii) on what date (iii) to whom (*b*) if not, is any date projected for such disposal and, if so (i) by what means (ii) on what date (iii) to whom?

2. Is there any demolition and/or redevelopment schedule for the Daly building and/or the site and, if so (*a*) what demolition or redevelopment (*b*) on what dates (*c*) under what owner or lessee?

Hon. Roch La Salle (Minister of Public Works): 1. (a) and (b) The Daly building property is still owned by Public Works Canada. However, Treasury Board has approved the transfer of the property to the National Capital Commission. The Department of Justice will be requested to legally close the transaction.

2. NCC is looking for adaptive re-use of the building and has conducted a prequalification call which attracted 14 submissions. Six of these developers were then prequalified.

(a) NCC is now proceeding to Stage II of the proposal call, involving a request for financial proposals for the property. NCC considers that sufficient interest has been demonstrated to make retention of the existing structure possible.

(b) It is anticipated that financial proposals will be received by August, 1986, and that the necessary municipal and federal approvals will then be sought for a projected construction start of Fall, 1988.

(c) The selection of the lessee will depend on the outcome of the proposal call process.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Tuesday, May 6, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the amendment of Mr. Garneau (p.12980).

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the purpose of Bill C-96 is to cut back the

federal financial transfers to provinces for education and health, in particular, to cut back transfers from the federal Government to the provinces for post-secondary education, medicare and hospitalization.

As my colleagues have said before me, this Bill C-96 is completely unacceptable to the Liberal Party. In the next few minutes I have I will explain why.

Yesterday, the Minister of Justice (Mr. Crosbie) speaking in this debate said that the Bill was necessary because of the large deficit left by the previous Liberal Government. It is true that the deficit is high and must be dealt with, but it was not caused by programs for education and health. These programs have been in place for many years now, as have unemployment insurance, family allowance, medicare and hospitalization programs. In fact, some of them have been in place for 20 years. They did not cause a deficit.

The serious deficit we have now started in 1981 with the recession, not because of new programs, assistance to education, hospitalization and medication, but because of the recession when world-wide conditions, which affected not only Canada, but the entire western world and beyond, resulted in a situation where you had many people put out of work, and consequently not paying taxes. There were many companies which went under due to the situation and did not pay taxes as a result, so less revenue came in to the Government. There was a lot more revenue going out in the form of unemployment insurance, bail-outs and assistance to people in trouble. That is what caused the deficit. It was not the fault of the programs to assist education and health.

During the election campaign of 1984, Conservative Party Members continually referred to the deficit and said how bad it was. As a matter of fact, they even said at the time that it was worse than it actually was. Despite the fact they said it was bad during the campaign, they made 328 promises, most of which entailed the spending of money, including a promise to respect social programs, which they said for them was a sacred trust.

What did they say with respect to transfers to provinces for education and health care? I will quote from a document which they drafted at Sherbrooke on July 26, 1984, in which they promised the following:

> To respect the federal obligation to finance health care in the provinces through the Established Programs Financing Program and to provide additional funds to the provinces, on a parity basis, to create or enhance those programs which would be identified by a national conference of health ministers and health professionals as the ones most likely to improve the general health of Canadians and to limit the costs of the system in the long run.

During the election campaign they railed against the deficit and said how bad it was, but still made the promise I just read, which promise they are now breaking by presenting this Bill to the House of Commons to cut back on transfers to the provinces for education and health.

Finally, they attack the deficit by going after education and health, when at the same time in their recent Budgets they provided for a $500,000 tax exemption for capital gains, which will amount to a cost to the Government of $4.5 billion between this date and 1990. The Government is doing that for the big rollers. The Government provided for a bail-out to banks that have failed in this country due to mismanagement, not only in the banks but at the Government level, which will cost $1 billion. There were special benefits to large oil companies which cost the Treasury a lot of money. As soon as the Conservatives were elected they increased the size and salaries of Ministers' staff. For the first time in Canadian history the Government provided an office for the wife of the Prime Minister (Mr. Mulroney), Mila Mulroney, one which is much nicer than any of those that we have, all at public expense.

Mr. McDermid: Have you seen it?

Mr. Allmand: Have you?

Mr. McDermid: Yes.

Mr. Allmand: Why is it there? It is better than the office I had, I will tell you. It is an unwarranted expense when you are cutting back on education and health, and you know it.

The Government recently provided new offices in Vancouver for Ministers travelling about the country, while it is cutting back on education and health. I ask you, what kind of equity is that? What kind of balance is that? Here we have education and health, two of the key, essential programs for Canadians, which are essential not simply for Canadians but for all of us, because education is an investment in the economic growth of the country. It is an investment and cannot be considered simply as a transfer payment. It is an investment in the knowledge, the know-how and the capability of Canadians to produce for this country an efficient, modern nation. Second, it is an investment in the health of Canadians, which is also important for the productivity and well-being of the country.

Here we are cutting back on two essential items while we are spending with respect to the big banks, the oil companies, the capital gains taxes and so on.

The real purpose of this Bill is to transfer the federal Government's deficit to the provinces. Many of the provincial Ministers have said that. I will quote two of the provincial Ministers who are Conservatives. John Baxter, the New Brunswick Minister of Finance said:

> It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level.

Richard Hatfield, the Premier of New Brunswick, said the following:

> I shall have no choice but to increase user-fees for health services.

Robert Nixon, the Treasurer for Ontario, said:

> There was uniform opposition to Ottawa's plan, (referring to all the provincial Finance Ministers). Nobody thought it was a good idea.

This is the situation: a transfer of the federal debt to the provinces that cannot afford the burden, in particular with respect to education and health care. These agreements with

the provinces with respect to education and health care were renegotiated in 1982, and the agreement was to last for five years until 1987. What did this Government do? It unilaterally, in a premature way, changed the agreement by way of this Bill.

In law they have the right to do that, but there has been a tradition that these five-year agreements are negotiated with the provinces, and they stand for the five-year period until renegotiated at the end of the term for a new agreement of five years to follow afterwards. That was not done in this case. We have a unilateral move by the Government to change the rules of the game in the middle of the agreement. Furthermore, these changes were not in the last federal Budget handed down by the Minister of Finance (Mr. Wilson).

My time is up, but I want to say that this is bad legislation and should be rejected by the House of Commons.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise to support the recent amendment, which is before the House, an amendment to Bill C-96. Of course, one cannot help but comment on Bill C-96. When the Minister of Finance (Mr. Wilson) brought down his Budget we saw all kinds of obvious tax increases, including increases in the federal sales tax. We know what these taxes have done to ordinary Canadians throughout the country. However, there is another hidden tax for which the Tory Government is responsible. It is a tax that will be transferred to the provinces, so that they will have to increase the taxes on their citizens in order to keep up and improve the level of medicare and post-secondary education.

• (1540)

This unilateral action of the federal Government will have serious ramifications for all Canadians.

There is no place in Canada that will be hurt more than Atlantic Canada. I want to examine how these cuts in the established programs financing—the transfer payments to the provinces—will affect Atlantic Canada in regard to post-secondary education and health care. These two areas should not only have been left untouched, they should have been improved. Yet the Government's action will have a severe impact on Atlantic Canada, which is a region that suffers the highest unemployment in this country. It is a region that does not have the same opportunities as central Canada for economic expansion.

We know the history of that region only too well. When the unemployment statistics come out every month we hope that there is some relief in sight for Atlantic Canada.

Let us examine how Newfoundland will be affected by the cuts in transfer payments envisaged in Bill C-96. In 1986-87, there will be $7 million less; there will be $16 million less in 1987-88; $24 million less in 1988-89; $35 million less in 1989-90; and $46 million less in 1990-91. This means that there will be a total of $128 million less for the Province of Newfoundland.

Premier Peckford of Newfoundland, a fellow Conservative of the Government, stated at the Halifax First Ministers' Conference on November 28 and November 29, 1985:

> It (the EPF cut-backs) will mean $130 million less than we thought we could expect over four or five years. And there is, Mr. Chairman, a myth going about this country that somehow some of the provinces have not managed their finances very good.

He went on to say:

> —I think we are the only jurisdiction in Canada, if not the world, that imposed upon everybody that got a dollar from the public purse, zero per cent increase in year one, zero per cent increase in year two for teachers, nurses, hospital workers, clerks, secretaries. Everybody is under zero, zero in a pretty, pretty disadvantaged province with the lowest incomes and all the rest of it . . . We, Mr. Prime Minister, froze the Budgets of all the hospitals in the St. John's region for three years at 1984 levels—

A Conservative Premier was describing the effects of this on Newfoundland.

I notice that there are some Conservative Members from Newfoundland in the House. I hope they will join in the debate on this issue and explain their position to their constituents in Newfoundland. Let us take hospitals, for example. St. Claire Mercy Hospital in St. John's has launched a $3 million fund raising campaign. The campaign chairman, Ian Reid, said on December 19, 1985:

> With fiscal restraints imposed by the provincial Government over the past four years, both the quality and quantity of hospital services for Newfoundland will inevitably slip backwards unless remedial action is taken.

That will be the effect of Bill C-96. It will exacerbate the situation experienced by the St. Claire Mercy Hospital in St. John's.

An article in the *Evening Telegram* on January 17, 1986, states:

> Following the federal announcement that EPF contributions would be cut, Newfoundland issued a Green Paper outlining the impact of these cuts on health care. Despite severe restraint over the last five years the province still spends a quarter of its Budget on health care.

Newfoundland will have to find those funds elsewhere. It cannot afford these cut-backs. Why are the victims of economic deprivation being punished? Why is the Government going to punish Newfoundland? The Government, which was supported so well by the people of Newfoundland in 1984, is biting the hand that feeds it. The people of Newfoundland should keep that in mind, come the next federal election.

Newfoundland's two biggest hospitals, both of which are located in St. John's, each have a waiting list of more than 1,000 for elective and minor surgery and for the treatment of acute illnesses. Ralph Moore, the director of one of the hospitals, the Health Services Centre, said that cuts in federal spending hurt the health system in Newfoundland more than in most provinces. I suggest that we can apply the effects of the cut-backs on the health care system in Newfoundland to all of the Atlantic region.

I believe the Government has forgotten the words of Emmett Hall, one of the architects of the medicare system in this country. During a speech which he gave in Manitoba recently he said: "I think the defence of medicare requires the

same priority as the defence of the nation." He said that in many senses, the two are very alike and should be treated that way. I believe it is true that the defence of the medicare system in Canada is similar to the defence of the nation. I think the federal Conservative Government has forgotten that.

Let us turn to the effects of Bill C-96 on post-secondary education in Newfoundland. I quote as follows from an article in the *Evening Telegram* on August 24, 1985:

> Memorial University is experiencing both budget restraint and rising enrolment. The result may be limitations on enrolment this year. Last year it dealt with the problem by having classes until 10 pm. Despite these financial problems the university actually received a 6.5 per cent increase this year—well above most provincial programs.

Leslie Harris, President of Memorial University of Newfoundland, said that the federal Government's plan to reduce transfer payments is an "Extremely short-sighted approach to reduce the deficit."

Another article in the *Evening Telegram* on December 19, 1985 states:

> Memorial University has withheld $2 million from faculty and staff pensions to permit it to balance its books to the end of the year.

As a result of the multiplier effect of these cut-backs, Memorial University had to resort to the pension fund of the faculty.

We see the same Draconian impact on each of the Atlantic provinces as a result of Bill C-96. Why does the Tory Government not go to its friends in order to reduce the deficit? Why are all the taxes in various tax schemes forgone and left untouched? The Government cuts the deficit on the backs of ordinary Canadians while giving a lifetime capital gains tax exemption of $500,000. If the Government wants to cut the deficit, it should look to those people who live off the hog in this country and do not pay their fair share of taxes.

The Government should attack unemployment in this country if it is sincere about cutting the deficit. I have said many times in the past that if the Government could reduce unemployment by 1 per cent a year, it could reduce the deficit by $2 billion. Yet the Government does not have a concentrated plan to reduce unemployment in this country. It only knows how to cut the deficit on the backs of working Canadians. It is shameful that the Government has chosen the least defensive people in Atlantic Canada and put the boots to them through Bill C-96.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am also interested in joining in this debate because I believe these transfer payment cut-backs affect every Canadian who must take advantage of our national health scheme. It also touches every single Canadian who aspires to a post-secondary education. Something which has made us unique as a country is the fact that notwithstanding other countries such as the United States which has developed a private sector health care plan, we have adopted a national health scheme which has permitted every single Canadian man and woman to take advantage of the services of health care when he or she needs it at little or no cost to the recipient. We know at the moment that the primary users of our health care system tend to be our elderly, in particular, our elderly women who live below the poverty line. What the Government is doing with its cut-backs, without any consultation with the provinces, without any of the promised discussion which the Prime Minister (Mr. Mulroney) heralded when he came to office with his huge majority, is imposing a responsibility on the provinces to cut back in areas of post-secondary education and health.

• (1550)

We have already seen the results of the pressure put upon provincial Governments by the federal Government as the result of these cut-backs. Essentially, what the Government is doing is transferring its deficit to the provinces. Notwithstanding the comments made by the Minister of Finance (Mr. Wilson) when he said: "We are going to come to grips with the deficit. We are the bottom line. The buck stops here", we know that is absolutely not the case because the Minister of Finance, without talking to a single province, in private discussions which we know he taped and then forgot to tell the Province of Manitoba he was taping, made a unilateral decision, along with his Government, to cut the very life-blood of our post-secondary education and health care programs.

In the Province of Ontario, because of that same pressure with respect to its health care system, negotiations are currently going on between the provincial Government of Ontario and the Ontario Medical Association. We hear and read in the newspapers that the OMA is calling on its friends in the federal Government to move in on the question of the ban on extra billing, even though we know that Hon. Members of that same federal Government, when they were in opposition, supported an all-party request for a ban on extra billing. The Hon. Member for Brampton—Georgetown (Mr. McDermid) is shaking his head. The Hon. Member for Brampton—Georgetown, if he wishes to say otherwise, should set the record straight. It is my belief and understanding, and the record will show, that the Canada Health Act was supported unanimously by all three Parties.

The Conservative Government's commitment to health care is simply not what it pretends to be. A case in point is the Province of British Columbia. Over the last number of months we have seen the Province of British Columbia ignore the question of accessibility with respect to the Canada Health Act by limiting the number of persons who can practise in that province through the Government administered plan. What that does indirectly is to say to the people of British Columbia who live in small towns and isolated communities: "You will not have access to the same kind of first-class quality medical care as will other Canadians".

Unfortunately, we have not heard a peep from the Minster of National Health and Welfare (Mr. Epp) on this very important issue. He has remained strangely silent. We hear the Minister defending cut-backs in family allowances and reductions in the amounts which will be made available to

families for the protection of their children, but he says nothing when it comes to the erosion of the Canada Health Act, which is occurring not only in British Columbia, through actions taken by the provincial Government of British Columbia, but also right here in this Chamber with this particularly insidious piece of legislation.

Anyone who understands the bottom line will know that the direct result of this particular measure will be to force provincial Governments to increase their own taxes, reduce services or introduce user-fees for our health care system. Heaven knows, in the area of post-secondary education, our provinces are already strapped when it comes to trying to deliver the kind of universally accessible publicly funded post-secondary education which has been a hallmark of this country. I think Canada has a kind of unique and available system for every Canadian. Unforunately, with this particular amendment, we will see in the very near future the day when only the rich can afford to go to university and only the wealthy can afford to send their children to college.

That was the way it was when my parents were growing up. They did not have the money to go to university and to pursue post-secondary education. By the time I had grown up and entered the system, that had changed. We had embraced a system where post-secondary education was available on the basis of skill and merit and not on the basis of family finances. With this particular cut-back, we will see a return to the old days when only the privileged could send their children to university and give them post-secondary education, when only the wealthy could go to the good schools. That is not the way of life which has typified Canada. If there is one thing which has made us different from our American counterparts, it is our recognition of our collective responsibility for health care and education. I think the two cornerstones of any Government are those which protect our young through access to education and information and which protect our old through a fully funded, universally accessible health care system. With this particular measure we see that access being eroded.

[*Translation*]

For instance, we know there is going to be a financial crisis in many provinces. If we consider the impact this will have on the province of Quebec, over a period of four years the province will have a deficit of $1.493 billion, while the province of Ontario will suffer cuts totalling over $2 billion. Mr. Speaker, in the province of Ontario, these cuts over a four-year period will have a direct impact on post-secondary education and health care services.

[*English*]

It was interesting to note, as the Government passes off its responsibility for the deficit to the provinces with this particular measure, the announcement of the new Public Service salaries on the news last night. The Government more than doubled the salaries paid to people who are earning over $70,000 per year. I understand from comments which were made on the television program that those salaries were paid specifically to political assistants as opposed to general Public Service employees.

The Government has the money to pay Michael Deaver. Even before his contract ended in Washington, the Canadian Government had made a "buddy-buddy" deal with Mr. Deaver through the auspices of Fred Doucet—some might say it was through the auspices of his brother or other relatives. Mr. Deaver was paid by the Canadian Government in a way which is casting doubt and a cloud of suspicion on the Canadian Government for involving itself in the hiring of an official who had just left the White House. The hiring of Mr. Deaver in the United States appears to be in violation of its conflict of interest guidelines. We know that if he had been a Canadian Government official, it would have been in conflict of our conflict of interest guidelines. However, the Prime Minister and the Government have taken the position that they will not even appear before the American committee hearings which are reviewing this conflict of interest. They have already paid him. They found the money to pay him quickly and without any public notice. At the same time they cannot find the money for our provinces with respect to health care and post-secondary education.

Unfortunately, that seems to be a theme of the Conservative Government. It wants to do things under the table, through the back-door, without coming clean with the public as to the exact cost benefit analysis to each and every Canadian. I would like to know why Michael Deaver is being protected by the Canadian Government in this particularly insidious hiring in which we see he was paid up even before his contract had been signed. If the pay is there for him, why is it not there for the provinces through transfer payments?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I started to speak the other day on this matter and, of course, 10 minutes does not afford one a long time to make the arguments I think have to be made.

Mr. McDermid: It is never enough time for you.

Mr. Deans: My colleague says it is never enough time. He is probably right. I find it very difficult to understand the reasoning of the Government.

I had an opportunity last evening to listen to the Minister of Justice (Mr. Crosbie) as he spoke in a very entertaining way, I might say, about the Government's position *vis-à-vis* the cut-backs which are occurring as a result of this piece of legislation. I have always held that the country will be measured by its capacity to provide an adequate level of health care and a fair opportunity for education. With these two items, the basis of a good and reasonable lifestyle for the majority of our citizens has been created.

• (1600)

I admit that there are other factors which come into play. If it was the intention of the Government to ensure fair and equal access to health care, as was determined many years ago, then

the action now being taken by the Government flies in the face of that commitment. If it is the position of the federal Government that its role in more equitably distributing opportunities for fair and equal access to health care is to be diminished, then I think it should say so. If the Government believes it is reasonable either to transfer more of the burden of cost to the provinces, or to transfer more of the burden of cost to individuals and families, then I think we have a basic and fundamental disagreement here in the House of Commons.

As I listen to the arguments infrequently put forward by government Members and their supporters with regard to why this is a useful piece of legislation, I cannot help but feel that the Government has not yet come to grips with the reality of the situation. If we are to transfer more of the burden from the federal to the provincial levels of Government, that will inevitably mean that most provinces where there is not an adequate tax base today will have to reduce the level of health care facilities, and, therefore, the level of health care they deliver to their citizens. I would have thought, and I say to those Ministers who are present—both of them—that, given that they come from regions of the country which fall into the category of needing a more fair distribution of the national wealth, the argument I am now making would have been put forward by them. I would not be surprised if it was put forward, which may well have happened in the secrecy of a cabinet meeting. Of course, that is something we do not know. However, it is something which is not being advanced here in the House of Commons.

I wish to say to the Minister of National Revenue (Mr. MacKay) that one of the problems which will now flow from the decision being taken by the Government is that families in the less-advantaged provinces, which even in this day and age still do not have the same degree of access to health care which families in the more affluent areas have, will have even less access. They will not even be able to enjoy the somewhat more limited access which they had previously enjoyed. Frankly, I do not think that is in the best interests of co-operative federalism. I do not happen to believe it is consistent with the nature of the country. I feel that the Government should take this piece of legislation—well, I could tell it what to do with it—but it should at least rethink it before it does anything with it.

I say this because there is a serious problem emerging. I suggest that the problem I identify in health care will be felt equally in the area of post-secondary education. The Minister knows that the families of fishermen have enough trouble now scraping together the necessary dollars to allow their offspring to go to a university or college of their choice in order to improve the quality of life beyond that which their forefathers enjoyed. I think that is fair to say. I do not think I would get any disagreement on that point. It is something which is equally true of the families of loggers and of miners. In fact, it is now becoming true for those families who reside in the built-up areas of the country. By reducing the level of increase in transfer payments, thereby reducing the amount of money available to the provinces, and thereby reducing the amount of money available for post-secondary education, tuition fees will have to rise. If tuition fees rise I know, as do all Members, that in terms of income, many marginal families which were scraping together the money to allow their children to go on to what they hoped would be a better quality of life through a better education will no longer be able to afford to do that. I suggest to the Government that the rest of Canada is prepared to assume the necessary responsibility for ensuring that that will not be the consequence of the action the Government is taking. It need not and should not be the consequence of the new direction of this Government.

I would like to put forward Ontario as an example. The Province of Ontario is economically diverse. As everyone knows, some areas are more affluent than others. Some areas of the province have easy access to health care and education while others have less easy access. In some cases, access is very difficult to achieve. Children in areas where access is less easy, or where economic deprivation exists, and who by virtue of support programs offered through a variety of different means, but which are no longer being offered because of the economic downturn which has taken place in many of these areas, will be doomed to a life not at all unlike the life which their parents decided was not adequate for them because they had already had to live it. They will not be able to improve their lot. They will not be able to provide Canada with the benefits of a more highly-educated society.

Over the next five years the Province of Ontario will lose $2.014 billion as a result of the proposed cuts. Where will the province go to find $2.014 billion? How many hospital beds will have to be eliminated, and in what communities? How many places in universities will have to be cut as a result of the loss of this revenue? How many youngsters will not be able to continue with their education because they will not be able to attend institutions as a result of fee increases which will inevitably take place? How many people will knock on hospital doors with illnesses which require hospitalization, only to be turned away because the hospital will not be able to provide the level of service which it had been providing previously? I might add that this is a level of service which has been diminishing systematically over the last five or six years.

In closing, I say that I am puzzled by the way the Government has set its priorities. I am concerned that the Government does not recognize that the taxpayers at the federal level are, indeed, the taxpayers at the provincial level. They are one and the same. EPF is intended to distribute more equitably the tax base in such a way as to guarantee basic services in areas of greatest need. That is what we were all committed to when we decided to become a country. That is what we in the Parliament of Canada have been committed to over the many years Parliament has been operating. That is what we in this party remain committed to. That is what I thought the Conservative Party was committed to when it sat in opposition.

• (1610)

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I am very pleased to take part in this debate for the second time and to support the amendment of my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), which reads as follows:

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

"this House refuse to continue the consideration of this Bill, the purpose of which is to unilaterally reduce federal payments to the provinces for post-secondary education and health services which are essential."

I stress the same points which the Hon. Member for Hamilton Mountain (Mr. Deans) stressed. While health care is very important, and while the Hon. Member for Hamilton Mountain suggested that it may be affected by the over-all cut-backs, it seems to me that the most serious effect will be on young people. That is why I consider the Bill to be so important. It strikes at something very fundamental in Canadian society, that is, the situation in which young people find themselves. The Senate report has just described them as being in danger of becoming a lost generation. They are at the divide between the technological society and the information society. They are caught in a time warp. They are caught in a squeeze. They are caught in a transition from one society to another. They are in jeopardy. They are in danger. They are a generation which is struggling to find their place in the sun in future and to discover how they will live up to the expectations which their parents had for them, as the Hon. Member for Hamilton Mountain said.

It is all very well to talk about free trade. It is all very well to talk about industrial restructuring. It is all very well to talk about capital investment. It is all very well to talk about the creation of jobs, as did the Government during the election campaign. It is all very well to give priority to those matters and to come up with a strategy to achieve those objectives. However, unless we give young Canadians the wherewithal to take advantage of the opportunities created, all of that is useless and beside the point.

Again I have to say that what we have is a generation which is in danger of being a lost generation, as the Senate described it. It is no more evident than in my own province where 50 per cent of eligible young people are unemployed and have dim prospects for employment. It is probably the highest percentage in the whole country, and I suggest that it is a national tragedy. That is the kind of thing about which I am talking, and it is at a time when they need training and education. The great hope is that somehow jobs will be created in that province by the development of the offshore, for example. Even if they are—and I hope they are—how do our people take advantage of those opportunities unless they have the training which is needed? That is what we were depending upon, and that is where we are losing out as a result of Bill C-96. Over the next five years the Province of Newfoundland will receive $187 million less than it had anticipated. This is in a province which is already strapped for financial resources.

How can the Province of Newfoundland find the money to do the things which need to be done? The Hon. Member for Cochrane—Superior (Mr. Penner) addressed that issue yesterday, and the Hon. Member for Hamilton Mountain alluded to it again today. If we say to the Province of Newfoundland that it has to find $187 million more this year within its own resources because it is not coming from the Government of Canada, what can it do? Can it raise taxes above the highest rate in the country? The sales tax in Newfoundland is 12 per cent, the highest anywhere in Canada. The income tax is as high as it can possibly be, on people who can least afford to bear the burden. Should Newfoundland raise taxes? Should it cut back services? As the Hon. Member for Hamilton Mountain asked, should it reduce the number of hospital beds? Should it reduce highway services? Should it reduce welfare and other services? Where will the reduction be? Where will provinces like Newfoundland find resources if those resources are not forthcoming from the Government of Canada?

Never mind that a tradition, if not a legal agreement, was abrogated; never mind that argument. Legally, the Government of Canada can do what it is doing, but traditionally it has not done that. Traditionally in the fifth year of an agreement there would be a renegotiation. We heard about the new civility and the new co-operation. However, at the end of a five-year agreement, the Province of Newfoundland is being told unilaterally that it must be prepared to receive $187 million less than it had anticipated and less than what was agreed to. That is what the Government of Canada is saying to Newfoundland and to the young people of Newfoundland. I suggest that that is the real tragedy about the Bill before us today.

Everyone from whom we have heard suggests that there is a crisis now in post-secondary education. The universities have less funds available to them to cope with the number of students who want an education. There is a crisis in research. No developed country in the world economy today will be able to compete in the world market-place unless it keeps up on the leading edge of technology. This is why research is important. Part of that $187 million that Newfoundland would have received this year from the Government of Canada would have gone into paying for professors, classrooms, facilities and courses to teach students not only at university but at the trades college, the fisheries college and all other post-secondary institutions. Also part of it would have gone toward the necessary research which needs to be done if small companies, for example, are to take part in the offshore. Nordco, Secore, and all such organizations were built on research funds which came from the Government of Canada. This is where they got their wherewithal from; this is what allowed them to survive.

One small company in Newfoundland has developed a safety suit for the offshore. The reason it was able to do so was that it had the necessary funding to develop a marketable and useful product, a product which is not only supplying the offshore with a very important function but is supporting a small

business in St. John's. That is a direct result of transfers. That is a direct result of established programs financing in the research field. If we do not keep up with research in that province and across the country, we will be unable to compete because we will not be on the leading edge of technology.

In conclusion, the real tragedy is that the Bill hits at the most vulnerable and the most important group in society today as we go into the new age of international competition—the young people who are in danger of becoming a lost generation. For goodness' sake, the Government should pay attention to what people are saying and to the call of young people and reverse this trend. If we must make someone pay, let us not place the burden upon the backs of our young people.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if Bill C-96 were enacted, it would permit the federal Government of Canada to reduce the federal share of the costs of health services and post-secondary education programs which have been established and improved over recent years. Universal hospital insurance, universal medical insurance, and post-secondary education funding for our universities and community colleges were developed because the then federal Government indicated to the provinces that those services should be improved and brought up to a much higher standard. Also the then Government indicated that it would pay 50 per cent if the provinces agreed. In the case of some of the have-not provinces, it would pay even more than 50 per cent. That was the policy followed and the principle used for many years. That policy continued until the then Liberal Government, using the same arguments we are now hearing from the present Conservative Government, using the 6-and 5-guidelines, cut the amount of spending to the provinces. The then Liberal Government brought in legislation changing the formula giving the provinces under the Established Programs Financing legislation block funds so that the provinces did not have to commit the money they got from the federal Government to health programs or post-secondary education.

• (1620)

The Government is facing a deficit. It says it has to reduce the deficit. It is going to reduce the deficit partly by cutting payments made to the provinces for post-secondary education and health care. The Government knows that the provinces, particularly the have-not provinces, the Province of Newfoundland which has a Conservative Government, the Province of Nova Scotia, which has a Conservative Government, the Province of New Brunswick, which has a Conservative Government, the Province of Prince Edward Island, which had a Conservative Government until a few weeks ago, and the Province of Manitoba, which has a New Democratic Government, are already stretched to the limit and already have been told by the bond-holders that they cannot run bigger deficits than they already have.

What can the provinces do if this Bill passes and the Government begins to pay a smaller share of the cost of funding health care and post-secondary education programs? The provinces can cut back on the standard of services. As my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans) pointed out a few moments ago, they can cut the number of hospital beds. They can tell the universities to admit fewer students or to have bigger classes. They can impose user-fees. That is one of the tenets of this Conservative Government: make people pay for the services they get even if they cannot afford them, or increase taxes, choices that are almost impossible.

We have to ask ourselves, are we spending too much money for these programs? In 1982, Canada ranked seventh among the 12 countries belonging to the OECD in the proportion of the GDP allocated to public health expenditures. In the expenditure for higher education, we also placed fairly low on the scale in comparison with the other countries in the OECD. What about the field of scientific research and development? We know that Canada does not rank in the middle; we are second from the bottom. Only Italy devotes a smaller percentage of its Gross National Product to scientific research and development than Canada. I am talking about all the countries belonging to the OECD and Japan.

What this Bill proposes is to reduce funding for these programs over what Ottawa paid before, and we are saying to the people of Canada that we will not continue to have the high standards we had before.

Let me make it clear that when we take this position, a position which has also been taken by the Conservative Premiers of the provinces to which I have referred, we are not saying this from a very narrow, political, partisan point of view. Let me put on the record the views expressed by a very eminent Conservative, at least he was known as a Conservative before he was appointed to the bench by a Conservative Prime Minister, Mr. Diefenbaker. Here in part is what Mr. Justice Emmett Hall said in a speech which he gave in Winnipeg on April 3, 1986. He is talking about the state of medicare in Canada today. He said:

> The long and short of it is that while we have come a very long way, we are short of the vision on full, comprehensive, accessible, portable coverage in Canada, and we are short on a national strategy of how to get there. In fact, we may be going in the opposite direction.

What this Bill says is, yes, we are going to go in a direction which Mr. Justice Emmett Hall said is the wrong direction. He continued:

> But changes are projected, changes that are being called "Expenditure Reduction."—
>
> In simple terms, the federal Government intends to cut spending by $2 billion per year by 1990-91. Over that period, $5.6 billion will not be spent and will instead be withdrawn from planned funding levels.

Then he quoted an organization with which I do not often agree. He quoted from a statement made by the Canadian Medical Association, which reads:

> The CMA is especially concerned about the effect of reduced federal funding on poorer provinces like Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia and to a lesser extent, Manitoba and Quebec.

I notice a Minister from the Province of Nova Scotia sitting in the House at the moment. I would encourage him to rise in his seat when I have finished my comments and tell members of the House in what way Mr. Justice Emmett Hall was wrong, if he really believes that Mr. Justice Hall was wrong.

It is very clear that Mr. Justice Hall sees a profound crisis for the provinces in financing cost-shared programs, programs that were begun at the initiative of the federal Government. What does Mr. Justice Hall see for the future of medicare under these conditions? Let us remember that Mr. Justice Hall was asked by the former Conservative Government, headed by Mr. Clark, to study the subject again. He has been the person who led the way in limiting costs to Canadians through extra billing by doctors. Here is what he said:

> While federal increases are scheduled, but at a lesser ration, this means that the provinces will have to find the revenues to bridge the projected gap and there is serious doubt that the provinces can bridge this gap particularly in the hospital and institutional field.
>
> So, what will happen if the provinces or most of them cannot fill this gap? It is obvious that in the provincially-owned hospitals, there will be a lowering of standards and an inability to keep up with the state of the art in this field—
>
> With privatization will come drastically increased costs particularly in the hospital field.

He points out that Canada now allocates about 8.4 per cent of the GNP to all forms of health care while in the United States, which does not have our system but where privatization flourishes, 10.9 per cent of GNP is spent for vastly inferior coverage. This is what we have to look forward to after this Bill is passed when the Government implements the provisions of this Bill, Mr. Speaker. We will have lower standards of medical care, less progress in new treatments, privatization of private hospitals and drastically higher costs for private health care. It is the nightmare which the doctors all say they want to avoid and which is now present with the National Health Service in Great Britain. There are two classes of treatment in Great Britain, private affluence for those who can afford it and public squalor for those who cannot.

How can we abandon the services that have meant so much to Canadians? The Government will be hearing from the provinces and the public in the next few months as the cuts become operative.

● (1630)

The Government knows that no service is untouchable; not old age pensions, not higher education with access for all, not medicare, and not even generic drugs, a perfectly useful cost-efficient program which embodies all the competitive forces Conservatives swear they are for. The Government can undertake this policy, but it will reap what it sows. We in the New Democratic Party will anticipate the public's verdict with confidence because we know that the public will not accept the kinds of programs and cut-backs which the Conservative Government proposes to implement.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to speak on this amendment. Many of my New Democratic Party colleagues have already spoken. This afternoon you heard from the Member for Nickel Belt (Mr. Rodriguez) and the Member from Hamilton, and you just heard from the Member for Winnipeg North (Mr. Orlikow), my good friend and one of the senior members of the House. In my view, they have set forth a formidable case against this Bill.

I just want to address a few words, through you, Mr. Speaker, to British Columbians. We are presently celebrating Expo in British Columbia. The whole town, if not the whole province, with some notable exceptions, is partying because of Expo. I was there last week. It was quite a dazzling occasion with Charles and Diana coming to our province. There are some very spectacular buildings there as, no doubt, Members of the House will see. In particular, the federal Government's Expo building is truly spectacular. It is one of the great buildings of the world. It is a spectacular setting in British Columbia, and it is a party. However, I rise to remind my fellow British Columbians not to forget the reality that after the party is over, we must face the rebuilding our province for the 1990s in order to have lasting prosperity and long-term enjoyment instead of a short-term party.

My riding is less than a kilometre from Expo 86. Last week I learned from a study that 30 per cent of the people in my riding are unemployed. I say this with respect to my friend, the Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), whose riding has traditionally had high levels of unemployment. There is 30 per cent unemployment in the centre of Vancouver at the time of Expo. Under-employment was also studied and it was found that another 20 per cent are under-employed. Therefore, 50 per cent of the labour force in my riding is either under-employed or unemployed. That is a staggering figure. I will make that study available to Members who are interested. It was done by a group with the proper means and it has been verified. I will speak more about that study later.

What relevance does this have to this Bill? The relevance is that in order to achieve economic recovery in my riding, the rest of British Columbia, and in all of Canada, we need a healthy and educated population. This Bill will result in cut-backs in health care and education in the provinces. There are 19 Conservative Members of Parliament, eight New Democrats, and one Liberal from the Province of British Columbia. I ask the people of British Columbia to go to those Members of Parliament and tell them that they do not want any federal cut-backs which will lead to restraint in education and health.

The people of British Columbia experienced restraint when Bill Bennett, the Premier of British Columbia, brought in some savage restraints after the last election. Those savage restraint measures hurt education and other fields, but particularly education. In British Columbia, for the first time, middle-class kids, who can afford to go to university, cannot get into a university. That is a new situation. There is also the situation of other young people having to incur immense debts because

their student grants have been cut back. They must incur immense debt in order to go to university, which debt will be with them for a long time.

We have had experience with cut-backs in education in British Columbia. We know what it is like and we know what will happen in the future if, through this Bill, less money is made available to the provinces to invest in our young people through education and health, which investment would enable us to continue the party which Expo started. That is what will give us enjoyment and prosperity in the future. That would be the proper investment to make. We oppose this Bill because it will have the opposite effect of what we consider is needed in British Columbia. It will incur cut-backs in education when we should be increasing funding for education because it, in my view, is the investment to make in Canada's future.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of Mr. Garneau:

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

"this House refuse to continue the consideration of this Bill the purpose of which is to unilaterally reduce federal payments to the provinces for post-secondary education and health services which are essential."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1640)

(*Division No. 253*)

YEAS

Members

Allmand	Boudria	de Jong
Althouse	Caccia	Epp
Axworthy	Copps	(Thunder Bay-Nipigon)
Benjamin	Deans	Fulton
Berger	de Corneille	Gagliano
Garneau	Malépart	Orlikow
Gauthier	Manly	Prud'homme
Guilbault	McCurdy	Robinson
(Saint-Jacques)	McDonald	Rompkey
Henderson	(Broadview-Greenwood)	Tardif
Hovdebo	Mitchell	(Richmond-Wolfe)
Isabelle	Murphy	Waddell
Jewett	Nicholson	Young—39.
Kaplan	(Trinity)	
Langdon	Nunziata	
MacLellan		

NAYS

Members

Andre	Graham	Nickerson
Attewell	Gray	Nielsen
Bernier	(Bonaventure-Îles-de-la-Madeleine)	Oberle
Binns	Greenaway	O'Neil
Bissonnette	Grisé	Oostrom
Blackburn	Guilbault	Pennock
(Jonquière)	(Drummond)	Peterson
Blais-Grenier	Gustafson	Plourde
Bourgault	Halliday	Porter
Boyer	Harvey	Price
Brisco	Hawkes	Ravis
Browes	Hicks	Reid
Cadieux	Hnatyshyn	Reimer
Clark	Hockin	St. Germain
(Brandon-Souris)	Holtmann	Schellenberg
Collins	Horner	(Nanaimo-Alberni)
Cooper	Hudon	Schellenberger
Corbett	Jardine	(Wetaskiwin)
Cossitt	Jepson	Scott
Crosbie	Johnson	(Hamilton-Wentworth)
(St. John's West)	(Bonavista-Trinity-Conception)	Scowen
Crosby	Kelleher	Sparrow
(Halifax West)	Kindy	Stackhouse
Crouse	Ladouceur	Stevens
Darling	Leblanc	Stewart
Daubney	Lewis	Tardif
de Cotret	MacKay	(Charlesbourg)
Desjardins	Mantha	Taylor
Desrosiers	Marin	Thacker
Domm	Mayer	Towers
Dorin	Mazankowski	Tremblay
Ellis	McCain	(Québec-Est)
Fennell	McCrossan	Tremblay
Fontaine	McDermid	(Lotbinière)
Fraleigh	McInnes	Vincent
Fretz	McKnight	Wenman
Gass	Mitges	Winegard
Gérin		Wise
Girard		Witer—102.

• (1710)

Mr. Speaker: I declare the amendment defeated.

Is the House ready for the next question?

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. There have been discussions between the parties on the possibility of dealing with two Bills of a technical nature with respect to arbitration in the name of the Minister of Justice (Mr. Crosbie). There may be a disposition to move to Bill C-107 and Bill C-108 with the idea that each party would put up one speaker. We might be able to deal with these two Bills at all stages, thereby allowing them to go to the other place.

I should explain that this legislation is required for Expo 86 by May 12. We have been trying to accommodate the time-tables of all parties involved.

Mr. Kaplan: Mr. Speaker, on behalf of the Liberal Party, we are prepared to deal with these two Bills now. The Government delayed bringing them forward and has now reached a deadline. We are very sympathetic with the objectives of this legislation and we are prepared to co-operate.

Mr. Deans: We are also quite prepared to deal with the two Bills now. I wish it to be clear that each of the opposition Parties will have 15 minutes in order to put their views on the record and one speaker each.

Mr. Speaker: I suggest that the President of the Privy Council (Mr. Hnatyshyn) put forward a motion to adjourn debate on Bill C-96.

Mr. Hnatyshyn: I so move the adjournment of the debate, Mr. Speaker.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I was ready to participate in debate on Bill C-96, as were a number of my colleagues. It seems that by agreement we are now moving to some other matter. I suggest that the debate be adjourned so that those of us who wish to speak on Bill C-96 can leave. If the matters are disposed of before six o'clock, I suggest that the House adjourn at that time.

Mr. Hnatyshyn: Mr. Speaker, Members of the House know that if there is any possibility of my missing a speech of the Hon. Member for Saint-Denis (Mr. Prud'homme), I would hate to have that happen. I agree to his proposition so that I can hear him tomorrow morning.

Mr. Gauthier: I rise on a point or order, Mr. Speaker. Before we proceed to these other matters, will the Government House Leader tell us what we will be dealing with tomorrow morning at eleven o'clock?

Mr. Hnatyshyn: We intend to carry on with Bill C-96, Mr. Speaker.

On the motion of Mr. Hnatyshyn, the debate was adjourned.

* * *

• (1720)

UNITED NATIONS FOREIGN ARBITRAL AWARDS CONVENTION ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-107, an Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, in my brief remarks I will touch on Bill C-107, which is an Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and Bill C-108, which is an Act relating to commercial arbitration.

The UN Convention to which Canada wishes to accede was originally agreed upon on June 2, 1958. I am pleased that with the co-operation of the Official Opposition and the New Democratic Party, we are able to proceed with these two Bills today. We have been working toward acceding to the UN Convention in Canada and have been enacting legislation which will apply the commercial arbitration procedures to the federal area of jurisdiction for some months now, in co-operation with the Province of British Columbia, which is especially interested in this matter. It is interested because it wishes to establish a commercial arbitration centre in Vancouver. As a matter of fact, on Monday I will be in British Columbia to attend a conference on arbitration sponsored by the Province. Its new arbitration centre will be officially opened at that time. The people of British Columbia hope that its commercial arbitration centre will be the leading place for commercial arbitration in the Pacific Rim. We wish to assist the Province in this objective. Of course, it will vastly enhance the achievement of that objective if Canada accedes to this UN Convention. In any event, it will be to the benefit of the commercial community in Canada. It will be a great boost to those who engage in international trade and export trade to have Canada accede to this Convention.

We have the agreement of all 10 provinces and both territories, which have all agreed that Canada should accede to the Convention. They have all agreed to pass the necessary legislation this spring. As Hon. Members know, there are elections to be held in several provinces, which could delay the matter somewhat. However, all provinces are onside and will join us in passing uniform Bills which will relate to commercial arbitration. British Columbia has already passed such legislation. The matter is now before the legislatures of a number of other provinces and the rest have committed themselves to passing such legislation this spring, or certainly this year.

I will not elaborate any further on the matter. This is a matter of private international law. It is a step which Canada should have taken some considerable time ago. I am pleased to be in the position to move that the House adopt both of these Bills. I believe it is agreed that we pass them through all stages today. I will then be able to pass the news on to the Province and to those who attend this meeting next week in British Columbia that the federal Government has agreed to the legislation. I have no doubt that the Senate will move quickly on the matter.

I thank my colleagues in the Opposition for their co-operation in this endeavour.

Hon. Bob Kaplan (York Centre): Mr. Speaker, Members of the House know of the great respect I have for the Minister of Justice (Mr. Crosbie). It is not only because of that respect that I am pleased to be able to support these Bills and their quick passage. It is also because of their importance.

The Province of British Columbia has been looking forward to such legislation for some time. In fact, it has assumed for such a long time that it would be forthcoming that it set May 12 as the day on which it will establish an international arbitration centre as part of its Expo festivities. Therefore we are showing unusual co-operation in that we do not want to take the time to refer the matters to legislative committees and to call private sector witnesses who could, no doubt, assist us in improving the legislation. We are willing to dispense with those procedures in order to meet the deadline which will soon be upon us. It is certainly an important event for British Columbia and for Canada.

Those of us who were involved in commercial litigation in private life know how expensive and time-consuming it can be. We also know that when commercial litigation occurs, it is the consumer who has to pay in the end. Many years ago there was an initiative to which Canada is finally joining to try to provide for less formal and less costly ways of resolving commercial disputes. Commercial private arbitration tribunals are the method.

While Canada sat back, this system developed in many other countries. A system for reciprocal enforcement of arbitration awards also developed. Canada sat back for a number of reasons. The easiest one to understand is with respect to the divided responsibility in this area. The federal Government is responsible for international affairs while the provinces are responsible for the resolution of private disputes within their jurisdictions.

• (1730)

With that kind of divided legislative responsibility, the issue rode on for years and years. I am sure I am not the only Member of Parliament who received delegations in their offices over the years wanting to encourage Canada to take an initiative which would lead to this regime being established, to the establishment of the international agreement and, after reciprocal legislation was passed by the provinces, to the establishment of this way of efficiently and consensually resolving disputes among commercial litigants.

I want to say a word about the activities of the former Government in this area. I know that efforts were made by the former Government—and this is available for corroboration with provincial Governments—to move this dossier forward. In the regrettable state of relations between the federal and provincial Governments, it was very difficult to move matters like this one forward. It is regrettable that the kind of partisan rivalry, if I may put it that way, which existed between the two levels of Government over the last few years prevented many good measures from moving forward. This was one.

Be that as it may, the new Government, the Conservative Government, took the proper initiative and carried forward the file with far more success than that enjoyed by the former Government, of which I was a part. It was able to enlist provincial support. With the deadline of May 12 ahead of it, it managed to produce a climate in which this legislation could be brought forward.

As I said, I regret that the Government waited until the last minute, but I do not think we should make the City of Vancouver and the Province of British Columbia suffer for that. Therefore, on behalf of my party I waive all requirements which would allow us close detailed scrutiny of the legislation, the opportunity to improve it, and the opportunity to bring it to the attention of the country so that Canadians would be aware of the important step being taken today and of what lies behind it. I am pleased, on behalf of my Party, to offer our support of this legislation and of this method of expediting its passage.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am particularly pleased as a British Columbian Member of Parliament to rise today in this very exceptional procedure to indicate my support for the legislation currently before the House. Of course the legislation will enable Canada to implement the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The effect of this would be that foreign arbitral awards could be enforced in Canada for the first time. As well, the new legislation would provide specific statutory authority to federal Departments and Crown corporations to enter into arbitration agreements.

I have had an opportunity to discuss the provisions of this legislation with departmental officials. I raised two or three specific areas of concern, but I am satisfied that these concerns have been addressed in the legislation currently before the House. Certainly there is no question that arbitration is a much more effective and less costly way of resolving commercial disputes than litigation. At the present time in Canada there is no federal legislation governing the conduct of international commercial arbitration in Canada.

Another concern is that at the present time there is confusion regarding the authority of federal Departments and Crown corporations to enter into arbitration agreements. This new legislation would remedy this by specifically granting statutory authority to federal Departments and Crown corporations to enter into arbitration agreements.

I want to emphasize particularly the fact that the first international commercial arbitration centre to be established in Canada is to be established in my Province of British Columbia. Hopefully the Province of British Columbia will be attracting significant professional and service work. Certainly at a time of very, very high levels of unemployment we can only hope that the establishment of this international commercial arbitration centre will result in more jobs and more economic activity. As well, the legislation should assist in improving our trade relationships, particularly in the Pacific Rim and also in other countries. Many of the disputes which currently involve Asian, North American and European countries are presently being resolved in the United States or

in Europe. For the first time there will be an opportunity to resolve these disputes in Canada.

I want to note that Canada is the last industrialized nation to accede to this convention. The United Nations adopted the convention in 1958, and it is almost 30 years overdue that Canada adhered to it.

I raised two areas of concern with departmental officials. The first concern was the possibility of certain reservations to the convention. Many states have relied upon what is referred to as the reciprocity reservation. Indeed, the initial advice from departmental officials to provincial Governments was that the reciprocity convention or reservation should be relied upon. However, it now appears that having studied the matter the federal Government is of the opinion that this reciprocity reservation is not necessary. That was certainly one area which I discussed with the officials. We are prepared, on balance, to recognize that the legislation should go forward without it.

The other area of concern which I raised was the fact that one of the parties to the convention was South Africa. I would hope that as a matter of public policy Canada would not in any way be prepared to co-operate with or recognize arbitral awards which flowed from South African business dealings. I would hope that as a matter of public policy that would be the decision taken by the Government. I am told that it is impossible to write that formally into the legislation now before the House, but I urge the Government to implement it as a matter of public policy.

In closing, I would note that I look forward to the next Government in the Province of British Columbia, a Government led by Premier Bob Skelly, being in a position to attract business activity to this new B.C. international commercial arbitration centre which we all desire.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Crosbie, seconded by Mr. Hnatyshyn, moves that Bill C-107, an Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, be read the second time and referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-107, an Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Shall Clause 2 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clauses 3 to 9 inclusive agreed to.

Clause 1 agreed to.

Schedule agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: Mr. Crosbie, seconded by Mr. Hnatyshyn, moves that the Bill be concurred in—

Mr. Kaplan: They are not here.

Mr. Nickerson: On a point of order—

Mr. Lewis: Mr. Speaker, I rise on a point of order. I think there would be agreement to substitute their names with the Minister of Transport (Mr. Mazankowski) and the Minister of State for Small Businesses (Mr. Bissonnette) who are present in the Chamber at this time.

Hon. Don Mazankowski (for the Minister of Justice) moved that the Bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

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

Motion agreed to and Bill read the third time and passed.

* * *

• (1740)

COMMERCIAL ARBITRATION ACT

MEASURE TO ENACT

Hon. Don Mazankowski (for the Minister of Justice) moved that Bill C-108, an Act relating to commercial arbitration be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the Chair.

Clauses 2 to 11 inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Mazankowski (for the Minister of Justice) moved that the Bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

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

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak on this Bill as I did on the preceding one and to refer those who want to follow the debate on Bill C-108 to the earlier Bill and the reasons for not developing our arguments and position on the Bill and to ask that the Bill be adopted.

Commercial Arbitration

Motion agreed to and Bill read the third time and passed.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in accordance with the agreement reached earlier, I move that the House adjourn for the balance of the day.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.46 p.m.

HOUSE OF COMMONS

Thursday, May 8, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING—THIRTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the thirty-fourth report of the striking committee.

NATIONAL HEALTH AND WELFARE—FIFTH REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present in both official languages the fifth report of the Standing Committee on National Health and Welfare entitled "AIDS in Canada". Pursuant to Standing Order 99(2), the Committee requests a government response to its recommendations.

This report is based on the evidence heard by the committee from expert witnesses, both in Government and the private sector who are working to combat the epidemic of AIDS in this country. The other members of the committee and I feel that implementing the recommendations contained in this report can do a great deal to improve public understanding of the disease. As well, these recommendations offer suggestions to increase the facilities required by the medical community and ensure the adequate and compassionate care required by those suffering from the disease.

[*Editor's Note: See today's Votes and Proceedings*].

* * *

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have several petitions to submit. The first one comes from the City of Toronto, Weston, Brampton, Bramalea, Mississaga and Etobicoke. A number of citizens have signed these petitions praying and calling upon the House of Commons to reinstate full funding for the Katimavik program for the benefit of our youth.

[*Translation*]

The following petition is from several communities in the Province of Quebec, including Sainte-Foy and Quebec City. Petitioners are asking for reinstatement of the Katimavik program and for reconsideration of the decison to terminate the program.

The next petition is also from the Province of Quebec, from Chicoutimi, where petitioners are also asking for reconsideration of the decision to terminate the Katimavik program.

Mr. Speaker, I also have a petition from Lac-Etchemin, in which petitioners humbly ask Parliament and the Government to reconsider the decision to terminate the Katimavik program.

Finally, Mr. Speaker, I have another petition, also from Lac-Etchemin, in which petitioners ask for reconsideration of the decison to terminate the Katimavik program.

[*English*]

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): It is my privilege, Mr. Speaker, to present a petition on behalf of a number of residents of Kamloops, British Columbia, who are concerned about the decision of the Minister of Employment and Immigration (Miss MacDonald) to consider pension benefits as being earned income. They are calling upon the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 459 and 481.

[*Text*]

COSTS OF CANCER TREATMENT

Question No. 459—**Mr. Corbett:**

How much money does the Government estimate it spends annually on tobacco-related cancer treatment?

Hon. Jake Epp (Minister of National Health and Welfare): Only an indirect estimate is available, based on 1982 figures.

In that year, approximately 34 per cent of smoking related deaths in Canada were due to cancer. Total hospitalization and physicians' services expenditures related to smoking that year are estimated by Health and Welfare officials to have been about $1.5 billion. Using the mortality figures as an estimator of the physician and hospital costs due to smoking related cancer, slightly over half a billion dollars was spent by governments on smoking related cancer treatment in 1982, with costs shared approximately equally between federal and provincial levels of government.

DEATHS ATTRIBUTED TO TOBACCO-RELATED DISEASES

Question No. 481 (revised)—**Ms. McDonald:**

Since World War II, how many deaths in Canada were attributed to tobacco related diseases?

Hon. Jake Epp (Minister of National Health and Welfare): The U.S. Surgeon General's reports on smoking and health are based on critical reviews of world-wide scientific literature by assembled experts. The Surgeon General estimates that 30 per cent of coronary heart deaths, 30 per cent of all cancer deaths and 80 to 90 per cent of deaths from chronic obstructive lung disease (emphysema) are caused by smoking. Applied to Canadian death statistics, these estimates indicate that about 1.3 million Canadians have died since 1946, from coronary heart disease (about 850,000 deaths), cancer (about 340,000 deaths) and chronic obstructive lung disease (about 100,000 deaths) caused by smoking. Smoking also causes many deaths due to birth-related disorders, peripheral artery disease, peptic ulcers, and fires. Similar risk estimates for these conditions are not readily available.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Wednesday, May 7, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I appreciate the opportunity to point out to the House that this Bill appeared on the Notice Paper on February 12, 1986. It was debated on Friday, April 25; Monday, April 28; Friday, May 2; Monday, May 5; Tuesday, May 6; and Wednesday, May 7, at length. There has been a great deal of debate from Parties on all sides. In view of that, I now move, seconded by the Hon. Member for Ontario (Mr. Fennell):

That the question be now put.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on debate.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I can understand the impatience of the Parliamentary Secretary since he has not spoken substantively to this Bill. We have yet to hear Ministers from that side speaking to this most important piece of legislation which calls for federal-provincial co-operation with regard to transfer payments for education and health. We have heard one *bouffon* over there, the Minister of Justice (Mr. Crosbie), speak on this subject, but no other. The Minister of Finance (Mr. Wilson) has not spoken, nor has the Minister of State for Finance (Mrs. McDougall). Yet, the Government wants to gag debate by the Opposition. It wants to put the question now. We are not yet ready to have the question put. We want to debate the issue because it is an important issue for Canadians which deals with two subject matters, education and health.

Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, is indeed far-reaching and of such importance that we on this side of the House have tried during the debate to bring to the attention of the Canadian public some of the serious, far-ranging, and permanent impacts which will result from the arrangements which the Government is proposing to put forth.

[*Translation*]

Mr. Speaker, all provinces will be affected by these cutbacks. The federal Government will save $319 million in 1986-87; $2.1 billion in 1990-91 and from 1986-87 to 1990-91, it will save nearly $6 billion. Six billion dollars which the provinces will not get for justified spending on education and health care.

For the information of Canadians who are listening, I would like to break down these figures by province. In Newfoundland, in 1986-87: $7.3 million less; in 1987-88: $15.5 million less; in 1988-89: $24.8 million less; in 1989-90: $35 million; in 1990-91: $46 million; in 1991-92: $58.9 million, which by 1992 adds up to a total of $187 million, and this for a province with a high unemployment rate, where young people are discouraged because they cannot find jobs. And the Government wants to cut back spending on education, which accounts for about 27 or 28 per cent of total federal transfer payments to the provinces! The remaining percentage, 70 or 75 per cent, goes to health services. I will get back to this later.

Mr. Speaker, the story goes on. Prince Edward Island, in 1986-87: $1.6 million; in 1987-88: $3.4 million; in 1988-89: $5.4 million; in 1989-90: $7.6 million; in 1990-91: $10 million and finally, in 1991-92: $12.7 million, adding up to a total of $40.8 million. Our smallest province, the one that needs help most, is going to lose $40 million in revenue over the next six years.

Mr. Speaker, I could on and talk about Nova Scotia, which will be losing $282.6 million. New Brunswick: $228.8 million. Quebec: $2,083.6 billion. Ontario, my own province: $2,929.9 billion, nearly 3 billion dollars. Manitoba: $340.4 over six years. Saskatchewan: $332.5 million over six years. Alberta: $773.1 million and British Columbia: $934.3 million over six years, adding up to a total of $8,133.8 billion lost in two vital areas under their jurisdiction, namely education and health care, areas which the federal Government has for years been helping to finance by redistributing the financial burden, since everybody in Canada is helping to pay for those who have less, and it was this program of transfers to the provinces, in cash payments or tax points, that helped to restore a form of equity and justice to this country, by providing a system that gave Canadians access to education and health care on a universal, fair and equitable basis.

Mr. Speaker, in today's mail I found a press release from the Secretary of State (Mr. Bouchard) concerning a three-pronged study he commissioned: first, access to post-secondary education in Canada; second, the 1983-84 national survey on post-secondary students to examine such issues as interprovincial mobility, the specific characteristics of full- and part-time students, interest in Canadian studies and access to education in one's chosen official language, and on and on; and third, the 1984 national survey on 1982 graduates which made it possible to collect statistics on graduate students' experiences during their first two years on the labour market, etc.

Mr. Speaker, a glance at this document indicates that the study of the Secretary of State was made public last May 2, and I urge Hon. Members to read it because it is rather thought-provoking. Here are some of the issues reviewed. I cannot list them all because my time is limited, but I think it does raise important questions: policies concerning foreign students; the expansion of TV educational programs; the impact of new communication technologies on better access to education; the opinions and positions of teachers' and students' associations and Governments with respect to accessibility. Accessibility is the key word because we want Canadians to be better educated and prepared to assume their rightful role in the economy. Therefore, a collective willingness and a common movement are required to help finance post-secondary institutions.

So now we have this heartless Government which does not want to share any responsibility for education and which has been axing right and left in the appropriations earmarked for the provinces. As if this were not enough, the Government now wants to gag the Opposition and put a procedural end to the debate because it has grown tired of listening to speeches on issues like education and health care.

Well, Mr. Speaker, we intend to go on speaking at length to these issues because we have documents which we feel should be made public. We have lots of things to say, Mr. Speaker, and I am sure you understand this is not a delaying tactic or a filibuster on our part. We are interested in this matter and it is only natural that we would want to debate it in the House. Indeed, this is where the work must be done.

Mr. Speaker—

• (1120)

[*English*]

I would like to talk about the effect of this legislation. The Government says we are preoccupied with the deficit; we are. In its papers the Government is saying it is trying to reduce the deficit. One way is by cutting federal-provincial agreements, thereby transferring the deficit to the provinces. We all know the Government acted unilaterally, without the consent of the provinces, and has failed to respect the tradition of federal-provincial agreements. We thought the Prime Minister (Mr. Mulroney) said during the campaign that he would have continuous ongoing consultations with the provinces in federal-provincial conferences. Yet on the most important issue, that dealing with transfer payments for education and health, he did not. The Government did not have the sense, the heart, or even the decency to go to the provinces and say, "You expected this money but we are sorry, we are going to have to cut the deficit and we have to ask you to bear the load". This is contrary to government claims and also contrary to government promises.

Nevertheless, during the last election the Conservatives promised to respect the EPF agreements on health care and increase R and D budgets. We know what has happened. They have no intention and have shown absolutely no initiative toward increasing R and D budgets. They sure as heck have not kept their promise on the transfer payments and EPF agreements.

All provinces are opposed to these cut-backs. Several groups, including the Canadian Chamber of Commerce, which is not known to be a very strong supporter of the Liberals, have opposed these cut-backs on the basis that they are unjust. The Conservatives opposed similar cuts in 1982 on the 6-and 5-

program. The Minister of Justice said the other day that that was Gauthier legislation. He has no memory. I voted against the 6-and 5-program because it affected the pensions of public servants in my riding. He calls that Gauthier legislation. He does not know what he is talking about. Of course, he does not usually read his documents anyway so I do not take too much exception to it. I see you are—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. I have given him a few extra seconds.

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I appreciate this opportunity of speaking on Bill C-96. I listened with a great deal of interest to the comments by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), and it is absolutely ludicrous for a Member on that side of the House, representing the Party he represents, to talk about consultation with the provinces. The history of his Party is well-known. It was a history of confrontation rather than consultation. To suggest that this Government has not consulted with provincial Ministers of Health and Education is not only wrong, it is blatantly ridiculous. This Government has established a history of consultation with the provinces virtually unheard of over the past 23 years. It would be wrong for this House to be left with the distasteful opinions that that Hon. Member attempts to leave.

The fact of the matter is that this country has been burdened with a totally unacceptable deficit. We are in this situation now because of deficits we inherited from previous Governments represented by the kind of Member who just spoke. The deficit must be addressed. As distasteful as some of these programs are, we must assume our responsibility as legislators and move forward to improve the situation for the benefit of all Canadians. Instead of listening to destructive criticism, why can we not ask for and expect constructive criticism for a change? I ask: How do we go about improving the system? Unfortunately, time does not allow me or any other Member to cover the entire waterfront regarding the ramifications and implications of this Bill. I will have to restrict my remarks to the health care sector.

There is no question that over the next few years health care costs in this country are going to increase substantially and significantly. Today more than 6 per cent of the population over the age of 65 are in nursing homes or health care centres for the physically or mentally infirm. We expect that by the year 2000 that number will have doubled. All nursing homes have waiting lists and the system is overloaded. Hospital beds are filled with geriatric care patients to the detriment of people who are waiting to be admitted for surgery or other problems and ailments. Those beds should be made available to the system—

Ms. Mitchell: How are you solving the problem by cutting back the money?

Mr. Corbett: Perhaps the Hon. Member would like an opportunity later on to get up and speak. In the meantime she might be a little bit less destructive and listen to some constructive criticism for a change.

The problem is that we are not utilizing available funding in the proper fashion. We have not been doing so for some number of years. We have to better utilize the available funds.

There is a philosophy promulgated by Members opposite that anything done by the private sector in the health delivery system is bad. It is morally wrong and people would suffer from such an intrusion by the private sector. I for one have no quarrel with the fact that the Government must be there to set standards, policies and procedures. It must ensure that they are strictly and acceptably adhered to. However, we have to put all these things in perspective.

There are several jurisdictions, particularly in the U.S., where the private sector does contribute very constructively to the health care system. I for one believe that nursing care for an aging population is one area where the private sector could very effectively operate. Nursing homes are predictable. The needs of residents are predictable. Costing in that segment of health care is predictable. Staffing is generally stable and constant. The private sector is well-suited to the nursing home field, and in certain jurisdictions nursing homes thrive and their resident care is number one. Government funding for any such facility has to be a major factor, of course. So it should be. Less than 10 per cent of the people now in nursing homes are paying their own way. Government pays by far the largest share.

In the free world it is the private sector which is recognized as being the most capable and suitable instrument to manage enterprise. When given the opportunity to work, free enterprise does. That is not to say that Government does not or should not have the responsibility for input to a system where substantial amounts of public funds are being used. Management should recognize that the responsibility of Government to the taxpayer must be adhered to, that the Government has the right to act on behalf of taxpayers. On the other hand, Government should recognize the capabilities and effectiveness of private management and its ability to manage. I have no doubt that a proper relationship between Government and business in the health care sector of this nation could save the taxpayers of this nation literally millions of dollars annually with absolutely no sacrifice in the standard of care for residents. My suggestion is to improve productivity by reducing labour costs. We can realistically address constructive facilities. We can reduce our debt burdens and administrative costs both in the private sector, the delivery system, and in the government bureaucracy.

• (1130)

The key to improving our system and utilizing our dollars more effectively in the health care delivery system is improved management. The result, in my opinion, would be of mutual

benefit to all, including the residents of the nursing care sector, the Government, and the taxpayer.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am saddened to have to rise and make a last comment on a Bill that is being introduced by the Progressive Conservative Government of Canada to cut back on the educational funding of Canadians, to cut back on the amount of money going into health care for Canadians; and let there be no mistake about it, that is exactly what Bill C-96 is going to do.

It says we can no longer afford to train and educate our young people, and our people generally. It says we can no longer afford to give the kind of medical care that people have become accustomed to and require in our country.

When you hear Hon. Members opposite saying the Government has a better idea and it wants to privatize health care, you must realize that when you form a business you do it for one reason only, and that is to make a profit. That is what business is all about, to make money and to make a profit. Any country that is going to make a profit on the backs of the aged and those in need of health care has a sick society and a sick Government. When privatizing nursing homes and hospitals, bottom line is to make money. I challenge any of the members of the Conservative Party to stand up and say that is not the bottom line, to make profits and maximize profits. When your motivation is to maximize profits on the backs of people who are having health problems, or the elderly of our society requiring care, that is something I do not find in a decent civilized society.

The Hon. Member across the way is yelling at me that we should nationalize the hospitals. Hospitals are public institutions that should not be in the business to make money. I stand by this position that if any Member thinks the purpose of our hospitals is to make money for entrepreneurs he or she has his or her priorities in the wrong place.

Mr. Corbett: Mr. Speaker—

The Acting Speaker (Mr. Paproski): Order, please. Order, please. The Hon. Member knows that I have given him a few extra minutes. I would like to hear the Hon. Member for Kamloops—Shuswap (Mr. Riis). I am having a very difficult time trying to hear his speech.

Mr. Riis: I appreciate the intervention. I believe it was the Hon. Member who was criticizing some of the other Members for attempting to interrupt him. He was saying they should have the good sense to hear some wise and eloquent phrases. I won't use that statement, Mr. Speaker, but I do have some very strong concerns about what is going on in this House today.

One of the reasons I am particularly concerned is that I happen to represent a constituency in the Province of British Columbia. It is a province where the Government there is anti-intellectual, anti-education, anti-training, anti-university, anti-college, anti-school. The clear evidence of that statement is the fact that over a few years ago there was the opinion in our country that the federal and provincial Governments would equally share in funding of our universities, colleges, and technical institutes—50/50 sharing.

But when you look at the Province of British Columbia today and ask who it is that provides 100 per cent of university and college funding, it is the federal Government of Canada. The Province of British Columbia does not put a single red cent into post-secondary education any longer. It has turned its back on post-secondary education. It has gone against the agreement into which it entered many years ago under which it would pay 50/50.

Is there a single Hon. Member from the Conservative, Liberal or New Democratic Parties who stand up and say that the Province of British Columbia, does not put a single red cent of its own money into post-secondary education, is doing the right and the honourable thing? No. We have a province on the West Coast that is anti-education, where we have seen devastating cuts to our educational system from pre-school right up into post-graduate studies at the universities. In the last few days the announcement has gone out to every college in the Province of British Columbia saying that, after years and years of cuts and cuts and cuts, "this year you have got to cut some more".

Caribou College in the community of Kamloops has just received a notice that it must cut a half a million dollars out of a budget where there is bone sticking through now. There is no fat or meat left, and now it is going to have to hack off part of the bone as well. That is why some of us, from British Columbia particularly, are concerned about what Bill C-96 is doing because it is saying it is going to cut back the federal contribution. The Province of British Columbia is not paying anything and now the federal Government is going to cut back what it would have been expected to pay for post-secondary education.

This year the Province of British Columbia will receive from the federal Government $36 million less than it would under the normal formula. Next year that goes up to $75 million less. In the next five years, this year and for other years, the Province of British Columbia is going to lose $642 million in transfer payments to education and to health care. Across the country generally $5.608 billion will not be spent by the federal Government on health care and post-secondary education.

A Member from central British Columbia has particular concerns because, when you look at the OECD countries, all the western industrialized countries are putting more and more effort into post-secondary education, scientific training, and on the job training. There is one country that is not participating in that same investment enthusiasm in post-secondary education, and that is Canada. Canadians are getting the short end of the stick compared to all of the other OECD countries. Take a look at the provinces and territories across Canada and you will notice there is one province that is putting less than any other into post-secondary education, whose percentage of

the provincial budget is decreasing when it comes to post-secondary education and health care, and that is the West Coast Province of British Columbia. People in British Columbia are getting the short end of the stick because they are Canadians, and they are getting the short end of the stick in Canada because they are British Columbians.

When you consider the people who do not live in the lower mainland of British Columbia, they are getting even a shorter stick. For a young or an older person today to go and study at a university, a vocational institute or a technical institute, you have to pay $6,000 to $7,000 a year.

Considering the high levels of unemployment and the difficult times that so many British Columbia families are facing these days, there are literally hundreds and thousands of families now that can no longer afford to send members to study at universities, institutes, technical and vocational schools in the Province of British Columbia.

If you are from the central part of British Columbia you are getting the short end of the stick in B.C. If you are from B.C. you are getting the short end of the stick in Canada. If you are in Canada you are getting the short end of the stick compared with all the OECD countries.

What does that tell us about this country? What does it tell us about what we can expect in the future when West Germany, Japan, and even some of the major parts of the United States are investing heavily in what they see as their most important natural resource? Some parts of our Government think our most important national resources are codfish, coal, copper, or wheat. The most important natural resource, as we all know, is the people of Canada.

The Japanese, the Swiss, and Scandinavian countries figured that out long ago. Canadians, as far as our Government is concerned today, have not figured that out. The anti-intellectual and anti-education people in British Columbia do not even come close. The Government is short changing our youth in terms of the future and their ability to take their rightful place in the 21st century. In our information oriented society in which the economy is becoming increasingly competitive, we must have well-trained and well-educated people. We must spend more money on scientific research and development for future production, but the Government is not keeping up with our competitors in this area.

• (1140)

The Government's answer is to move this motion which effectively brings in closure on this Bill. It has closed off debate because it has heard enough criticism from members of the Opposition. I believe that this is probably the most important debate we have had or will have in the months to come in terms of the future of the country, but the Government's answer is to close off the debate because the heat has been turned up too high.

We in the Opposition say it is wrong for the Government to impose Bill C-96 that will take $5.608 billion from post-secondary education and health care. We do not want this legislation to proceed but the Government will no longer take the heat and will simply cut off debate and jam this legislation through. We say that this Bill is bad news for the future of Canada and Canadians.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to speak on what is essentially a closure motion by the Government. This motion to close debate on second reading of such an important Bill is totally irresponsible. This Bill touches the very fabric of our nation at a time when provincial Governments are facing tremendous responsibilities in dealing with a recession, especially in the outlying areas of our country.

It disturbs me that the Government has the gall to propose a cut-back of $8 billion in post-secondary education and health contributions for the next four years. It signifies the extreme lack of awareness of the Minister of Finance (Mr. Wilson) and the Cabinet generally about the realities in our country.

In Ontario alone there will be cut-backs in funding for post-secondary education and health care at a time when the Ontario Government is considering the possibility of doing away with OHIP premiums in favour of a fairer general tax levy by which premiums would be based on the ability to pay rather than a flat rate.

It is hard to believe that the Government would impose such a Draconian measure on the provinces when much of our country is facing serious economic recession. When the Minister looks at the national gross figures for the years 1983 through 1985, he believes that the economy of the entire country is growing at the same rate as that in the "Golden Horseshoe" around Toronto. I suggest that the Minister should visit the Maritimes to see the impact of the Government's cut-backs on services and transfer payments, combined with new fees for ferry services.

Recently the people of Prince Edward Island spoke eloquently about the impact of the Government's $8 billion cut-backs in transfer payments to the provinces. The Minister should go to northern Ontario to see the impact of the Government's policies on those resource areas of our country, including the forestry sector and the mining sector.

The impact of the Government's energy policy on Sault Ste. Marie, for example, is that we face lay-offs of some 800 people in the tube mill alone. We are just completing a new $375 million tube mill but the Government's policy on energy is not only making the feasibility of that plant very questionable, the existing plant is being shut down.

Let us consider the over-all situation in the country. I just returned from the agricultural special task force hearings in western Canada where we were discussing the impact of the U.S. Farm Bill. That U.S. Farm Bill will have a greater impact on Canadian agriculture than any other piece of legislation that the U.S. Congress has passed. However, when the Prime Minister (Mr. Mulroney) went to Washington to meet with the President a few months ago, not once, in that

glossy agenda of items to be discussed with the President, was the U.S. Farm Bill mentioned. That legislation will be in effect for the next three years.

The western provinces are looking for financial help from the Government as a result of the recession brought on by its agricultural and energy policies. Yet the Government is cutting back $8 billion from assistance for post-secondary education and health care during the next four years.

Since you come from Alberta, Mr. Speaker, you know that Alberta had a very positive economic situation only a couple of years ago. That province is now facing a $2 billion deficit and must deal with an additional cut-back in health care and post-secondary education contributions. Surely the Government should recognize the reality in this country rather than rely on the view of the Minister of Finance whose gaze might go a little bit north of Bloor Street but not to northern Ontario, parts of Quebec, the Maritimes, and certainly not to western Canada.

The Government has imposed cuts in several areas. Last week we saw the Prime Minister put on one of the greatest shows in history when he seemed to be helping agriculture. He implied that the Government was raising the domestic price of wheat from $6 to $11 in order to assist the farmers. In fact, all he did was increase the price range. There is yet to be a decision on whether that will be done, how it will be done, and what its impact will be.

The Prime Minister appeared to be freezing freight rates, but that suggestion was exploded even before the press conference finished. The people in the press gallery knew that all the Government had done was recalculate the volume of wheat that is to be shipped this year from 31 million tonnes down to 28 million tonnes so that there was no need for an increase in the portion that farmers paid in freight rates. Everyone knows that it was a charade.

The Prime Minister also announced that he would remove the 2.5 per cent excise tax on farm fuels, a tax that should never have been imposed last September. This morning, at a committee hearing, I suggested to the Minister of Agriculture (Mr. Wise) that this tax should be removed retroactively to last September because the crisis began last year. It was absolutely criminal for the Government to impose an excise tax on farm fuels at a time when agriculture was facing its greatest stress. Rather than eliminating that tax as of May 1, the Prime Minister should have apologized to the farmers of this country for imposing it last September, and made the deductibility and rebate provisions retroactive to that time. We are talking about at least $75 million in revenues which the agricultural industry can ill afford to pay.

• (1150)

Certainly, the Draconian measures which are being used by the Government in Bill C-96 are simply to bully this through the House. To add another $8 billion of costs on to the provincial Governments at this time, many of them in the outlying and resource-based areas, is not a fair, equitable, or even-handed way to operate.

The other aspect of this Bill is that its impact will be felt by all sectors of the economy. At a time when 600,000 or 700,000 young people are unemployed we should not be taking away $8 billion from the provinces.

The Minister of Employment and Immigration (Miss MacDonald) has already stonewalled $400 million of the money she was supposed to spend on direct training and upgrading programs last year. The Government is moving even more in a heavy-handed way by removing this desperately needed $8 billion of funding from the provincial Governments over the next four years, using Bill C-96. I hope the Government will reconsider and take this Bill off the Order Paper. It certainly is not in the best interests of our country.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have just returned to the House after spending quite a period of time with the Child Care Task Force which has been travelling across Canada. We have heard over and over again about the really sad situation young children face unless there is some very immediate action to provide better care so they will be better prepared for the future. I returned today to find out that we are debating major cuts in post-secondary education and health services which will be devastating for this generation of our youth.

This Bill is just appalling. It is inhuman from the point of view of our human resources and what it is going to do to our young people. It is also very short-sighted from an economic point of view. It attacks young people who right now do not have access to post-secondary education which they need desperately. This Bill will make the situation even worse. It attacks women. It will be predominantly women who will lose jobs and health services. It is particularly young women who may now be on welfare, who are raising children, who will not have a chance to get into training opportunities in order to become independent and make a better life for themselves and their children. It attacks elderly people who, as one member of the Conservative Party just said, will be relying very heavily in years to come on our health services.

I find it hard even to speak because this approach is so disappointing. The Government can find billions of dollars to increase defence spending, yet it has to cut back on the very essential services for our population. One wonders what is happening to us in Canada. It is extremely disappointing. I just hope that people across the country will be aware of what this Bill means. As my colleague said, the total cuts will mean over $5,608 million will be taken out of health services and education by 1990. That is just in federal cuts. We must add to that the provincial cuts. British Columbia will lose $642 million. I can tell you, Mr. Speaker, that this will have a tremendous negative impact on young people and our elderly in British Columbia.

At the same time that we are cutting back on health care and post-secondary education, over the next five years the

Conservative Government of Canada will increase defence expenditures by 41 per cent. How in good conscience can we have those kinds of priorities? How short-sighted it is from an economic as well as from a social point of view.

I would like to speak about the situation in British Columbia as it pertains to young people. Twenty-one per cent of our young people in British Columbia are unemployed. These are the people who will be denied even more access to college, university or other training programs. There are over 63,000 young people between the ages of 15 years and 24 years who will not have any access to jobs. To get jobs, of course, most of them need further training. Now they will not have access to the training.

The federal Government certainly should be increasing opportunities for young people. Not only is this needed in what we hope would be an educated and modern society, but it is essential to our future economic and social health. In the long run, investment in the younger generation will save the Government the cost of unemployment insurance and 50 per cent of the cost of welfare. Most of these young people are on welfare. The Government would get an income from taxes. An investment in young people for training and educational opportunities now would pay off in the long run.

I would like to point to the leadership being shown by Bob Skelly, the Leader of the New Democratic Party in British Columbia. Last week a Private Members' Bill was introduced in Victoria, and I think a similar one should be introduced in this House, which would guarantee every young person in British Columbia a choice of full-time education, training, or steady employment. These 63,000 young people would have a choice about their future as a result of this Bill. If we do not do this, we will have a wasted generation. The costs of this program would be $150 million per year.

We are putting billions and billions of dollars into Expo and we cannot find $150 million a year to put into job training and educational opportunities for young people. To maintain these young people on welfare or unemployment insurance, to have them live on very low casual wage levels, will cost a great deal and will mean a whole dependent generation which would remain dependent on society. I implore the Government to think about what it is doing with this Bill. It is cutting back on the very essential investment in young people. It is not just an expenditure. It is a real investment. We are already paying, and we will pay much more if we do not open up opportunities for our youth.

Our generation had access to education and opportunities for jobs. We simply must look at this generation of young people in a much more positive way. We cannot afford to have them without jobs, without training, and without a future. The task force heard from young women who became pregnant as teenagers and are raising children. It happened to them largely because they had no hope. What is going to happen to their children? There is no future for them, and we are adding another burden with this Bill.

With respect to the health care situation, the Member of the Conservative Party who spoke last talked about reforming health care. I agree completely that we must reform health care. We could get much better value for our health care dollar. However, I agree with my colleague that we certainly should not go the American route of privatizing our health care and having health care for profit so that people do not have a base of essential health care services. What we should be doing is not only maintaining and increasing our investment in health, and it is an investment in people, we should also change our priorities. We should be looking at the fact that our health system is a physician dominated system and that far too much money is going into very expensive high technology, heart transplants, and so on.

• (1200)

We are completely forgetting the general population in communities which need a floor of preventive health care. What we should be doing is investing more in para-professional types of services. Our nurses should be doing much more, something which we have provided for in our health legislation but which has not been taken up. We should have more community clinics with more people from the communities involved in the supplying of services. We should have more home care for seniors in order to avoid expensive institutional care. We should be doing much more to help young families, particularly young families with pre-schoolers, to promote health. These are the areas into which we should be putting money. We should not be cutting back on the federal contribution; we should be increasing it. We should be encouraging and promoting a far different type of health service.

We also need to look at services in remote areas in a different way. Surely the federal Government has a special responsibility to the people in the Territories and in our northern areas, particularly people in native communities. We need midwifery in some of the northern communities, something which Inuit women have said they want. Yet we are not doing a thing about it. We are cutting back on expenses.

We need more university extension programs so that people in remote areas can have access to education. This is an area in which there are cut-backs in every province. I can tell Hon. Members that this is what we have been hearing repeatedly on the task force of which I am a member. Colleges are having to close down when they should be offering extension programs in rural areas. Surely a measure such as that would make great economic sense, as well as being absolutely essential if we are to have an educated population.

With regard to hospital care I have in front of me an article from the Vancouver *Sun* from July of last year. It states that British Columbia started restraint in health care four years ago with 2,000 lay-offs, and most of those laid off were women, and 1,200 bed closures. Since then health care has deteriorated. Some mothers in premature labour were sent to Calgary because there was no room in the special care nursery

at Children's Hospital. The Bill before us will worsen that situation.

I can tell Hon. Members that in British Columbia what is happening to the people, those with young families, as well as the elderly, is simply abhorrent. This Bill will simply add to their burden. It is completely short-sighted. It should be withdrawn. We should not have to deal with it any further. It makes me so angry I can hardly continue.

Mr. George Henderson (Egmont): Mr. Speaker, I am a little disappointed to be speaking on Bill C-96 today and, in particular, on the motion moved by the Government which, in effect, will bring the guillotine down on further debate with respect to the cut-backs in EPF to the provinces. I say that I am disappointed because I do not think that Canadians and the provincial Governments have had ample opportunity to discuss and think through this Bill in order to make their positions known to the federal Government.

I just finished signing 632 congratulatory messages which I will be sending out to grade 12 graduates in my riding. These are students who are graduating from high school and who will be entering universities. These students will find it extremely difficult to do that because now the tax burden will be shifted from the federal Treasury to the provincial Treasury. In Prince Edward Island we have a very limited tax base. We live in a province which has high levels of sales tax and other forms of tax measures. Like Newfoundland we find ourselves with increasingly higher sales taxes which are to the point of being detrimental to spurring on the economies of our provinces.

On top of the university costs, which will have to be increased through higher tuition fees or other forms of revenue raising measures, most of these 632 students will find it difficult to find employment this summer in order to further their efforts to obtain a better education. I know that many of them will come to see me in my office. They will go to the manpower centres only to be told that there are not many jobs available. One in three might be successful in finding a job.

In P.E.I. we have gone through one of the most difficult years in many years in agriculture. Farmers who would normally be able to sell their products at a decent price—certainly potatoes—are dumping them this year in their fields. Of course I should mention that we were the recipients of a $6 million fund which was set up by Ottawa. It was certainly appreciated. It was set up as a diversification program. Unfortunately, it was too little too late. If the same amount of money had been given to the province last November or December when the federal and provincial Departments of Agriculture knew full well that there was an over supply of potatoes in the world, then that diversification program would probably have meant better prices for the remainder of the crops.

I would like now to consider the effects Bill C-96 will have on Prince Edward Island between this fiscal year and fiscal year 1992. We see that there will be a shortfall of some $40.8 million in revenue. This year $1.6 million less will go to the Province of P.E.I. In 1987-88 the figures will rise to $3.4 million; in 1988-89 it will be $5.4 million; in 1989-90 it will be $7.6 million. It will be $10 million in 1990-91, and $12.7 million in 1991-92. Most of the Atlantic provinces cannot afford such reductions. They just do not have the tax bases to make up the difference.

Earlier today I was looking at an article which was published in the *Telegraph-Journal*. It is dated December 26, 1985, and quotes the New Brunswick Finance Minister John Baxter. He is quoted as saying that it will be difficult convincing New Brunswickers to accept further restraint measures in light of the federal Government's lack of restraint. I think herein lies the crux of the matter. It is very difficult to get people from Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland to agree to deficit-cutting in the areas of health care and education when they look at some of the measures the Government has taken. I refer to the bail-out of the Canadian Commerical Bank and the Northland Bank to the tune of $1 billion.

It is difficult for these people to understand why the federal Government should be asking the provinces to share more of the load. Prince Edward Islanders see other forms of taxation, particularly back-door taxation, in the form of increased user fees for ferry rates, inspection fees on potatoes which were imposed for the first time, and increases in national park fees. When they look at a Cabinet which is the largest the country has ever seen, with 40 cabinet Ministers, they ask themselves why this is happening. Measures which have been put in place for retired Armed Forces personnel and public servants, whereby they are not eligible to draw UI benefits because pension is now to be declared as income, remove an awful lot of revenue from the province. This diminishes the spending ability of people and has a terrible reflection right across the board. That can be coupled with the lack of job creation in the province.

• (1210)

The Government claims that private enterprise will be the engine of growth. That may well be so in certain areas of the country but in most of Atlantic Canada we find that private enterprise consists of companies with between one and five employees. We do not have large plants with 1,000 or 2,000 employees. Private enterprise cannot take up the slack in job creation.

I realize that my time is running out. I would have liked to have spoken longer on this Bill because it will have a tremendous detrimental effect on my province and on Atlantic Canada. I would hope that the Government would make provision for Atlantic Canada so that those provinces may have good quality health care and education just like the better-off provinces.

A new veterinary college is just about to be opened in Charlottetown and I wonder what effect this cut will have on that. The Maritime Council of Higher Education has already pared its budget down to the bare bones. In fact it has been

doing so over the last five years. When I was a member of the provincial Legislature of Prince Edward Island a number of years ago, that council was making cuts at that time. The provincial Government was also trying to curb expenditures. There is simply no room for any further cuts in the education system.

There is a growing aging population in Prince Edward Island which will require more and more facilities. Once again the federal Government is cutting back on health care to make its deficit position look better. Really all it is doing is transferring the tax burden to the taxpayers of the provinces. Whether one pays a tax to the federal Government or to a provincial Government does not really matter much. However, the head of the family, the head of this great confederation of ours, must be the federal Government, and the federal Government should take its responsibility seriously. It should ensure that all Canadians have equal opportunity no matter where in this land they happen to live.

The same kind of health care should be available whether one lives in Toronto, Montreal, Ottawa, northern Alberta, northern New Brunswick, Prince Edward Island, Newfoundland or Labrador. I do not think it is reasonable to expect to have open-heart surgery in small hospitals. That is not what I mean, but I do mean that the basic principles of health care should be maintained and should be available to all individuals no matter where they live.

Those are the few words I wished to say. I know my time is up. I am very upset that the Government would move a motion to cut off debate on this most important subject, a subject that will affect all Canadians no matter where they live.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to take a few moments to put some of my thoughts regarding Bill C-96 on the record. We have spent the last week or two debating the various effects of systematically reducing the growth of funds to the provinces required for the two most important services in Canada, health care and post-secondary education. These two services are the impetus for growth in the economy. Only if we have a healthy and well-educated population will we be able to survive under conditions of depression. Only then may we take advantage of every opportunity to grow. When the Government decides to reduce the amount of money that it is willing to spend on health care and education, it is reducing the ability of the economy to grow.

The Government keeps telling us that it is increasing the funding, and to some extent that is true. It is true unless one looks at it very closely. How long can a system survive if, every time the costs increase by $1, the amount of money received to pay for them only increases by 50 cents? Eventually the services will have to be cut back. It becomes a sleazy way of reducing the quality of education and health care because, when cuts are made, the quality of the services is the first to be affected.

I would like to spend most of the time I have which is only a few minutes, on the effects of these cuts on health care. The health care programs of many provinces are already approaching a crisis because of lack of money. We need to look at the size of the reduction that is contemplated by this Bill. In very simple terms, the Government intends to cut $2 billion per year by 1990-91. Over that period, $5.6 billion will be withdrawn from the funding levels for health care. As was pointed out by a representative from Newfoundland, this means either poorer service, higher fees, higher provincial taxes, increased premiums, or all of the above.

In this Bill the Government is following its philosophy as shown by many of its other actions. The Government's approach is either to eliminate a service, redefine the responsibility of the federal Government so that the service will not cost so much, or pass the costs on to someone else, whether it be the provincial Government, the student, or the person receiving health care.

Organizations like the Canadian Medical Association have made strong protests against the reduction of funding for health care. In fact that association suggests that the basic problem underlying the fight that is going on right now in Ontario between doctors and the Government regarding overbilling can be traced to the fact that the Government does not have enough money to provide the kind of health services that are required.

The costs of health care have risen over the last few years and continue to rise. The greatest increases have been connected to hospitals. Some 70 per cent of the total cost of medicare programs today can be directly attributed to increases in institutional care, including hospitalization. It is recognized and accepted by most people that the costs will increase at the rate of about 4 per cent or 5 per cent above inflation. These costs are inceasing for various specific reasons. For example, the cost of liability insurance has risen a great deal during the last few years. That cost will have to be picked up by the health care field.

An Hon. Member who spoke earlier suggested that we might look at privatization. It is well known that privatization in the health care field increases the cost, particularly in the hospital field. Canada, which now has a public system, allocates about 8.4 per cent of the Gross National Product to all forms of health care. In the United States, where privatization flourishes and is the basis of many health care structures, the amount of money going to health care is 10 per cent of the GNP, for vastly inferior coverage. Privatization will not save us money in a global sense. It will cost us more money, a difference of several percentage points.

• (1220)

In the United States the Blue Cross Shield plan is offered for $1,840 per year. It has a $100 deductible, and only 80 per cent of physicians' and psychiatrists' fees is covered. There is no coverage for physical therapy, routine physicals, or baby care. There is no coverage for treatment of any illnesses that

might have been latent prior to coverage. Diseases such as cancer and heart disease, which are usually attributed to lifestyle, or stress on the job, cannot be covered by this insurance, and these diseases are among the most costly to treat.

Members who have travelled abroad know that if you do get sick abroad you come home singing the praises of Canada's health care. While the American health care might be excellent, fees for it are so high that 30 million Americans—and 30 million is the population of Canada—do not have any health insurance whatsoever, and that system spends 10 per cent of its Gross National Product on health care. For 30 million people it is cash on the barrel head if they want medical care, and if you visit the States and get sick, it is cash on the barrel head for you, too.

Surprisingly, the Nielsen task force takes an opposite view to that of the Government. It suggests that we should be very careful of any policy of profit on health administration. The task force reviewed the cuts already made between 1982 and 1986 which totalled $6 billion for health care and higher education. It identified the declining role of the federal Government, showing a 40 per cent share loss in the 1985-86 period. The Nielsen task force projects that expenditure requirements for the next few years will increase by 4 per cent and 5 per cent above inflation, and 1 per cent to 2 per cent above the growth of the GNP. We are not keeping up with inflation yet costs will increase by 4 per cent. A reduction of 2 per cent below the growth of the economy is to take place, putting us 6 per cent below the actual increases in costs, reducing the quality of services in health care and education.

The Acting Speaker (Mr. Paproski): Order, please. I regret that I must advise that the Hon. Member's time has expired.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, the purpose of the Bill now under consideration is to reduce the federal Government's post-secondary education contributions by 2 per cent as of April 1, 1986. The Conservative Government wants to withhold over $8 billion from the provinces over the next five years. As indicated in the Quebec Government Budget tabled last week, this cut-back will cost more than $2 billion to Quebec alone. As a result the province had no choice but to slap a surtax on corporate profits to offset this shortfall.

[*English*]

This Bill, as I said in my comments last week, represents what is really a total abdication of federal responsibilities in the area of post-secondary education. The Conservative Government is washing its hands of post-secondary education in Canada. To understand this situation, you have to go back to 1977 when the Government, after negotiations with the provinces, introduced the system of unconditional grants which still exists to this day. These unconditional grants have led to a crisis today in higher education about which this Government has nothing to say. The federal Government at that time committed itself to yearly increases in transfers to the provinces regardless of what the provinces did to support universities and colleges. These grants were unconditional. In other words, there was no requirement on the provinces that the money which the federal Government gave to them for education and health had to be actually spent on education and health. We know that many of the provinces spent this money in other areas, on roads or other provincial priorities. While federal transfers have increased over the course of the last seven to eight years, the money that actually gets to the colleges and universities has gone down. It has not kept pace with inflation.

As a matter of fact, funding for universities and colleges has gone up by only 2.5 per cent in real terms since 1977-78, yet the number of students attending universities and colleges has gone up 27 per cent in the case of universities and 36 per cent in the case of colleges. With funding stable and enrolment increasing dramatically, it is no wonder that the quality of teaching has gone down. There are more students per teacher, there is a shortage of equipment, and universities cannot hire the best faculty. Our country as a whole is suffering.

The previous Government appointed a commission headed by Al Johnson to study this whole question. Mr. Johnson recommended that federal transfers for post-secondary education be increased at the same rate at which the provinces increase their operating grants to universities and colleges. He wanted to introduce an incentive to ensure that the provinces would increase their contributions as the federal Government increased its contributions. The provinces did not support this recommendation. The Conservative Government's answer is to cut spending. The Government's rationale may be that since the provinces have been using the money given to them for education for other purposes, if it cuts the transfer payments the provinces will be forced to spend the funds on education rather than on the other, less important things which they have been spending them on in the past. By simply cutting funding, the Conservative Government has nothing to say about post-secondary education in Canada.

• (1230)

This is made very evident in the report tabled by the Secretary of State (Mr. Bouchard) last month in which he refers to Canada's educational goals. He refers to the fact that constitutional responsibility for education lies with the provincial Governments. He says that it is to the provincial Governments that one should turn first for a statement of goals and objectives related to the public support of post-secondary education. Who does one turn to for the federal goals? What does the federal Government have to say about the quality of post-secondary education? What do members of the Conservative Party have to say about the problem with post-secondary education? What solutions do they have?

The Minister of State for Science and Technology (Mr. Oberle) is here. This is one of his responsibilities. What does he have to say about it? What does the Member for London East (Mr. Jepson) who is sitting here to my right, have to say

about it? The Conservative Party is saying that it will provide the money for whatever the provinces want to do, but the federal Government will have nothing to say about national goals. What about a federal co-ordinating role? What about strategic research done in the universities? Does the Minister of State for Science and Technology feel that the federal Government has something to say about areas of strategic research? What about strategic manpower? He talks about that in his speeches. What about speaking up on this particular Bill? Why cut the debate as the Government is trying to do?

Why are government Members not participating in this debate today? What is the matter with Conservative Members? Are they all a bunch of sheep? They are saying that they ask no questions when they give the money to the provinces. There is no national interest in higher education. They just hand the money over and forget about the problems of our universities.

What does the federal Government expect from our universities? Whom do we ask? Do we ask the Prime Minister (Mr. Mulroney) or the Minister of State for Science and Technology? Does the Member for Capilano (Mrs. Collins) or the Member for Brampton—Georgetown (Mr. McDermid) have anything to say about this? What does the federal Government expect when it turns over money for post-secondary education? Does the federal Government have any goals? Why not simply give the provinces the tax points? Why should we act as a tax collector for the provinces? The federal Government is saying that it has no policies or ideas. Therefore, just give the provinces the tax points.

Mr. Benjamin: It won't work. They'll chisel on it.

Mr. Berger: They are being chiseled on it now and have nothing to say about it. Should the federal Government convene a meeting to discuss these subjects? Should it get the private sector involved?

In my speech last week I quoted from a recent submission made by the President of Northern Telecom. Northern Telecom happens to be our only multinational in the telecommunications industry. David Vice, the President of Northern Telecom, said that instead of a "dynamic, well-supported system of education, with recognizable centres of excellence" in this country we have "crumbling structures, inordinately high student-faculty ratios and poorly-equipped laboratories". He said:

> The emergence in Canada of distinguished research and teaching centres—comparable to Harvard, the Massachusetts Institute of Technology, or Stanford—seems next to impossible.

He called for a reordering of priorities. He called upon the Prime Minister to spend more money on education and less on other areas. He called upon the Government to convene a national conference on the crisis in higher education and to work to develop a national policy.

The Government has no national policy. It is washing its hands and is saying that it has nothing to say about the crisis in higher education. It does not recognize the call from people like David Vice of Northern Telecom. What in heaven's name is the federal position? The answer is very clear from the silence from the Tory benches. There is no position. We cut our deficit, we cut loose, and the hell with what goes on in our universities. That is what the Conservative Party has to say. That is what it is telling students, young people, and university faculties and administrators.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to deal first with some remarks made earlier today by the Hon. Member for Fundy—Royal (Mr. Corbett).

Mr. Nickerson: It was a great speech.

Mr. Benjamin: I hear it called "a great speech". I wish the predecessor of the Hon. Member for Fundy—Royal, the Hon. Gordon Fairweather, were in the House. He would not hold still for this for one moment. He is presently the head of the Human Rights Commission in Canada, an excellent appointment. He was in the forefront of the Conservative Party for years with regard to federal funding for health services and post-secondary education. It is a bit ironic that the present Member would make a speech about the deficit and the private sector in health care.

I would like to quote another very famous Canadian who is also a Conservative, the Hon. Mr. Justice Emmett Hall. In a speech he made in Winnipeg on April 3 he said:

> With privatization will come drastically increased costs particularly in the hospital field. Canada now allocates 8.4 per cent of the GNP to all forms of health care. In the United States where privatization flourishes, it is 10.9 per cent for vastly inferior coverage.

He gives an example. In the United States a recent Blue Cross-Blue Shield individual plan was offered for $1,840 per year. The coverage details included $100 deductible, 80 per cent of physician fees and 50 per cent of psychiatrist fees covered, no coverage for physical therapy, routine physical examinations, or baby care. Most absurd of all, there was no coverage for treatment of any illness which was present but latent prior to the effect of the insurance. What about cancer and heart disease? They are often present, latent for years. They are among the most costly to treat. That is your privatization, your private sector health care.

There are countless examples of Canadians who travelled and became seriously ill in another country, particularly the United States, who were faced with bills of tens of thousands of dollars. After their province had paid the fees and bills which it would have paid had they become sick at home, they are still faced with the additional cost of tens of thousands of dollars. The Hon. Member for Fundy—Royal advocates that kind of nonsense.

• (1240)

Let me appeal to the Conservatives about things which seem to satisfy them. They talk about the bottom line, the crassest kind of term. That seems to be what the Conservatives, with their so-called sound business principles and practices, are impressed by. Let me then appeal to them on the basis of free

enterprise and sound business practices. Perhaps that will convince them. Expenditures by the federal Government on health care and secondary education are not an expense, they are an investment which provides a good return for all levels of Government. It is an investment in our people from which the nation receives a tremendous return.

Keeping people healthy is not only civilized and humane, which may not appeal too strongly to the Conservatives, but, and this should impress my hon. friends opposite, it keeps them working and producing for the benefit of the nation as well as of themselves. There is less absenteeism and the workforce produces efficiently. They are healthy and remain so because of federal and provincial expenditures. If we keep them healthy and working, they pay taxes on their earnings. The more they work, the more income they have, the more taxes they pay to all levels of Government. Therefore, expenditures by the national treasury on health care and post-secondary education are self-liquidating. Governments at all levels recover more than they pay out because of an efficient, healthy, highly productive workforce whose health has been well protected. Those who are better educated and trained through our education system earn higher incomes and pay more taxes. That should satisfy my Conservative friends who rely on sound business principles.

Battles won do not necessarily stay won. It took decades to achieve a high standard of reasonable, equitable and equally distributed health care and secondary education. Yet it is gradually being lost, stifled, whittled away, and in the name of what? In the name of deficit reduction. Let me quote Mr. Justice Emmett Hall again from the same speech:

> In the search for services heretofore regarded as essential, some of which may have to be reduced or abandoned, no one in his right mind would see health care as anywhere but at the top of any essential list ranking there with education, national defence, justice, transportation and the like.
>
> So, let us compare what is proposed as between two essential services—health care and national defence.
>
> As of now, the expenditures on health and higher education on the one hand and on defence on the other, are very similar. Health and education cash expenditures were $8.6 billion in 1984-85, while defence—was $8.9 billion.
>
> For the coming five-year period, the federal expenditure for health and higher education will grow only 14 per cent while that on defence will expand by a whopping 41 per cent. Why not treat these two essentials alike for they are in a sense twins, two components of one national objective. National defence, as it is known today, is to protect against external invasion or harm to the citizens of Canada.
>
> Health care is the internal protection for the same citizens of Canada.
>
> One is as important and vital as the other. It is why Prime Minister Mulroney has rightly called health care a "sacred trust", so why not treat health and national defence alike. They can both be called "sacred trusts".

He closed by saying:

> The defence of medicare requires the same priority as the defence of the nation—as I have said, the two are very alike. Let's treat them that way.
>
> This is the message to carry to Ottawa.

I am only too proud to provide that message from Mr. Justice Emmett Hall for the benefit of my friends sitting opposite. The test of any decent and civilized society is how well and thoroughly it treats its old, sick, and young. Canada was well on its way to being a world leader in passing that test. We are now well on the way to ranking 12th, 14th or 15th among industrialized nations in how well we treat our old, sick and young. There are nations less well off than we are which are doing it, and we should be ashamed of ourselves for even considering this kind of legislation. I hope my friends opposite will have a change of heart over the next few days.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is very unwise for the Government to attempt to choke off this debate on a matter of great importance. We in the Opposition, although so few compared to the vast majority which the Government commands in this House—

Mr. Berger: Silent majority.

Mr. Caccia: —which is silent, regret very much that the Government would resort to such mean measures to muzzle Parliament. I will put to you graphically why we are so upset about this latest move. I would like to begin with your province, Mr. Speaker. The impact of this Bill on Alberta between now and 1992 will be such as to reduce the revenue of your provincial Government by $773.1 million. That money would go to Alberta for health and education if this Bill is not passed. The net effect on the Province of Newfoundland is a reduction of $187.7 million. For Prince Edward Island it is $40.8 million; Nova Scotia, $282.6 million; New Brunswick, $228.8 million; for Quebec, more than $2 billion. For Ontario the net effect will be a reduction in revenue of $2.9 billion; for Manitoba, a reduction of $340.4 million; Saskatchewan, $332.5 million. There is a total of reduced revenues for universities and health care between now and 1992 of some $8 billion.

• (1250)

I can understand why the Tory back-benchers are so silent. Surely they feel uneasy about this and they do not want to defend this Bill. Rather than having to be forced to speak on this measure which they should defend, they would rather choke the Bill. This is what is happening here this morning and that is why we are so upset. We are not the only ones to be upset.

In February of this year *The Telegraph Journal* had an article entitled "N. B. Medical Body "Tried" To Thwart Medicare Cuts". *Le Droit* in March stated that 300 students are denouncing the cuts. *The Toronto Star* had a title in February of this year: "Funding Cuts Seen As Crisis For Our Universities". *The Telegraph Journal* in January of this year had an editorial entitled, "A Danger To Our Health". *The Toronto Star* in January of this year produced an article entitled "Political Leadership Is Needed To Save Canada's Universities". *The Telegraph Journal* in January had an editorial entitled "The Quality Of Our Life". *Le Devoir* in December of 1985 had an article in which the Minister of Finance of Quebec was raising the urgency of the situation flowing from this proposal. *Le Droit* in December of last year discussed the anticipated university crisis as a result of this

measure. The report from Halifax in November, 1985, discussed the fact that Ontario leads the attack on funding cuts and accused the Prime Minister (Mr. Mulroney) of breaking a promise.

The media has picked up the message and the substance of Bill C-96. It is important to realize what its long-term impact will be. It means the indexation of the per capita amounts that will be transferred to each province in relation to the population in each of the provinces at a rate equal to the growth of the Gross National Product less two percentage points.

Where does this notion of a reduction of two percentage points come from? Is it out of thin air? Is there a rationale for it? Why should there be a reduction in the first place? Surely if there is a growth in GNP this growth ought to be reflected and transferred to the provinces. This is what, in essence, Confederation is all about.

Why does the so-called Progressive Conservative Government come up with this notion that the provinces should be deprived by a 2 per cent growth in the GNP? I do not understand that. I would like to hear a Tory back-bencher explain that to us.

There is a feeling here that the quality of our universities, according to the Government, is too high, and the quality of our health services is too high. Based on what students and practitioners in medicine tell me, I would rather see a transfer formula that would be the equivalent of the Gross National Product, plus 2 per cent, instead of minus 2 per cent, in order to prevent the crisis that is being anticipated and referred to in the articles and editorials from which I quoted.

It is a serious set-back for the provinces to know that in each of the coming years there will be a reduction of revenue which, for the totality of the country, will amount in this fiscal year, 1986-87, to a reduction in revenue of $317 million. In Alberta it will mean today, election today, $29 million less from Ottawa. Next year it will be $676 million less coming from Ottawa to the universities and health services across the country.

In 1988-89 it will be $1 billion less coming from Ottawa on education and health. In 1989-90 it will be $1.5 billion. You can see how the curve is gradually increasing. In 1990 to 1991 the reduction touches $2 billion less from Ottawa to the provinces, and in the case of Alberta, $191 million less.

In the 1991-92 fiscal year the amount will be reduced by $2.5 billion. As I mentioned to you earlier, the totality of the reduction in the federal contributions to all the provinces, under this particular program touched upon by Bill C-96, between now and 1992 will mean a loss of revenue to the provinces of $8.133 billion.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member's time has expired.

Mr. Caccia: May I call it one o'clock?

The Acting Speaker (Mr. Paproski): I am afraid I must either recognize another speaker or put the question.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since it is virtually one o'clock, may I call it one o'clock and complete my remarks after Question Period?

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

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

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MINES AND MINING

ONTARIO HYDRO CONTRACT WITH ELLIOT LAKE MINE

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to bring to the attention of the House of Commons the announcement of the Ontario Hydro and Rio Algom Mines to change the Elliot Lake uranium contracts so that the delivery dates of uranium take place after 1993. This decision will result in the loss of 200 jobs at the end of this year. It is a very serious blow for Elliot Lake.

Ontario Hydro and Rio Algom must reconsider this decision in view of the loss of jobs. Is this cut-back in jobs really necessary? Could this plan be phased over a longer period of time to avoid the lay-offs? Is Ontario Hydro and Rio Algom ready to provide any early retirement program?

The Minister of Employment and Immigration (Miss MacDonald) must provide funds needed for manpower adjustment assistance. The Government must abandon its policy of treating early retirement and severance pay programs as regular income for UIC purposes.

I call on the Minister to change this policy, as have the United Steel Workers of America and many Members of the House.

FORESTRY

COMPARISON OF PRACTICES OF BRITISH COLUMBIA AND FINLAND

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, during National Forest Week, it is useful to compare the reforestation practices of British Columbia and Finland since they both harvest similar areas and on similar terrain. The Finns rely far less on the natural regeneration of forest lands and plant 250 per cent more seedlings than British Columbia and practise intensive silvaculture techniques over 30 times the area covered in British Columbia in spite of harvesting 80 per cent of the British Columbia area. Finland fertilizes 100,000 hectares while British Columbia fertilizes 6,000 hectares. Finland thins and rehabilitates 300,000 hectares while British Columbia thins 20,000. Finland drains low lying forest lands while British Columbia does none. Finland seeds 25,000 hectares; British Columbia seeds none. In 1984, Finland treated 800,000 hectares while British Columbia treated less than 200,000 hectares.

While these poor reforestation practices certainly jeopardize the industry's long term future, even in the short run they may be problematic if the United States forest industry considers these poor practices to be an indirect subsidy to our forest producers.

* * *

[*Translation*]

EXTERNAL TRADE

FREE TRADE—EMPLOYMENT

Mr. Michel Champagne (Champlain): Mr. Speaker, our opposition colleagues are wont to stir up a storm in a teacup, or to make a mountain of a molehill.

For several weeks now they have been resorting to every imaginable tactic to spread fear and panic among the people, uttering nonsense to the effect that expanded trade with our southern neighbours will lead to fewer jobs for Canadian men and women.

Since when do increased production and export trade spell more unemployment? On the contrary, Mr. Speaker, all Canadian workers know full well that companies will hire more workers if production is on the rise, and of course that creates jobs.

Therefore I urge my opposition colleagues to be more discriminate in their statements and base their arguments on intellectually sounder premises.

S.O. 21

[*English*]

PROSTITUTION

BRITISH COLUMBIA SUPREME COURT DECISION UPHOLDING LEGISLATION

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the recent British Columbia Supreme Court ruling upholding the federal prostitution law is a victory for Parliament, the Charter of Rights and Freedoms and law-abiding citizens everywhere.

In his decision, Justice McKay correctly wrote that it is Parliament that must give life to the Charter and not the courts. It is here in this chamber where laws protecting society are made and it is here where Charter implications must be decided. The very foundation of our system of democracy rests on the principle that elected representatives must have the right to make and enforce legislation. We simply cannot exist in a system where laws, duly passed by Parliament, are ruled out in the courts.

Bill C-49 was passed by Parliament. It is effective; it is working; and it is supported by Canadians. That is the only assurance that I need.

* * *

[*Translation*]

HOUSE OF COMMONS

ALLEGED DECLARATION OF MINISTER

Mr. Carlo Rossi (Bourassa): Mr. Speaker, once again, the Hon. Member for Saint-Jean, the Minister of State (Small Businesses) (Mr. Bissonnette), demonstrated his incompetence this afternoon on the radio during the program *La Filière*, a program aimed at Quebec listeners, when he misled Canadians and Quebecers and said, in referring to last night's incident, that the Hon. Member for York South—Weston (Mr. Nunziata) and the Hon. Member for Hamilton East (Ms. Copps) had no business being at the Committee on Regional Industrial Expansion. Mr. Speaker, on the same program I informed listeners, after that stupid statement, that it was the right and the duty of every Member to be present and to stand up for his rights in committee.

Finally, the Minister stated that people were very satisfied, and once again, I say he is blind, and I suggest he consult this morning's papers to see what the polls have to say.

S.O. 21

• (1405)

[*English*]

FORESTRY

LUMBER EXPORTS TO U.S.—THREAT FROM TARIFFS

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, this week we celebrate National Forest Week. It is an occasion for all Canadians to realize the importance of this natural renewable resource. One out of 10 Canadian jobs is related to the forest industry. In British Columbia, forestry is our lifeblood. We cannot allow our lifeblood industry to fall prey to protectionist measures in the United States.

The current threat of a 35 per cent U.S. tariff on red cedar shakes and shingles would be devastating to the B.C. economy and particularly to the Mission-Port Moody area. U.S. President Ronald Reagan must surely understand that the imposition of this tariff would not only destroy an important Canadian export industry, it would derail our vital trade negotiations. Let us celebrate our forests and our future during National Forest Week by working towards freer trade in the forestry sector.

* * *

FORESTRY

CRITICISM OF GOVERNMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, this week is National Forest Week and my Party, the New Democrats, call upon the Government to start recognizing the importance of forestry to our economy and to our way of life. Forestry is the largest contributor to our country's trade balance. One out of every 10 jobs is dependent on a healthy viable woodland. The Government of the Prime Minister (Mr. Mulroney) still refuses, however, to make good on its 1984 promise to create a full federal Ministry of Forests. Such a ministry, when combined with a Forest Industries Act, would consolidate the present hodge-podge of programs buried inefficiently among a dozen Departments and set a course for real job opportunities. The Prime Minister and his Minister of State for Forestry (Mr. Merrithew) could have taken this initiative at the National Forest Congress last month. Instead we got a $4 million advertising campaign to inform the Canadian public about our forests. The Canadian public is past being informed about the depletion of our forest base and now want action. Four million dollars could plant and grow 9.5 million seedlings. Less than five cents out of every dollar taken in by Government is returned to grow and tend our forests. We need action, not propaganda.

CANADIAN ARMED FORCES

TRIBUTE TO WORLD WAR II CANADIAN DEAD

Mr. Jim Jepson (London East): Mr. Speaker, today marks the 41st anniversary of the end of the Second World War. On May 8, 1945, for those nations who fought the Berlin-Rome-Tokyo axis, world peace was finally within sight. Canadian troops in Europe began preparing for the return home to families and friends and to the lives they had left behind. Of the 570,000 troops who served overseas, 45,000 would never return. Their devotion to Canada and their commitment to freedom is not forgotten.

The contribution made by Canadians and Newfoundlanders to the allied in Europe will never be forgotten. It was a contribution characterized by loyalty and courage. As we reflect upon the devotion of our Canadian troops in the past to this country and its freedoms, we must ask ourselves what we are doing today not only to honour their memory but to fulfil our commitment to maintaining world peace.

Forty-one years ago Canadian men and women looked ahead to a world free from conflict and war. Today we must be realistic. It is not a perfect world and we can only do justice to the memory of those who fought and those who gave their lives for peace—

Mr. Speaker: Order, please. Sixty seconds.

* * *

FORESTRY

PORT ALBERNI—FOREST CAPITAL OF CANADA—GIFT OF WHITE SPRUCE SEEDS

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, the best kept secret in Canada is the importance of our forest industry to our national economy. This week we are letting a lot of people in on the secret because this week is National Forest Week in Canada. I am proud that the city of Port Alberni in my riding was chosen as the forest capital of Canada for 1986 by the Canadian Forestry Association. Earlier this week, the Minister of State for Forestry (Mr. Merrithew) and I participated in the opening ceremonies of Forest Week in Port Alberni. To mark the occasion today we are providing the Members of this House, the Senate and the Parliamentary Press Gallery with superior white spruce seeds. They are available this afternoon in the lobby of the House of Commons.

• (1410)

I know I speak for the citizens of Port Alberni, Canada's forest capital, when I express the hope that National Forest Week will create a tidal wave of support for our number one industry. Our forests are our future.

ROYAL CANADIAN MINT

LITERATURE—OMISSION OF PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, last week I informed the House that the government video-tape which excluded Prince Edward Island from the world map and gave Newfoundland to the United States was inexcusable. My anger continues. The Royal Canadian Mint recently advertised the 1988 Calgary Olympic Winter Games coins. Subscribers were instructed to add appropriate amounts of provincial sales tax. The ad listed sales tax rates for only eight provinces. Prince Edward Island, Alberta, Yukon and the Northwest Territories were left out. I can understand omitting Alberta since it does not have sales tax; and perhaps our northern sisters share the same tax break. Where is P.E.I.? We have sales tax. Why are we not listed?

It is quite obvious that the Government really has wiped P.E.I. off the map. Not only do we see this in the ads, we see it in the Government's hopeless and inadequate policies and programs.

I stand in my place today to offer the Conservative Government a crash course in Atlantic geography. Interested Members may contact my office, room 423 in the Confederation Building, 996-4714.

* * *

[*Translation*]

THE ECONOMY

REDUCTION IN INTEREST RATES—CONSEQUENCES

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, this morning we heard that for the first time in more than 14 years, one of our major financial institutions is offering short-term mortgages at rates below 9 per cent. What a change from the exorbitant, 20-per-cent, plus rates that existed when the Liberals were in power!

In addition, Mr. Speaker, the Bank of Canada announced just a few minutes ago that the bank rate dropped by 0.25 points and is now at 8.72 per cent.

For the consumer who has to renew a five-year $50,000 mortgage, the steady reduction in interest rates since we came to power has meant a monthly savings of nearly $125. That is economic leadership, and we are going to continue in the same vein by creating more jobs, by attracting new businesses and by promoting economic growth in every sector and every region in Canada.

Point of Order—Mr. Gray (Windsor West)

[*English*]

FORESTRY

LUMBER EXPORTS TO JAPAN—AMENDMENT TO JAPANESE BUILDING CODE

Mrs. Mary Collins (Capilano): Mr. Speaker, one of the most important achievements of our Prime Minister's visit to Japan this week was the promotion of exports of Canadian forest products, particularly from British Columbia. For over a decade Canada has made representations to Japanese authorities and the Japanese construction industry to promote the acceptance of 2-by-4 timber frame housing construction in Japan.

Seizing the opportunity during his private meeting with Prime Minister Nakasone, our Prime Minister expressed a strong, personal interest in this issue. As a result Nakasone stated his intention to amend Japanese building codes in the near future to allow more timber frame housing in Japan. Such a change will be a significant boon to B.C.'s forest industry. It is one more example of how our Prime Minister's efforts are bringing real benefits to the economy of British Columbia.

Some Hon. Members: Hear, hear!

* * *

POINT OF ORDER

RESPONSES TO QUESTIONS—MINISTERIAL RESPONSIBILITY—SPEAKER'S RULING

Mr. Speaker: Before going to Question Period I think I must rule now on the point of order raised by the Hon. Member for Windsor West (Mr. Gray). I am doing it now in order to make Question Period as long as possible. I listened very carefully to all the arguments which were made and I thank the Hon. Members who participated for the clarity and frankness with which they expressed their views.

I should say it this way. Questions to a Minister must involve ministerial responsibility in some way. It follows that questions which are purely personal ones on their face are out of order. Sometimes the borderline between what is ministerial and what is personal is not totally self-evident. Therefore, when I have heard what I believe to be borderline questions I have given the benefit of the doubt to members of the Opposition in order not to restrict unduly their right to ask questions. However, I must be fair to all Members. Therefore, I cannot allow questions which stray too far over the borderline. On review, the questions as they were put yesterday still seem to me to be not clearly expressive of the ministerial matters which they were attempting to raise. Therefore, I had to rule them out of order.

I will now deal with the second matter raised with regard to who may answer questions. Questions with regard to conflict

of interest matters when directed to the Minister concerned have sometimes been answered by the Deputy Prime Minister (Mr. Nielsen), since the possible oversight of the conflict of interest code is a responsibility which he says has been delegated to him. Of course, the Chair will allow a question to be put to a certain Minister; but it cannot insist that that Minister rather than another should answer it.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SENATOR LOUIS SOUVET—VICE-PRESIDENT OF REGIONAL COUNCIL OF FRANCHE-COMTÉ

Mr. Speaker: Order! I wish to draw the attention of the House to the presence in our distinguished visitors gallery of Senator Louis Souvet, Vice-President of the Regional Council of Franche-Comté, France, and a delegation from Franche-Comté.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

APPROVAL OF GRANTS BY MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and relates to his ministerial responsibility. I believe Canadians know that the Minister must answer in respect of how he discharges that responsibility. The Minister cannot delegate to another Minister his reputation, his integrity or his responsibility. Therefore, why did the Minister approve millions of dollars in grants and incentives for a company when the son of the man who gave him a $2.6-million loan is an executive and shareholder of that very company?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker—

Mr. Ouellet: Sit down.

Mr. Nielsen: No, I will not sit down because it is my responsibility to respond to questions with respect to conflict of interest. The right hon. gentleman, as a former Prime Minister of this country and one who has much experience in the House of Commons, should look to the conduct of some members of his own caucus as was displayed nationally on television last night. For the sake of this institution itself, he should speak with those people about the common standards of behaviour and decency expected of anyone, let alone—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

Mr. Ouellet: Ask him to withdraw!

Mr. Speaker: Order, please. I think all Members know that comment about other Members is out of order.

Mr. Ouellet: Ask him to withdraw. Withdraw—

Mr. Speaker: Order, please. For the same reason, I cut off a statement made yesterday by one Hon. Member without asking him to withdraw his comments. All I am doing is pointing out to the Hon. Minister that those comments were out of order.

[*Translation*]

TIMING OF PRIME MINISTER'S KNOWLEDGE OF FACTS SURROUNDING MATTERS INVOLVING MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is a pretty weak defence.

In that case, I want to direct my question to the Deputy Prime Minister. Canadians have had enough of these blatant attempts to hide the truth. Obviously, the Prime Minister asked the Minister 10 days ago for all the facts sarrounding the case now before the House.

My question is as follows: For how long has the Prime Minister of Canada been aware of the facts surrounding the case of the Minister of Regional Industrial Expansion, and does the Deputy Prime Minister, acting on behalf of the Prime Minister, intend to provide the House with the parameters of this enquiry?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I am responding as Acting Prime Minister and one who is responsible for ensuring compliance with the Code of Conduct. I have told the Right Hon. Member, his caucus Members and those of the New Democratic Party over 10 days that the Minister has met the very strict and demanding requirements—ments—

Mr. Ouellet: That's not true and you know it.

Mr. Nielsen: —of the Code of Conduct.

Mr. Ouellet: This is not true and you know this.

Mr. Nielsen: The Hon. former Minister knows that what he just said is unparliamentary. He charges me by saying that it is not true and I know it. That is something, Sir, that must be withdrawn.

Mr. Ouellet: Not at all.

Mr. Speaker: Order, please. I heard the Hon. Member say that it is not true and it is his privilege to say that as a heckle. That is all I heard.

• (1420)

REQUEST FOR MINISTERIAL ANSWERS

Right Hon. John N. Turner (Leader of the Opposition): However you interpret the rules, Sir, we abide by them, but this Minister owes us answers. The Prime Minister owes us answers and so does the Deputy Prime Minister. I ask him once more how long has the Prime Minister known of the facts, as they are revealed day by day, of a conflict of interest, and perhaps beyond, surrounding the affairs of this Minister? When will the Deputy Prime Minister allow the Minister to face the music, stand up in this House of Commons and explain to the country what happened? When is the Deputy Prime Minister going to allow that to happen?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, he has been doing that—

Some Hon. Members: Oh, oh!

Mr. Ouellet: What a farce.

An Hon. Member: Cover-up.

Mr. Nielsen: —and for two hours last night before the standing committee—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —answering questions.

Mr. Orlikow: Not so.

An Hon. Member: Whitewash.

Mr. Speaker: Order, order. Could we try to do this today, please, without all the noise?

Mr. Nielsen: And doing so very adequately, it has been reported to me, without commenting on the committee evidence. But I can tell the right hon. gentleman that one of the difficulties is the nature of the accusations coming from Members opposite in his Party—

Mr. Turner (Vancouver Quadra): Absolutely fundamental.

Mr. Nielsen: —and from the New Democratic Party, some of which, such as the one made by the Hon. Member for Prince Albert yesterday, constituted an offence against the laws of the land. If the Member believes that Magna is guilty or should be the subject of a complaint for breaking the laws of Canada, then surely he has a responsibility—

Mr. Orlikow: Answer the question.

Mr. Speaker: Order, please. This is long.

Mr. Turner (Vancouver Quadra): This is the highest court right here.

Mr. Speaker: Order, please.

Oral Questions

REGIONAL INDUSTRIAL EXPANSION

GRANTS TO MAGNA INTERNATIONAL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Last night we learned that Magna International received unpublished grants for its operations in Markham, Ontario. We also learned that Peter Czapka, son of Tony Czapka runs two of those Magna plants. Would the Minister explain to the House how he can continue to perform his duties as Minister of the Crown when these obvious links between his private holdings and those of his public responsibilities have now been exposed?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member has referred to certain transactions occurring, I believe he said, in Markham. He perhaps hasn't consulted with his leader. Certainly as Prime Minister the leader would have known those were Liberal transactions in the Memorandum of Understanding signed on August 27 and specifically referred in Annex One to that agreement.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): Didn't have the guts to answer.

Mr. Ouellet: No guts and no conscience.

Mr. Speaker: Order, please.

ABSENCE OF PRESS RELEASES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the same Minister. In view of the fact he was the Minister who approved that, would he explain in the House, because Members on this side do not want to use the term cover-up, why no news releases were issued with regard to those grants? Does the Minister have something to hide from the Canadian people? Why does he not come clean and tell us the whole story, the complete story?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps the Hon. Member should be enquiring of his leader or possibly Ed Lumley. Ed Lumley signed the Memorandum of Understanding on August 27, 1984. It contemplated $50 million worth of transactions with Magna International, including the three Markham deals. They are itemized. For example, there is deal No. 207, 834 for hinges, the Multimatic deal. In truth they should answer to the House why no press relcase was issued with respect to the original memorandum of understanding.

• (1425)

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please!

TIMING OF GRANTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister. The difference is that neither Mr. Lumley nor his wife got an interest-free loan and that is what this is all about.

Mr. Gauthier: That's the difference. You can't tell the difference, Stevens.

Mr. Broadbent: Would the Minister agree that Mr. Czapka, who is a shareholder in Magna and a consultant to Magna, whose son, we have now learned, is a senior officer in two Magna corporations, had a personal interest in making a $2.6 million loan to the Minister's wife precisely at the time that the Minister was making up his mind about giving Magna Corporation a big grant?

Some Hon. Members: Answer, answer.

Mr. Orlikow: Let's get the truth.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member was, of course, at the committee last night. I will explain once again that the Memorandum of Understanding was signed on August 27, 1984. It itemized various transactions which they anticipated entering into with Magna Intenational. The transaction that was referred to in this morning's paper is one of those transactions which was subsequently implemented. It is as simple as that.

Mr. Broadbent: Mr. Speaker, knowing that, the Minister should either have made no decision favouring that company, or should have taken steps to make sure that his wife did not get a highly advantageous loan from the company. That is what the Minister should have done.

Some Hon. Members: Hear, hear!

* * *

THE ADMINISTRATION

LOAN MADE TO MINISTER'S WIFE—ROLE OF ANTON CZAPKA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it seems to me that this goes to the very root of what conflict of interest is all about. Is it not the case that Mr. Czapka had a personal interest in making this very advantageous loan to the Minister's wife precisely at the time that the Minister was making his decision?

Mr. Hnatyshyn: Order!

Mr. Broadbent: If he did have, is that not a conflict of interest that the Minister should have avoided?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Orlikow: Velcro lips himself.

Mr. Gauthier: The velcro kid.

Mr. Orlikow: Come on, give us the whitewash.

Mr. Penner: You need a new lawyer, Sinc.

Mr. Rodriguez: Your nose is growing, Erik.

Mr. Speaker: Order. The Hon. Minister wishes to answer.

Mr. Nielsen: Mr. Speaker, in response to that highly personal question—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Come off it. You're the expert.

Mr. Nielsen: —insofar as it affects the conflict of interest which the Hon. Member alleges, the Minister has complied completely with the very exacting requirements of the Code of Conduct which applies to public office holders.

Mr. Ouellet: No, no.

Some Hon. Members: Not so.

Mr. Nielsen: I have been saying that for 10 days in this House and, if necessary, I will be saying it for the next 10, 20, or 30 days.

Mr. Riis: You have paint all over your suit, Erik.

MINISTER'S RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister will not deal directly with the question, I will ask a question of the Deputy Prime Minister.

Mr. Stevens: How can I be more direct?

Mr. Broadbent: The Memorandum of Understanding which was entered into by a previous Government required the final approval of the present Minister. The Deputy Prime Minister is assuming moral responsibility in these matters. Would he not agree that a Minister, in considering a decision of this kind, ought not to make a decision that is clearly advantageous to a company which is directly involved in making a $2.6 million loan to his wife?

• (1430)

Hon. Erik Nielsen (Acting Prime Minister): We have been over that ground, Mr. Speaker. However, speaking of moral obligations, the Leader of the NDP should examine the morality, under the guise of immunity, of one of the members

of his caucus alleging a criminal offence against Magna yesterday without benefit of any evidence to back it up.

[*Translation*]

REQUEST FOR MORE COMPLETE ANSWERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday, my colleague, the Hon. Member for Davenport, put a question to the Government concerning the Opposition's right to put questions to the Minister of Regional Industrial Expansion about conflicts of interest. The Government House Leader gave the House the impression that we would be given an opportunity last night, before a committee where the Minister was to defend his Department's budget.

I therefore want to ask the Deputy Prime Minister how long this Government intends to refuse to give direct answers to questions about conflicts of interest. How long is it going to keep hiding the truth, as it did last night, before the Committee, whatever the Deputy Prime Minister may have claimed earlier?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): I have continuously answered questions with respect to conflict of interest, as it is my responsibility to do so. I can tell the Hon. Member one thing; never in my almost 30 years here have I leaped over chairs in an attempt to harass a witness appearing before one of our standing committees.

[*Translation*]

CONFORMITY TO GUIDELINES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the only answer the Deputy Prime Minister gave on the subject of conflicts of interest was a single sentence, namely that the Minister had conformed to the guidelines. He never explained—and that's what I would like to know—how he could claim the Minister conformed to the guidelines when the rules released by the Prime Minister make the Minister responsible for the acts of his wife and children. Explain how you can claim the Minister conformed to the guidelines. Don't just say that he conformed, tell us how he did, according to you.

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): The Hon. Member may choose not to believe what I have been telling the House; that is his option. However, I have spoken personally with the ADRG and the Minister. I have had occasion to study, word-by-word, the Code and compliance requirements. I am assured by the ADRG that there has been compliance. I am satisfied there has been compliance. I so reported to the Prime Minister, and I still maintain in the circumstances presented, distorted and twisted here, that there has been compliance with the Code of Conduct for public office holders.

APPROVAL OF GRANTS TO MAGNA CORPORATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It has been confirmed that the Minister personally approved some $13.9 million in grants to the Magna Corporation from February 7 to June 20, 1985. It has also been confirmed that during this same period the Minister's wife was personally arranging with a close associate of Magna Corporation for a loan on very advantageous terms to her and the Minister of $2.6 million. Is there anything wrong with that transaction in the Minister's view with reference to the Code of Conduct on conflict of interest? If not, then is there not something wrong with the Code of Conduct of this Government which permits such a transaction to take place?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, if the hon. gentleman's question had terminated at its first part, it would have been the Minister's responsibility to respond. The Hon. Member having gone on deeply into the question of conflict of interest, it is my responsibility to respond.

I have told him repeatedly that there has been full compliance with the Code of Conduct. If the hon. gentleman wishes the first part of his question to be answered without cluttering it up with allegations of conflict of interest, I am sure the Minister would be very happy to oblige.

MINISTER'S APPROVAL OF GRANTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister personally approved some $13.9 million worth of grants to Magna Corporation between February and June of 1985. At the same time his wife was personally negotiating with a close associate of Magna Corporation for a $2.6 million loan for her and her husband on advantageous terms. Was there anything wrong with those transactions?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —again what the hon. gentleman is doing by way of camouflage is addressing a question relating to conflict of interest. However, he has added another dimension, one more unfounded, unwarranted allegation.

Mr. Cassidy: You said the Minister would answer and you would not let him answer.

Mr. Speaker: Order, please.

[*Translation*]

CONFORMITY TO SECTION 16 OF CODE OF CONDUCT—GOVERNMENT'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion and concerns the administration of his department.

In the light of recent revelations according to which Mr. Peter Czapka—son of the Anton Czapka who lent $2.6 million to one of the Minister's companies—received a grant from the Minister, could the Minister inform the House whether he abides by his statement that there was no breach of Section 16 of the Code of Conduct concerning conflicts of interest and whether he maintains there has not been even the semblance of a conflict of interest in this case?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps the Hon. Member was not listening when I answered a very similar question from his Leader earlier.

Mr. Turner (Vancouver Quadra): You did not answer my question at all.

Mr. Stevens: The transaction he is referring to is an integral part of the Memorandum of Understanding signed on August 27, 1984 by the previous Government under the name of Ed Lumley. The implementation of those transactions, which totalled some $9 million, was simply the processing our Department carried on with.

PROVISION OF GUIDELINES—REQUEST FOR DISMISSAL OF MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. Is it not time that he invoked Section 38 of the Code of Conduct which says that when it is breached by a public office holder he is to be punished and that punishment can include termination? When is the Deputy Prime Minister going to terminate the services of his colleague, the Minister of Regional Industrial Expansion, as prescribed in the Code?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I say again that the Minister is in full compliance with all of the provisions of the Code of Conduct. The Hon. Member may choose not to believe that. He has his own political reasons for doing so. However, he cannot get around the fact that there has been full compliance.

LOAN NEGOTIATED BY MINISTER'S WIFE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Would he tell the House whether he believes he will derive any benefit from the loan negotiated by his wife?

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Order! That is—

An Hon. Member: You know better than that.

Mr. Speaker: Order, please. Can I ask the Hon. Member to phrase that question in the context of ministerial responsibility?

Mr. Deans: In the context of ministerial responsibility, does he think he will get any benefit from the loan his wife negotiated?

Some Hon. Members: Order!

Mr. Speaker: Order, please.

Mr. Crosbie: It's time for you to resign, Deans.

Mr. Speaker: Order, please. I explained at the very beginning of Question Period why I cannot allow that question. Does the Hon. Member have another question?

MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, let me ask the Deputy Prime Minister if he believes that his Minister will not derive any benefit from the loan negotiated with a company with which he does business and provides financial support?

Mr. Crosbie: That is nonsense.

Hon. Erik Nielsen (Acting Prime Minister): That question is utterly ridiculous. The Hon. Member might as well ask me, if he had a swimming pool in his backyard, whether I would benefit from accepting his invitation to go with him for a dip.

Some Hon. Members: Oh, oh!

Mr. Marchi: But you can't swim, like your former boss.

Mr. Speaker: Order, please.

An Hon. Member: Where are you going, Ian?

Mr. Broadbent: He's going to think that one through.

Mr. Speaker: Order, please.

An Hon. Member: He is going home to "sink".

* * *

• (1440)

REGIONAL INDUSTRIAL EXPANSION

GRANTS TO MAGNA INTERNATIONAL CORPORATION—PRESS RELEASES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. His officials have confirmed that press releases are issued whenever government grants are made. I am sure the Minister recognizes that he made the final decision with respect to the three grants totalling $4 million to Magna Corporation. Did he instruct his staff not to issue press releases with respect to those three specific grants to Magna?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, once again the Hon. Member is clearly misinformed. The fact is, as far as our Department is concerned, press releases are issued with respect to certain transactions and not issued with respect to other transactions. For example, the Memorandum of Understanding that contemplated a $50-million series of transactions involving Magna did not have a press release under the former Government. The process for approving transactions—and I hope the Hon. Member understands this, it certainly has been mentioned to him before—is not solely at my discretion. We have an Economic Development Board that is made up of five Ministers and they pass on the applications.

MINISTER'S ROLE

Mr. John Nunziata (York South—Weston): Mr. Speaker, maybe it is because we have suspicious minds on this side of the House, but it seems awfully strange that press releases are not issued when three grants are made to Magna. I would like to put the question to the Minister again. Did the Minister instruct his staff not to issue press releases with respect to the three grants to Magna totalling $4 million? If so, why did he so instruct his staff?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am still waiting for an explanation from some member of the Loyal Opposition why, when the Liberal Memorandum of Understanding was entered into there was no press release? Let me assure the Hon. Member that I have never given instructions to our department with respect to any transaction to issue a press release or not to issue a press release.

* * *

EXTERNAL AID

STUDY OF ASSISTANCE FOR WOMEN IN UNDERDEVELOPED COUNTRIES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is on a much different subject and is directed to the Minister for External Relations. I understand that a Canadian study concerning assistance to women and development in underdeveloped countries in relation to health clinics, education for women and training opportunities has been underway for some time. Would the Minister tell the House when the report will be available?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for her question. I may remind her that the subject is being examined and that a response is expected shortly on this matter.

Tuesday, I announced, in connection with Africa 2000, that I would be tabling a policy on the integration of women in the development process, and I have a very special and personal interest in this question.

* * *

[*English*]

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—INVESTIGATION INQUIRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Was the Deputy Prime Minister aware at the time that he investigated the potential conflict of interest of the Minister responsible for regional industrial expansion that the son of the man who made the $2.6 million interest-free loan for one year to the wife of the Minister had also received grants or loans from the Minister's Department?

Hon. Erik Nielsen (Acting Prime Minister): The Hon. Member uses incorrect terminology when he uses the term "investigation". That is not my responsibility. My responsibility is to ensure that there has been compliance with the Code of Conduct governing public office holders. Those records are public in the office of the ADRG, and are there for him to examine if he should wish to take the trouble to do so. If he examines the records, and asks the ADRG, he will be told that there has been compliance by the Minister.

ACTING PRIME MINISTER'S KNOWLEDGE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is again to the Deputy Prime Minister. Maybe I will use the right terminology and he will answer the question. Was he or was he not aware at the time that, in fact, the Minister's Department had made loans to the son of the man who had made a loan to the Minister's wife?

Hon. Erik Nielsen (Acting Prime Minister): I can answer that simply by saying that I read the newspapers, as does the hon. gentleman. My responsibility is, as I have described it, to see that the compliance that is required of the Minister has been had, and I am satisfied as to that. That is my responsibility.

* * *

CANADA DEVELOPMENT CORPORATION

ROLE OF BURNS FRY IN SHARE OFFERING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Will the Minister tell the House how and why he chose Burns Fry as the lead firm in the public offering of 23

million shares of the Canada Development Corporation announced last May?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I explained to the Hon. Member last night in the CDC issue, there were 41 investment houses included in the distribution, including Wood Gundy, Dominion Securities, McLeod Young, Levesque, Richardson Greenshields, Pemberton, Geoffrion, some 30-odd companies. It is set out publicly in the tombstone ad that appeared in the papers at the time.

REQUEST FOR MINISTER'S RESIGNATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister appointed Burns Fry as the lead in this particular share offering. Given the ongoing investigation, confirmed yesterday by the Ontario Securities Commission, into all aspects of the CDC transaction, the interlocking directorships between a certain representative of the Burns Fry organization and Magna, and the Minister's complicated business dealings, does he not believe that he should resign his position?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in response to the Hon. Member let me assure her that the appointment of not only Burns Fry, but the other 40 dealers that were involved in the distribution of the CDC stock was done by the CDIC board. It was Mr. Paul Marshall, the president of that company, that presided over the general distribution. We have one more piece of evidence that the Bay Street informant the Hon. Member is relying on is filling her with wrong information.

* * *

EXTERNAL AFFAIRS

CIA FUNDED BRAINWASHING EXPERIMENTS—COOPER REPORT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice and it concerns the appalling report by George Cooper on the CIA brainwashing experiments on Canadian citizens. Will the Minister explain why Cooper was not asked by him to contact either the victims of these experiments, the individual who was responsible for the book which disclosed the experiments, or the lawyer for the victims? Will the Minister, in these circumstances, not agree that the unbelievable conclusions of this whitewashing report are fatally flawed as a result?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I suppose for the first time the Government of Canada has taken this matter seriously, a matter which has been ongoing now for 20 or 30 years. Last year I arranged for an independent inquiry to be made of all government sources as to what the Government's involvement was in this particular matter that relates to the late 1950s and early 1960s. That inquiry has been concluded. We have made the report public, which includes the conclusions and opinions of our independent investigator. Nothing is being held back. The report is certainly not a whitewash. It is a complete exposure of anything the Government or any agency of the Government had to do with this matter. It is the first time to my knowledge that this has ever been done. The hon. gentleman opposite should be welcoming that as a new departure in Canadian Government matters.

• (1450)

Mr. Speaker: Order.

Mr. Robinson: Certainly the aging victims of this are not welcoming that kind of whitewash.

REQUEST FOR FINANCIAL ASSISTANCE FOR LITIGANTS IN U.S. COURTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is directed to the same Minister. In view of the Minister's public offer yesterday to assist the plaintiffs in their United States legal action against the CIA, will the Minister agree to intervene in the American courts on behalf of these Canadian citizens and further assist the plaintiffs financially with their legal costs?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, if the plaintiffs—I do not believe the Hon. Member represents the plaintiffs—

Mr. Turner (Vancouver Quadra): He represents them here in Parliament, John.

Mr. Crosbie: If the plaintiffs have a submission in that respect, then it will be considered. We have helped and will continue to help the plaintiffs in their case against the CIA, for the simple reason that the CIA wrongfully involved themselves in financing research in Canada without either the consent or knowledge of the Government of Canada, and because they did it in a surreptitious and non-public manner, hiding behind a so-called charitable front. For that reason we are prepared and have assisted and will continue to assist the plaintiffs.

Mr. Cooper's report deals with the Government's position and whether the Government has any legal liability or any moral responsibility in connection with its own research grants.

Mr. Speaker: Order.

Mr. Crosbie: He came to certain conclusions which we accept at the present time.

* * *

PETRO-CANADA

PRICE CHARGED FOR GASOLINE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, my question is directed to the Parliamentary Secretary to the

Minister of Energy, Mines and Resources. In view of the fact that it has been repeatedly stated in the House that Petro-Canada is a follower, not a leader in the market-place, why is Petro-Canada, in several communities, reportedly leading the way now that the price trend seems to be going upward?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, there are two reasons for fluctuations in gasoline prices; one is the cost of crude and the other is the marketing that goes on in certain areas. Right now we are seeing price wars going on in the market areas and prices are going up and down. There is a chance that Petro-Canada's price may be higher in one area and lower in another, but it is the market wars that is causing these price fluctuations today.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is directed to the Acting Prime Minister. Yesterday in the House he claimed that the present conflict of interest guidelines are stricter than the guidelines under the former Tory Government. Yet, under those guidelines, the families of cabinet Ministers had to put all of their business interests into a blind trust or sell them. How can he claim what he claimed in the House yesterday?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, he wants an opinion. I stand by what I said. We were not referring to the 1979 guidelines. The Code that was tabled in September, 1985, was stricter than the Code of the previous administration which he supported when he was sitting on this side of the House.

REQUEST FOR INVESTIGATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in the Prime Minister's letter to all Members of Parliament he gives the Deputy Prime Minister credit for recommendations and says on page 4:

> Obviously, from time to time, circumstances may arise that call for an impartial person to conduct an investigation as to fact.

Therefore, my supplementary question is directed to the Acting Prime Minister. Is it not time to adopt his own recommendation and start that investigation so that we can get on in the House with the important business of this nation?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, if I had any difficulties in discharging my responsibility with respect to the Code of Conduct I would consider his advice to me. However, I have no difficulty in coming to the conclusion that there was full, complete compliance with the Code of Conduct by the Minister.

AGRICULTURE

CANADA-U.S. TRADE NEGOTIATIONS—REQUEST THAT FARMERS BE REPRESENTED ON ADVISORY COUNCIL

Mr. Stan J. Hovdebo (Prince Albert): My question is directed to the Minister of Agriculture. The Minister for International Trade has shown a poor understanding of agriculture by lumping agriculture with the food and beverage processing industries on the Free Trade Advisory Council. The Minister of Agriculture will know that the interests of farmers are often diametrically opposed to those of the food processing industry. Does the Minister consider the interests of farmers of so little importance that they do not need a separate seat on the Free Trade Advisory Council?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there is no question in my mind that the Minister of International Trade and the Secretary of State for External Affairs have full knowledge and understanding of the importance and, indeed, the complexity in relation to the bilateral trade issue between Canada and the United States. Indeed, if the Hon. Member wants to be a little more patient, I think he will see that there is a complete understanding, because in the very near future the names of the membership of that sectorial committee will be made public. There will be some interesting revelations and information at the time that list becomes public, which I would expect to be within the next 10 days or two weeks.

Mr. Hovdebo: What agriculture needs is a separate member.

REQUEST THAT THE MINISTER DEMAND REPRESENTATION FOR PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Minister give us some assurance that he will demand full representation for agricultural producers on the Free Trade Advisory Council?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I just asked the Hon. Member to be a little more patient. I am perfectly satisfied that the representations that he has made, to this point at least, have been taken completely into consideration by the Minister for International Trade.

* * *

CONSUMER AND CORPORATE AFFAIRS

PROFITS OF WHEAT MILLERS

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs, my question is directed to the Parliamentary Secretary. In light of recent reports that Canadian wheat millers are receiving profits of some 7.6 per cent of sales while American wheat millers only receive 1.9 per cent profit of sales, what action is

the Minister taking to protect Canadian consumers in light of the recently announced increase in wheat prices and in light of the fact that in the last five years profits have gone up while wheat prices have fallen?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I welcome the opportunity to advise the House on behalf of the Minister that a committee is currently studying this issue. It is chaired by our colleague, the Hon. Member for Crowfoot.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

APPLICATIONS FOR GRANTS BY MAGNA INTERNATIONAL OR SUBSIDIARIES

M. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Could the Minister confirm to the House that his department has other applications for grants that were filed by Magna and its subsidiaries, mainly Multimatic Inc.?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I will take that as a representation. I will check as to whether there are any applications.

I would emphasize once again, though, that there may well be applications pending, coming out of the Memorandum of Understanding to which I referred, that was signed by Mr. Lumley. I emphasize that if one listens to the Opposition, they are saying in effect that it is okay as long as it is a Liberal Government that is dealing with this company, but a Conservative Government—

Mr. Broadbent: You don't understand the issue.

Mr. Stevens: —should not be dealing with them. Why they continually malign companies such as Magna International and Hyundai, I just don't understand.

Mr. Turner (Vancouver Quadra): That is the problem.

Mr. Broadbent: You don't understand.

Mr. Turner (Vancouver Quadra): That is the real problem.

Mr. Speaker: Order.

[*Translation*]

REQUEST THAT MINISTER REFRAIN FROM MAKING DECISIONS ON GRANTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I am surprised that in a case like this, the Minister doesn't know whether his company has filed further applications for grants. Could the Minister give the House the assurance, considering our information that there have been further applications for grants, that he will not be the one to decide whether or not these companies are eligible for the grants?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I thought I made that clear. I said that I heard the Hon. Member and would take his question as a representation and would check. However, the normal process in our Department is that these applications proceed without any reference to me or any other Minister until a recommendation is in hand. It then comes to our economic development board which is made up of five Ministers and dealt with either on a positive or negative basis.

Mr. Speaker: Order, please. It is three o'clock.

* * *

POINT OF ORDER

REQUEST THAT MINISTER TABLE DOCUMENT CITED

Hon. Herb Gray (Windsor West): Mr. Speaker, I will defer asking the business question until after a House Leaders' meeting which will take place later this afternoon. However, during the Question Period, the Minister of Regional Industrial Expansion appeared to be quoting from or citing a document under the jurisdiction of the Government. I would like to ask him to follow the usual practice and table that document.

• (1500)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think what the Hon. Member was referring to were notes I had of certain transactions.

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): The Minister held up a document—

Mr. Benjamin: A Memorandum of Agreement.

Mr. Gray (Windsor West): —and it would appear that he referred to it as the "Memorandum of Understanding", according to my recollection. He pointed to a table in it. I think he should live up to the long-standing traditions of this House and table the document in question.

Mr. Hnatyshyn: Mr. Speaker, the Hon. Member may not be satisfied with the clear answer given by the Minister, but when the Minister says they are notes, they are notes, and that is too bad for the Hon. Member for Windsor West (Mr. Gray).

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): On a point of order, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Stevens: Mr. Speaker, in response to the point of order, I have no objection, if they want to see my notes. There are my notes.

Mr. Crosbie: Give Herb the notes.

Mr. Speaker: Do I take it—

Mr. Crosbie: Feed the rat-pack the notes and see what difference it makes. They wouldn't understand them anyway.

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Crosbie: They understand jumping over tables and grappling around.

Mr. Speaker: Order, please. Do I take it the Hon. Minister is tabling the document he just held up? Do I take it the Hon. Minister wishes to table the piece of paper he just held up?

An Hon. Member: Table it.

Mr. Speaker: Order, please.

Mr. Gauthier: For God's sake, come on.

Mr. Blackburn (Brant): You have too damn many lawyers.

Mr. Speaker: Order, please. You are not being helpful. The Hon. Member for Bourassa (Mr. Rossi), please. Is the Hon. Minister indicating to the Chair that he intends to table what he was holding up 30 seconds ago?

Mr. Stevens: Mr. Speaker, I have no objection to tabling the note I was holding up—

Mr. Ouellet: That's not what you were holding in your hand.

Some Hon. Members: Oh, oh!

Mr. Stevens: —as you have said.

Mr. Ouellet: That's not what he was holding. He was holding a different document.

Mr. Speaker: Order, please. Perhaps Hon. Members will come to order.

Mr. Ouellet: I think that tells a lot about you.

Mr. Speaker: Order, please. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) will sit down, please. The Hon. Member will sit down, please.

Some Hon. Members: Oh, oh!

Point of Order—Mr. Gray (Windsor West)

Mr. Speaker: The Hon. Member for Bourassa (Mr. Rossi) will come to order and stay in order. The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, we may want to check the transcript of *Hansard*, but my recollection is that during the Question Period, the Minister of Regional Industrial Expansion (Mr. Stevens) was talking about a Memorandum of Understanding and purporting to quote from that memorandum.

Mr. Benjamin: That's right.

Mr. Gray (Windsor West): —and I may be mistaken but he appeared to be holding up a document which consisted of more than one page.

Some Hon. Members: Hear, hear!

Mr. Foster: Right on.

Mr. Blackburn (Brant): Several pages.

Mr. Speaker: Order, please.

Mr. Benjamin: Probably a note from his wife.

Mr. Speaker: Order, please. The Hon. Member knows the Chair has just heard the Hon. Minister say that he was using notes. I think the Hon. Member knows the practice of the Chair is to accept the word of all Hon. Members in these matters.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think that is the end of that point of order.

An Hon. Member: Why?

Mr. Speaker: Because the Chair has heard the Minister and he has to accept the word of any Hon. Member. I have to accept his word.

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Speaker: I am sorry, I am not going to hear it, sorry. Order, please. I have heard three or four representations on this point of order. I have indicated what my view is. That is the end of that.

[*Translation*]

Mr. Rossi: Mr. Speaker, we have a right to be heard in the House.

[*English*]

Mr. Speaker: Order, please. The Hon. Member for Bourassa (Mr. Rossi) will come to order and stay in order. That is the last warning. Order, please. The Hon. Member for Bourassa will come to order now.

Point of Order—Mr. Prud'homme

[*Translation*]

Mr. Rossi: On the same point of order—

[*English*]

Mr. Speaker: The Hon. Member for Bourassa is going to leave the Chair no choice. The Hon. Member for Saint-Denis (Mr. Prud'homme) on a separate point of order.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, we all watch television—

[*English*]

Mr. Speaker: Order, please. If the Hon. Member has another point of order, he is most welcome to raise it.

Some Hon. Members: Oh, oh!

Mr. Speaker: I do not know how many times we are going to go through this. If the Hon. Member has another point of order—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please. The Hon. Member for Bourassa will come to order now. The Hon. Member for Saint-Jacques (Mr. Guilbault) will come to order now.

Mr. Guilbault (Saint-Jacques): Listen to him.

Mr. Speaker: The Hon. Member for Saint-Jacques will come to order. The Chair has heard the point of order at length. I think the Chair has given that point of order fair treatment.

Mr. Benjamin: You don't know what his point of order is.

Mr. Speaker: Order, please.

REQUEST THAT MR. SPEAKER REVIEW ELECTRONIC HANSARD

Mr. Prud'homme: I have a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) is claiming a point of order. What is his separate and distinct point of order?

Mr. Prud'homme: Well, Mr. Speaker, you may decide if it is separate after you hear the point.

Some Hon. Members: Hear, hear!

Mr. Marcel Prud'homme (Saint-Denis): For long we had the practice of checking the "blues" because we did not have television. May I submit that Your Honour may like to watch the debate of this afternoon on television and see if the point raised earlier was a *bona fide* or frivolous point.

An Hon. Member: Hear, hear!

Mr. Crosbie: Frivolous.

Mr. Speaker: Order, please. The Hon. Member for Saint-Denis knows that the Hon. Member for Windsor West raised a point of order which I heard three times. The Hon. Minister of Regional Industrial Expansion (Mr. Stevens) said in this House not very long ago that he was using notes. The Hon. Member also knows that the Chair always takes the word of an Hon. Member, and that is the end of that.

Mr. Ouellet: Unfortunately, yes.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Tell him to resign. Come on. Shame for Parliament. He is a disgrace to this House.

Mr. Blackburn (Brant): That was not the same document.

Mr. Speaker: Order, please. Hon. Members will come to order.

Mr. de Jong: Where is John Diefenbaker now that we need him?

Mr. Speaker: Order, please.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the motion of Mr. Lewis (p. 13066).

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, when we adjourned for the luncheon recess I was just about to begin my remarks on the motion before the House, which is that the question be now put on Bill C-96, a Bill to change the formula for the Established Programs Financing Act. That is the formula we have used in Canada for a good long time to provide equal accessibility to health care and post-secondary education. It was originally put into law as an attempt by the federal Government to take some responsibility for financing what clearly was and is a provincial responsibility in the areas of post-secondary education, the financing of the vocational colleges and universities, as well as the health care system.

What is at issue here today is the fact that the Government is not doing what it said it would do during the election campaign. I want to remind the House that in the Progressive Conservative Handbook which outlined the programs of the

various parties there was a whole host of issues. The Progressive Conservative candidates and the public were told, with regard to established programs financing of post-secondary education, that the Progressive Conservatives' position would be, and I quote:

> We would return to the 1977 funding formula though we cannot compensate the provinces for their 6-and 5-funding losses. We will institute regular consultation with the provinces as set out in the original agreement to reach a consensus on national goals in post-secondary education.

• (1510)

Those are two promises in this regard, both of which have been ignored. It goes without saying that there were no consultations. This is not a matter which requires a great deal of discussion. The fact is that there were no consultations.

What is even more important is that the trust was broken. The Conservatives placed a great deal of emphasis on this trust during the election campaign. Members of the Party said that they should be trusted with respect to universal programs since they are sacred. They said: "Trust us on EPF. This is something which we will live by. We will keep the funding levels at the 1977 level". And what did they do?

Let us look at the 1977 level. This was a period of time under the Liberals. The levels had begun to fall away from the 50/50 financing proposal, but the federal Government was still carrying 48.7 per cent of the cost of financing post-secondary education and health care. It was almost 50 per cent but not quite. The next year the level rose to 49.6 per cent—again, it almost made the 50 per cent level. The following year the formula took us to 49.9 per cent, and thereafter we began to have trouble. By the time 1982-83 rolled around the federal Government was carrying only 42.6 per cent of EPF. As Hon. Members will recall, at that time we were entering into the 6-and 5-program cut-backs instituted by the Liberals. At the present time, 1985-86, the level is 43 per cent. Next year it will be 41 per cent. In the year 1987-88, as a result of the proposal which is before us, the federal Government's share will be 40 per cent. By the time we reach 1990-91, it is proposed that rather than paying 50 per cent of the cost the federal Government will pay only 36 per cent.

I realize that Members on the government benches have made speeches saying that there will not be cuts. However, the principle that EPF will be on a 50/50 basis has been totally undermined. The percentage that the federal Government will carry will be only 36 per cent instead of the 50 per cent which was promised and guaranteed in the last election campaign. What we see here is a Government which treats its promises lightly. It is a Government which plays with words and experiments. It performs the type of experiments I recall being talked about when I was a young boy in my home community.

In our community there was a fairly stingy preacher. As the story goes, he decided that his mule was eating a great deal of his income, since the preacher had to pay for the feed. He decided that the mule only ate out of habit and did not really need to eat all that feed. So he began to wean the mule off the feed. He finally got the mule down to the point where it had survived two or three days without having anything to eat. Then the mule died. That is sort of what the Conservatives are doing with EPF. They are weaning the provinces off post-secondary education funding. So far the programs have not died; but that will be the ultimate conclusion. Unfortunately, the preacher in my story reached the same type of conclusion we have been hearing from government Members. He said that there was nothing wrong with his experiment. He said that he had proved the point that mules could, indeed, live without any food, only the mule had died before the experiment could be proven a complete success. A woman in his church who had less faith in science said that all he had really proved was that some preachers can be very stupid. I think that is all the Government has proved by its approach to EPF.

The amounts of money with which the Government is playing are of such fundamental importance to the maintenance of the country that I am not sure Canada can survive without them as it has survived up until this point. What is more important than trying to maintain services on an equitable basis right across the country? This is one reason why we have a federal Government. Its job has been perceived by all Canadians to be that of providing transportation services where needed to the outports and to the small communities on the Prairies. It has been perceived that a function of the Government is keeping educational opportunities open for the poor children who live in our outports and those prairie communities which I have mentioned. It has been a long, hard struggle, but in the last 25 or 30 years we have achieved that type of understanding with respect to health care. The understanding is that no matter where one lives and no matter what economic circumstances one finds oneself in one has access to health care on the same basis as do people in Toronto or in Montreal. It does not matter whether one is in an isolated community or has very little money. If one is sick, breaks a leg or needs an operation, health care is available. The Government is putting that understanding in jeopardy.

Let me stress that it is not saving the taxpayers any money as a result of this measure. If it succeeds in this endeavour, it succeeds in reducing the accessibility to these services of these people about whom I have just spoken. If the provinces are to keep levels of care at their current levels, then the same taxpayers will have to put in the money simply as provincial taxes as opposed to federal taxes. Overall, in terms of the macro-economics of the country, it makes no difference. However, the federal Government is in a position to place funds across the country so that Newfoundlanders have similar access to service as do Ontarians and as do people in Saskatchewan and so on.

I have talked about percentages which will change. Some people may have difficulty in handling percentages. I think all of us can understand what it means to try to finance a similar program and to move from 50/50 financing down to less than one-third financing, with close to two-thirds having to be borne by the local Governments and the provinces.

I would now like to give Hon. Members an idea of what the extra cost will mean in terms of some of the provinces. I wish to point out that for the Province of Saskatchewan, my province, the change to the formula, this new understanding, this breaking of the trust with Canadians which the Government established going into the election, will mean that over the next five years the residents of Saskatchewan will have to raise an additional $227 million to pay for EPF and to finance their universities and hospital services. In terms of the whole country, the extra charges being shifted to the provinces amount to $5.6 billion, which will take us to the end of the current decade. This is an extremely unfortunate situation in which we find ourselves, particularly in light of the expectations most people had and in light of the type of expenditure programs the Government has chosen to provide in other areas. For example, we know that defence expenditures have been about the same as EPF expenditures over the last few years. By the end of this decade defence funding will increase by 41 per cent while EPF will increase by only 14 per cent in real terms. It seems that the defence of the country is at stake here, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. Is the House ready for the question?

Some Hon. Members: Question.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Murphy: I rise on a point of order, Mr. Speaker. I move that the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) be now heard.

The Acting Speaker (Mr. Paproski): It really does not matter if the Hon. Member for Laval-des-Rapides or the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) wishes to speak. The Hon. Member for Eglinton—Lawrence.

Mr. Prud'homme: Mr. Speaker, I too rise on a point of order. Whom do you recognize?

The Acting Speaker (Mr. Paproski): The Hon. Member for Eglinton—Lawrence.

Mr. Prud'homme: Mr. Speaker, I move that the Hon. Member for Laval-des-Rapides be recognized.

• (1520)

Mr. McKnight: Mr. Speaker, I rise on a point of order. I find it very strange when we see before us the Hon. Member for Laval-des-Rapides (Mr. Garneau) recognized by the Chair, after which a Member of the NDP rose to ask that another Member now be heard. The Chair recognized that Hon. Member and then another Liberal Member rose and changed his mind.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I do not apologize to my friend, the Minister. You now have a motion before you and it should be disposed of.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Saint-Denis (Mr. Prud'homme) raises a point of order. I watched the Hon. Member for Laval-des-Rapides (Mr. Garneau) and the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) rise at the same time. I will be glad to recognize either one of them. I see no reason for—

Mr. Prud'homme: Well, there is a motion.

The Acting Speaker (Mr. Paproski): I would say to the Hon. Member for Saint-Denis that people are watching. This is not a place for games.

Mr. Prud'homme: A point of order, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The Hon. Member will have the chance to make a point of order. I will recognize the Hon. Member. I am just saying to the Hon. Member that because the Hon. Member for Churchill (Mr. Murphy) raised a point of order, I recognized the Hon. Member for Laval-des-Rapides. After that, he wanted to hear from the Hon. Member for Eglinton—Lawrence, and I said that that was fine. They both rose at the same time. I see no problem with recognizing either one of the Members. Will the Hon. Member please explain to me what it is that he wants to know?

Mr. Prud'homme: Mr. Speaker, I am sure the Table Officers will also explain to you what is going on. You recognized the Hon. Member for Laval-des-Rapides, and the Hon. Member for Churchill said that the Hon. Member for Laval-des-Rapides should not be recognized at this time but that you should recognize the Hon. Member for Eglington—Lawrence. You know the rules, Mr. Speaker. I do not need to explain them to the Chair.

Mr. McKnight: Mr. Speaker, I rise on the same point of order. I would suggest that if you check the "blues", you will find that when you recognized the Hon. Member for Laval-des-Rapides (Mr. Garneau), and the Hon. Member for Churchill (Mr. Murphy) moved that the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) be heard, before the motion was seconded by anyone in the Chamber, you, Sir, then recognized the Hon. Member for Eglinton—Lawrence. Unless Hon. Members have some ulterior motive for their actions, you, with your respect for the House, have—

The Acting Speaker (Mr. Paproski): I will recognize the motion put by the Hon. Member for Churchill if he will get a seconder and present the motion in writing.

The Hon. Member for Churchill (Mr. Murphy), seconded by the Hon. Member for Beaches (Mr. Young), moves:

That the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) be now heard.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour, please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed, please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

(Division No. 254)

YEAS

Members

Althouse
Benjamin
Bertrand
Binns
Blackburn (Brant)
Boyer
Browes
Cadieux
Cassidy
Champagne (Champlain)
Clark (Brandon-Souris)
Collins
Comeau
Cooper
Corbett
Cossitt
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Daubney
Deans
de Cotret
Desjardins
Dick
Domm
Dorin
Duplessis
Ellis
Fennell
Ferland
Fontaine
Fraser
Fretz
Friesen
Fulton
Gérin
Girard
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Harvey
Hawkes
Hnatyshyn
Holtmann
Horner
Hovdebo
Jardine
Jepson
Jewett
Jourdenais
Kindy
Ladouceur
Langdon
Mailly
Malone
Manly
Mayer
Mazankowski
McCurdy
McDermid
McDonald (Broadview-Greenwood)
McDougall (St. Paul's)
McInnes
McKinnon
McKnight
McMillan
Mitchell
Mitges
Moore
Murphy
Nielsen
Oberle
Oostrom
Orlikow
Pennock
Peterson
Pietz
Porter
Ravis
Reid
Reimer
Riis
Robinson
Rodriguez
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Skelly
Sparrow
Speyer
Stackhouse
Stevens
Thacker
Towers
Tremblay (Québec-Est)
Turner (Ottawa-Carleton)
Vincent
Waddell
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer
Young—108.

NAYS

Members

Nil

• (1600)

After the taking of the vote:

Mr. Gray (Windsor West): Mr. Speaker, it is the intention of the Official Opposition not to participate in this vote because it involves two of our very distinguished Members.

Mr. Speaker: On that basis I declare the motion carried.

Order, please. On a point of order on the vote, the Hon. Member for Saint-Denis (Mr. Prudhomme).

Mr. Prud'homme: I did not vote, as you may see, but I want to register the fact that I am present in the House of Commons.

Mr. Penner: Mr. Speaker, I want to indicate to you, Sir, that I abstained from voting out of the lingering, but diminishing, respect for the institution of Parliament.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to make it clear to the House that I was present but abstained from voting, since the question was on deciding which of the two colleagues who belong to the same political party as I do was supposed to speak.

Mr. Rossi: Mr. Speaker, I want to say that I was also present and that I abstained from voting because two of our colleagues were involved.

Mr. Malépart: Mr. Speaker, I also would like to point out that I was present, but considering the competence of both Liberal colleagues, it was impossible for me to decide. If it had been a Liberal against a Conservative, that would have been easy.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I also abstained from voting, for reasons similar to those mentioned by my colleagues.

[*English*]

Mr. Langdon: On a point of order, Mr. Speaker. If I had known that the question in front of us was the quality of either of two Liberal speakers—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Before I give the floor to the Hon. Member for Eglington—Lawrence (Mr. de Corneille), let me say that I am in receipt of a notice of question of privilege from the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Mr. Dingwall: Mr. Speaker, I wish to raise a question of privilege concerning the document that the Minister of Regional Industrial Expansion (Mr. Stevens) read from during Question Period versus the paper that he proposed to table. I had an opportunity to view firsthand, subsequent to Question Period, the video of the House of Commons which shows very—

Mr. Speaker: Order. I am in a technical difficulty. The Hon. Member will understand. I would appreciate it if he would give me the proper notice of the question, which has to be done in writing an hour in advance of raising it in the House.

Mr. Dingwall: Mr. Speaker, I will certainly accept your ruling, but I wanted to bring it to your attention as soon as possible subsequent to the Question Period. If you deem it not to be appropriate at this time perhaps I could raise it tomorrow.

Mr. Speaker: The Hon. Member knows that our practices are that questions of privilege arising out of Question Period are properly raised at three o'clock, or twelve o'clock, and if they are not raised then, the only other practice is for notice to be given in writing to the Chair.

• (1610)

Order, please. The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, it was not possible to raise the question of privilege at three o'clock because it was necessary to view the official video tape of the House of Commons proceedings. My colleague will follow your instructions, but I just wanted to explain why this was not done directly at three o'clock.

Mr. Speaker: The Chair will have to deal with the question of privilege according to the correct procedure, that it be sent to the Chair and the Chair will deal with it in the normal way.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Federal-Provincial Relations—Establishment of French educational television network in Ontario. (b) Inquiry when funding will be made available; the Hon. Member for Nickel Belt (Mr. Rodriguez)—Unemployment Insurance—Calculation of pensions as income. (b) Possible Forget Commission recommendation; the Hon. Member for St. Catharines (Mr. Reid)—Canada Post Corporation—Closure of St. Lawrence Seaway post office.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. May I ask the business question now, since we have had the House Leaders meeting to which I referred earlier today. Would the House give its agreement to that, because I am sure the announcement will not take too long?

Mr. Speaker: For the sake of form, I will ask for the consent of the House to revert to the House business question.

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: The Hon. House Leader of the Official Opposition has asked the usual business question. The Hon. President of the Privy Council.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker—

Mr. Prud'homme: Give us the menu.

Mr. Hnatyshyn: In Saskatchewan we pronounce it "meenu". The discussion to which the Hon. House Leader of the Official Opposition referred has taken place. It is my intention to continue with Bill C-96, the matter we are discussing now on the floor of the House of Commons. Bill C-92 will follow, and the third Bill in the sequence that I have discussed with the House Leaders is the amendment to the Income Tax Act with respect to scientific and research tax legislation.

We are also in the process of discussing other items of legislation and the amount of debate that would be required to deal with those items. As we monitor the progress of the legislation I have mentioned, I will continue to keep in touch with opposition House Leaders so they can advise their Parties and I will also announce to the House any change in the business that may be appropriate.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and the motion of Mr. Lewis (p. 13066).

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I appreciate the will of the House that I be allowed to speak at this time. I am pleased that the New Democratic Party and the Progressive Conservative Party gave me permission to speak at this time. I hope they will listen and understand that it is of great importance to the entire academic community, including teachers, administrators, students and researchers—

The Acting Speaker (Mr. Paproski): Order, please. I hope that Hon. Members will carry on their conversations in their respective lobbies and allow the distinguished Member for Eglinton—Lawrence (Mr. de Corneille) to say a few words.

Mr. de Corneille: Thank you, Mr. Speaker. I was saying that students, which number nearly a million Canadians, those in administrative positions and in the teaching faculties of unviversities and colleges, and researchers, all of whom total some 1.2 million Canadians in the field of post-secondary education, will be gravely affected by Bill C-96.

The Government has broken the promises it made to the Canadian people. The academic community, including students, teachers, professors and parents, asked what the Government would do in terms of the future of post-secondary education and whether it would maintain the agreement contained in the formula of 1977. The answer given by the Progressive Conservative Party was:

> We are committed to sustaining the current federal financial commitment, according to the formula set out in the 1977 Agreement.

When asked if the Conservative Party supported the continuation of that agreement, the Conservatives said in different words:

> Yes, we support fully the original 1977 funding formula and the legislation providing for that.

This legislation does not provide for that continuation, but for its destruction.

Unfortunately, the Party opposite has broken its promise to the electorate. It has broken its promise to the young people of this country in the future. Not only has the Government broken its promise in this legislation, it has also broken an agreement between the Canadian Government and the provinces. That was a solemn agreement on which the provinces counted to finance the health care and post-secondary institutions until March, 1987. The Government has broken that promise in mid-term and has cut off the increases which those provinces counted on to provide for medical care for Canadians and post-secondary education for our young people.

The Minister of Finance (Mr. Wilson) originally stated that he would keep this promise. However, it is interesting to note that the Minister changed his mind after the banks collapsed in the West. He reversed his position and implemented this cut contained in Bill C-96. In other words, it appears to us, to the Canadian Association of University Teachers and to the academic community, that this Bill was introduced to help the Government pay nearly $1 billion as a result of its decision on the bank's collapse in 1986. For the sake of supporting those who were in need of replacing the funds they had invested—some of whom were multi-millionaires—the Government took money away from the young people and gave it to the banks in which those people had deposits.

While I am not opposed to the Government taking that action, it should not be done at the expense of the young people of this country.

The Government broke its promise to the Canadian people, then proceeded to break an agreement between the Government of Canada and the provinces of this country. This year it will cut back on the anticipated revenues that the provinces expected for medical care and post-secondary education pursuant to an agreement that was supposed to end on March 1, 1987. That is a tragic mistake and a black mark on the Government's relationship with the provinces.

Furthermore, the Government has decided to move a closure motion in order to push this Bill through. The Government is limiting debate even though it has an enormous majority in the House. The Opposition totals only 70 Members out of 228. With that kind of majority I find it surprising that the Conservatives still feel it necessary to use their power to crush and prevent the Opposition from debating this Bill.

• (1620)

The provinces are not happy with this Bill. Premier after premier has accused the Prime Minister (Mr. Mulroney) and the Government of reducing the growth of federal funds for health and education without consultation. That is a scandal. As if there were not enough scandals now, the Government must muzzle the Opposition and prevent it from representing the provinces. There are at least eight provincial Governments which have formally and informally expressed their distaste about what the Government is doing with respect to post-secondary education and medical care of the Canadian people through Bill C-96. The Government told the provinces it was going to cut their funding but did not discuss it with them. The Government just announced the cuts. It was done by *fiat*. We know now what happened to the promise of dialogue and consultation.

The Parliamentary Secretary to the Secretary of State of Canada (Mr. Scott) said on April 25, and I quote from *Hansard* at page 12668:

> No province will be affected any more or any less than any other province through this Bill.

What an outrageous remark, Mr. Speaker, when we know that some provinces are less well off economically than other provinces! How could anyone dare to say on behalf of the Provinces of Prince Edward Island, Newfoundland, Nova Scotia, Manitoba or Saskatchewan that they will be affected in just the same way as all other provinces? Terence Donahoe, the Minister of Human Resources Development and Training of Nova Scotia, a Tory provincial Government, is quoted in *The Globe and Mail* on January 28 as saying, and I quote:

—if Ottawa goes ahead with the reduction in grants it simply will emasculate the post-secondary education system. It is going to be chaos and chaotic. Regardless of whose numbers you are going to use, the system is simply going to fall apart.

Mr. Donahoe is a Minister in the Government of the Province of Nova Scotia and he is talking about the educational system of Nova Scotia. He is worried about one of the finest systems of education in Canada. These are not idle words. We should listen to the professors, the people who are running Dalhousie University and the people involved, whether it be students or faculty. We should listen to the CBC about the state of affairs at Dalhousie and we will understand why the Minister from Nova Scotia is talking not through his hat, but from his heart and knowledge as a Minister of the Crown of that province as to what will be the results of this Bill.

For the sake of the people of that province, if for no one else, I urge the Government to reconsider this Bill and not to try to muzzle us.

Mr. Neil Young (Beaches): Mr. Speaker, my remarks will be very brief. As I understand, the main argument of members of the Government is that the $5 billion cut from the Established Programs Financing Act over the next five years is not a cut at all but in fact an increase. For the life of me, I cannot understand how on earth they can call a $5 billion reduction in transfer payments for medicare and post-secondary education from the federal Government to the provinces as an increase. It does not only escape logic, it does not jibe with the promises made by the Progressive Conservative Party to the Canadian people during the 1984 election campaign. What the Progressive Conservative Party said in its Campaign Handbook with respect to established programs financing was, and I quote:

We would return to the 1977 funding formula though we cannot compensate the provinces for their 6-and 5-funding losses. We will institute regular consultation with the provinces as set out in the original agreement to reach a consensus on national goals in post-secondary education.

As we know now, Mr. Speaker, the Government did not consult with the provinces and certainly did not follow through on the promises it made during the election campaign, not only with respect to this program but with respect to a whole host of other programs.

I can only find one individual during this whole debate who has referred to the cuts as "cuts". The Hon. Member for the Western Arctic (Mr. Nickerson) quite forthrightly and honestly said, and I quote from *Hansard* of May 6, at page 12978:

It is always difficult to stand up in the House of Commons or anywhere else and defend cuts in health services,

So he is one member of the Government who recognizes that the Government is attacking the ability of the provinces to fulfil their commitments to medicare programs and post-secondary education. In the process, the Government will hurt an awful lot of Canadians who should have the right to equal access to medicare whether they live in Newfoundland, Labrador, British Columbia or anywhere else in the country. Rather than having one standard of health care services apply to all Canadians equally, Canadians will receive different health care services depending in which part of the country they live in and on the ability of their particular province to deliver that health care service. Exactly the same thing will happen to the youth of this country, many of whom will be denied access to higher education simply because they cannot afford it. That is contrary to every principle which has been discussed in our country for many years. Access to quality education and health care is basic to our form of democracy.

I know my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), has other pressing demands on his time, as we all do, so I will end my remarks to allow him to speak. To conclude I will simply say that what the Government is doing is the height of hypocrisy for which it will pay in the next election.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Beaches (Mr. Young) who, as usual, has displayed a great deal of knowledge on the subject matter we are debating. What is more important, I agree wholeheartedly with the substance of his remarks. I must say that this is quite remarkable in view of some of the positions which have been taken by other members of his caucus.

Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, is very important. It is very important in the way in which the Government operates. It is important in the way in which the Government treats its various provinces and, in particular, the people who reside in those provinces.

• (1630)

I would like to ask the following question. Is this an open Government? The question has to be answered in the negative. In dealing with a piece of legislation as important as Bill C-96 one would have hoped that the Government would see fit not to invoke the provisions of closure but, perhaps, to allow a full and open debate on the effects this negative piece of legislation will have on the provinces. Unfortunately, that was not the choice of the Government. Its choice was to close debate by using the most Draconian measure Parliament has seen in many years, that is, closure.

I can see by your facial expression that you too, Mr. Speaker, are disappointed with the way in which members of the Government have conducted themselves with regard to the provisions of open government. Open government and stability are certainly not a part of this Government's actions in terms of Bill C-96.

The thrust of the Bill before us is to take away from the provinces monies earmarked for necessities. I refer to the necessities of health care and the necessities which our post-secondary institutions provide. The Government is attempting day by day to transfer the deficit of the nation to the provinces. It is not fair that the provinces are now being told that

they have to change their budget allocations for, perhaps, the two most important sectors of our economy.

When the provincial Premiers met in Halifax at the last First Ministers' Conference they said it very clearly and unequivocally. They said that they did not want cut-backs in transfer payments to take place. Many of those First Ministers had already planned and allocated monies for their various budgets in terms of health care and education. However, the Government, which had campaigned on this bid of consultation, has once again shown its true colours in that there has been no consultation. That has been said time and time again, not only by the Premiers of Ontario and Quebec but by Premiers of the same political stripe as this Government. I refer Hon. Members to the Premier of New Brunswick and to the First Minister of the Province of Newfoundland. If these measures go through, then these provinces will experience even more difficult times than those which confront them today.

I think I can share with you, Mr. Speaker, just what these cut-backs will mean to my region of Canada. In 1986-87, the reduction to the Province of Newfoundland will amount to $7.3 million. For the Province of Prince Edward Island the figure is $1.6 million. For New Brunswick it is $9 million, and for my Province of Nova Scotia it is $11.1 million. These are substantial reductions in two areas which every Government since the beginning of Confederation, both provincial and federal, has deemed to be the most important areas involving everyday Canadians. However, the Government, supported and abetted by those Members of Parliament who refuse to take their Government on, are saying to the Provinces of Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick that the quality of health care the citizens of those provinces have grown to live with will now be worse—substantially worse.

I know there are Members in the Chamber who will say that my comment is one of a partisan nature. However, individual after individual, whether it be the representative from the provincial medical society of New Brunswick, or others, have come before our caucus and shared with us how these cut-backs will affect not only the medical society but the health care of the people of New Brunswick. In the outlying regions of the Province of New Brunswick individuals are without health care. They are without the opportunity which Canadians in every other province deem to be their right. They have been left without those services. We are now saying to them that we will cut them back even more. The situation in the Provinces of New Brunswick and Newfoundland is similar in that these cuts will be very substantial.

In 1987-88, the reduction for the Province of Newfoundland will amount to $15.5 million. For the Province of Prince Edward Island it will be $3.4 million, and $1.2 million for New Brunswick. For my Province of Nova Scotia it will be $23.6 million.

One must underline the importance of transfer payments. They were introduced not at the whim and prayer of some politician on the hustings at the time, but after major studies affecting all of Canada were debated in the House of Commons, in the provincial legislatures and by the public at large. These discussions were to the effect that there was a pressing need for services in education and health care to be equal across the country. They are no longer equal. In the Province of Nova Scotia any individual in post-secondary education today will tell us that he or she is being cut to the bone. To impose additional reductions on these people will make it virtually impossible for them. It will be asking them to row a boat without oars. The situation is becoming extremely difficult in the Atlantic provinces with our diverse and small population there. Nonetheless, it is a population which wants to be educated and wants to have the same opportunities as other regions of the country have. Whether or not we consider the urban centres of Toronto or Montreal, we want the same rights.

These cut-backs will hit the very fibre of the country, something which has been echoed by Premier Pawley of Manitoba. That is what he said at the First Ministers' Conference. He said that they cannot make any more cuts. I hope that, not because of political partisanship on the part of Members opposite or because they want to be politically blind to the realities of 1986, they will take it upon themselves either to visit post-secondary institutions or to view, as I have done firsthand, the various medical services which are not available to rural communities. I am certain that any reasonable man or woman after seeing firsthand what is actually out there will agree that Bill C-96 is discriminatory both in substance and in terms of the effects it will have on all regions of the country.

A former Prime Minister who made an analogy with regard to language and how important it was for Canada to adopt two official languages also said that if regional disparities are not stopped and reversed they are more likely than anything else to destroy the country.

• (1640)

Bill C-96 cuts back on funds going to the Province of Prince Edward Island. In view of the recent election results from that province, I am astounded that Conservative Members of Parliament have not realized that people there do not like the type of Government they are getting under the present Prime Minister (Mr. Mulroney).

I will conclude by saying this, not for partisanship but for the real benefit of all Canadians wherever they may live: we ought to vote down the provisions of Bill C-96 because it is a Bill that is discriminatory, unfair and un-Canadian.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it has taken two years longer than we expected to get to the world of George Orwell. It has taken until 1986, but we now have a Government which is trying to call black white and white black. We have a Government which is in fact severely, dangerously and at extreme human cost cutting back the amount of money the provinces expected to receive to pay for very basic human services. Yet this measure is being described by the Government, and particularly the Minister of Finance

(Mr. Wilson), as not being a cut but simply a reduction in the rate of growth. When a province has budgeted for certain increases, reduction in the rate of growth is in fact, in practice and in reality a cut to the amount expected and required to pay for the needs of the people of the province.

What I think is so particularly sad about the action taken by the Government with respect to the established programs financing is that it runs directly counter to what the Government said it intended to do when Conservative Members ran for election in 1984. According to the Conservative Campaign Handbook of 1984 in which, as usual, the Conservatives attacked the Liberals and New Democrats for their inadequacies, the Conservatives said very clearly that it was the PC position that they would return to the 1977 funding formula although they could not compensate the provinces for their funding losses under the 6-and 5-program. They also said that they would institute regular consultation with the provinces as set out in the original agreement to reach a consensus on national goals.

Those remarks referred to post-secondary education, just one of the set of programs with which Bill C-96 deals, but very clearly that makes the point that the Conservative Party promised to turn around the past attempt to squeeze the provinces and, instead, offer increases which would keep up with the increase in the Gross National Product and therefore provide the provinces with the financial mechanisms required to fill the crucial needs of the people in the fields of education and medical care and to fill the other basic needs for which federal financing provides.

What is the reality as opposed to the promises made by Conservative Members before they were elected? The reality is that Bill C-96, instead of bringing a return to fairness, predictability and consensus with the provinces, has brought an increase in the slash-and-cut technique for which the Conservatives blamed the Liberals prior to the 1984 election. Conservative Members were right to blame the Liberals for that kind of slash-and-burn technique. They are wrong now to adopt that technique and to put into effect what amounts to, first, a complete break from their own promises and, second, a reproduction of past Liberal mistakes.

In reality, as a result of this Bill, there will be a tremendous decrease in the funding available to the provinces to meet basic human needs. Under the old formula which is in existence at the moment, the provinces expected to receive roughly $97.7 billion in federal contributions between 1986 and 1991. The new formula which Bill C-96 will put into effect will provide roughly $92.1 billion. One does not have to be a mathematical whiz to see that a cut of more than $5 billion has been imposed on the provinces.

I say to the Conservative back-benchers who represent Ontario that they should be protesting against this Bill particularly strongly. The cuts under this Bill will hit Ontario in larger measure than any other province. According to our statistics, over five years, in excess of $2 billion will be cut back from the amount of money the Province of Ontario would have expected to receive from the federal Government in order to pay for basic post-secondary education costs and medical care.

We might ask ourselves why it is that the Province of Ontario faces a serious crisis in health care. This was shown by the protests of doctors and medical personnel which were heard yesterday in Toronto. Why is that crisis in health care being experienced? Why is a crisis in funding for post-secondary education being experienced? Students and university professors have spoken to our committee and other committees about that crisis. The answer is very clear. It is because of the slash-and-burn technique which Conservative Members are now putting into effect in the name of some kind of crazy deficit reduction which is occurring on the backs of the ordinary people of Canada. It is not fair, it is not just and it should not be permitted in a federal system. There should be a bond of faith in the federal system between the federal Government and the provinces that they are guaranteed a set amount of money on which they can count.

• (1650)

We have here a Bill which not only breaks promises to the people of Canada but also breaks faith with the whole federal system in which the Government claims to have such great faith and belief. It is, in short, Mr. Speaker, an example of how badly misguided this Conservative Government has become in the less than two years since it took office.

For myself I have to say that it is with great regret that I see Bill C-96 brought before this House of Commons for it represents the destruction of the faith people had in a change of Government and what that change might have brought about.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Bill C-96 has to do with what we call the established programs financing arrangements which are negotiated between the federal Government and the provinces of Canada. It is called EPF for short and it deals with health and post-secondary education. The reason we have EPF is very simple. It was decided a long time ago that what we wanted in this country was to have nationally acceptable standards in health care and education. What we are doing with Bill C-96 is changing an established programs funding into a destabilized programs funding. We are destabilizing the program. Instead of EPF it is DPF.

The Minister of Finance (Mr. Wilson) has offered a rationale for Bill C-96. It goes something like this. What we have at the present time is a runaway deficit. The impact of this runaway deficit is far greater than that of shifting it to the provinces. That is the Minister's argument. Let us consider that for a moment. I do not think we can disagree with the Minister of Finance that we do have a runaway deficit for that is hard to argue against. It is hard to say that the deficit is not a serious national problem. It is so serious that in the very near future, in the early 1990s, we may be spending 50 cents on every tax dollar collected just to pay the interest on the

national debt. What happens when that figure reaches 75 per cent or 90 per cent? It is obvious that most Government departments would be irrelevant. They will no longer be required. Parliament itself will not have much of a function. We would probably need only one government Department and one government agency. We would need Taxation Canada to collect the money and transfer it to the Bank of Canada, which would disburse it to those people who were fortunate enough to own government bonds of one kind or another or treasury bills. That is what would be called the Government of Canada,.

The situation is serious and I have to agree with the Minister that the deficit is serious. What we need is a national program. We need all political Parties, all publicly-elected people from the municipal through the provincial and federal level, to co-operate to do something about our burgeoning national debt.

That brings me back to Bill C-96. Is it really the answer, as proposed by the Minister of Finance, simply to take a portion of the federal deficit and transfer it to the provinces? I find that very difficult to accept as a reasonable solution, but not all Hon. Members agree with me.

For example, yesterday or the day before the Hon. Member for Winnipeg—St. James (Mr. Minaker), who is a government supporter and a former member of the Manitoba Legislature, argued that the provinces have some responsibility for restraining their expenditures. I found that argument a bit puzzling. I am not aware, and I certainly stand to be corrected, of a single province that is not taking some action to restrain its own expenditures. I think there is a consciousness in all of the provincial capitals that they must do what they can do to control their own deficits.

The Member for Winnipeg—St. James went on to argue that with Bill C-96 we are not cutting back at all because there will still be increases. He argued that there will not be decreases, there will be increases, so really there are no cutbacks.

That is a fatuous argument. We know there is in place now an agreement between the provinces and the federal Government. I thought these agreements were binding, but apparently they can be broken arbitrarily. They can be broken unilaterally. That bothers me because the Party opposite now in power argued that that should not be done. More than that I am bothered because two aspects of our national life, post-secondary education and health, will certainly suffer as a result of Bill C-96.

I would like to ask Members on the government side whether they believe that post-secondary education in Canada is overfunded. Is post-secondary education receiving an unduly large share of the amount of financial resources that are available? I took a careful look at that matter, and discovered that from 1977 to 1985 there was a very large increase in the enrolment, 27 per cent in our universities, over that period of time. In the colleges, the increase was even more significant, that is, 36 per cent.

How much additional funds flowed from the federal Government during that period of time to offset the increases? Government support increased by only 2.5 per cent. I am talking here about an actual increase. We have to take into account inflation. You cannot add that in because it means that higher salaries to keep up with inflation and operating costs of universities and colleges have to match inflation. This was an actual increase over and above inflation of 2.5 per cent, but it does not square with the increased demands placed on our post-secondary institutions.

Mr. Ed Anderson, President of the Canadian Association of University Teachers, said:

> Proposed federal cuts to post-secondary education could place a university education beyond the reach of many students.

There is a basic problem with Bill C-96. It is unfair, it is arbitrary and, if I can conclude with just a short quote, let me say that I agree with *The Telegraph Journal* which wrote:

> It is essential that the deficit be reduced and it is essential that the burden of the deficit be spread fairly across Canada and all regions of Canada. What the federal Government is doing does not ensure such fairness in the sharing of the burden.

The Telegraph Journal wrote this with respect to Bill C-96.

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

• (1700)

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING LEGAL COUNSEL FOR UNBORN CHILD

The House resumed consideration of the motion of Mr. O'Neil Bill C-254, an Act to amend the Criminal Code (legal counsel for unborn child), be read the second time and referred to a legislative committee.

Mr. Pat Binns (Cardigan): Mr. Speaker, I rise to speak on Bill C-254 which I consider to be a very important Bill in that it deals with the protection of the unborn child. I believe that if the proposed amendment to the Criminal Code were adopted we would see a strengthening of the protection of the unborn child.

As a Member, I have chosen to speak on this Bill because I think it is very important. It is a subject which evokes very strong feelings in most Canadians. I am sure that my rising to speak on the Bill will cause concern for some of my constituents who will disagree with my views. Nevertheless, I feel a

responsibility to do all I can to protect innocent, helpless, human life. Human life is sacred because it comes from God and, therefore, I feel that as a legislator I must act to defend innocent human beings, including the unborn.

In my opinion, abortion is not an acceptable alternative to the inconvenience of pregnancy. However, if the life or health of a mother is threatened and an operation which cannot be avoided results in the death of an unborn child, that is acceptable as long as the intent of the operation was to maintain life rather than to kill.

I believe that free, strong countries cannot survive or prosper if Governments lack the moral courage to protect innocent, helpless people. For this reason I feel that our country should not only protect the unborn child, but that Canada should also attempt to set an example for other countries, which have liberalized their abortion laws and customs, to follow. Someone must stand up for the unborn since they cannot do so themselves. The responsibility to support life vigorously rests with this House.

I am told that in my own province many women travel to other provinces or the United States each month to obtain abortions. It is unfortunate that unwanted pregnancies occur in the first place, and I am among the first to support the need for more sex education programs which would prevent such things from happening. I also suggest that our churches should increase their activities with regard to family life and sex education. I see education as an alternative to continued criminalization of the abortion procedure and imposition of government sanctions. However, these appear to be necessary in the short run.

Some people would have us believe that most countries in the world have liberalized their abortion laws to the point where abortion on demand is permitted at the unconditional request of the woman. In fact, this is not the case. Only 10 countries in the world permit unconditional abortions. Some countries, including Ireland, the Philippines, and Portugal provide absolutely no exemption from absolute prohibition of abortion, even for the narrow purpose of saving the mother's life.

Some people would have us believe that most women believe that abortion is morally acceptable. However, a poll taken by *Life* magazine in 1983 indicates that 56 per cent of women polled believe it is morally wrong. It is also interesting to note the policy of the Canadian Medical Association. A policy document of that association indicates that the CMA is "opposed to abortion on demand or the use of the procedure as a method of birth control emphasizing the importance of counselling services, family planning facilities, and services and access to contraceptive information".

This matter has often been raised in the House in the past. Many present and former Members have had some very interesting things to say on the subject. I think it would be worthwhile for me to review some of the comments made in recent years. Mr. Bill Yurko, the former Member for Edmonton East, introduced two Private Members' Bills in the House dealing with the subject of abortion. On November 18, 1980, in the House of Commons he said:

> This is not a partisan issue. It is a moral issue of profound importance. It is an issue upon which each individual must reflect and make up his own mind.
>
> I have always lived by the philosophy that it is my duty to protect, enhance, improve, cherish and embrace human life in all its dimensions. I have always asked myself the fundamental question: what is human life?

He goes on to say:

> —in my estimation human life is a unique form of intelligence. At conception this intelligence is programmed and it evolves with the simple provision of an environment and a means of feeding. It is totally programmed, it is human life right after the moment of conception.

The Member for Kindersley—Lloydminster (Mr. McKnight), who is now the Minister of Labour, spoke in debate on Bill C-216 in the House of Commons on that same date. He said:

> Bill C-216 is simple and straightforward. Its intention is to erase the loophole which literally permits abortion on demand and to ensure that the unborn child receives the full protection of the law and to repeal the section of the Criminal Code which allows therapeutic abortion committees to be formed.

He went on to say:

> Although the issue of abortion is emotional, it is one upon which we cannot be silent. Since the abortion law was put in place 11 years ago, over 450,000 innocent children, human beings, have been killed.
>
> We cannot be shrill or strident; we must be rationale and have certain expections of the people of Canada. In each and every one of us there is the emotion to recognize humanity. Humanity has many definitions. The definition which I in my own mind and conscience accept is that of the human being, whether it be a human being outside the womb or a human being in the womb.

On January 19, 1981, the Hon. Member for Richmond—South Delta (Mr. Siddon), who is now the Minister of Fisheries and Oceans, quoted some StatsCan statistics which indicated

> —a further alarming increase in the use of abortion as a means of population control—

He noted that:

> —18 innocent children were sacrificed by abortion last year for every 100 live births, with 34 abortions to every 100 live births in my Province of British Columbia alone.

He went on to move, seconded by the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) and endorsed by many Members of the House:

> That this House stand in silence for two minutes, in memory of the 65,135 innocent Canadian human infants whose lives were taken away by abortion during the past year; and furthermore this House admits, to its shame, that these acts have been taken with the consent of the Government of Canada.

There was obviously a great deal of concern expressed there, Mr. Speaker. I would also like to quote a Member of this House for whom I have a great deal of respect. On October 17, 1983, the Hon. Member for Bow River (Mr. Taylor) made a statement with regard to abortion. In speaking about Dr. Henry Morgentaler's abortion clinic he quoted a Toronto newspaper story which read in part: "Dr. Henry Morgentaler will defy the law and reopen his Toronto abortion clinic—". He said:

I can see nothing noble about this man breaking and defying the laws of Canada. Abortions to protect the life of the mother are legal today, but Dr. Morgentaler wants abortion on demand. He wants abortion to be a birth control measure, and he thinks freedom of choice should be extended to allow for the murder of another human being—yes, even an unborn child.

He went on to say:

World famous scientists like Professor A. W. Liley of Aukland, New Zealand, confirm that what is in the womb is "a person, a full human being that can cry, hiccup, dream, kick, suck a thumb, take "food", regulate fluid volume, have heart beats and fingerprints—a totally separate individual who stops his mother's periods and who decides when labour should begin".

Murder is murder, whether it occurs before birth or after birth. If we permit unborn and so-called unwanted babies to be killed, the next step may be to permit the killing of the crippled, the abnormal and the aged.

Many other Hon. Members have spoken on this issue in this House with much more authority and experience than I have. I certainly endorse the remarks and previous statements made by speakers in debate on this very important issue. I wish the Hon. Member success with his Bill because I think this is one of the most critical and important basic issues with which the House of Commons will be faced in future years.

• (1710)

Mr. Albert Girard (Restigouche): Mr. Speaker, it is indeed an honour to rise and speak on Bill C-254, an Act to amend the Criminal Code to provide legal counsel for the unborn child at meetings of therapeutic abortion committees.

A Bill such as this is fraught with difficulties, even, I venture to say, insurmountable difficulties. To begin with, I am very reluctant to support legislation which would force costs of a substantial nature upon the provinces. The Minister of Social Services for each province, who is responsible for the provision of counsel under this Bill, is I am sure endeavouring to restrain or reduce costs in his or her department at a time of fiscal restraint. The expense of providing highly-paid legal counsel would be prohibitive. Even if one were to deflect this with the notion that legal aid could provide counsel, it must be realized that legal aid is also paid for by the taxpayer. My understanding is that the federal Government, through the Department of Justice, shares the cost of providing criminal legal aid. Through the Department of National Health and Welfare it shares the cost of some civil legal aid as an item of need under the Canada Assistance Plan. I also note that provincial plans are under the jurisdiction of provincial Ministers of Justice, not Ministers of Social Services. No matter which plan offers legal aid, however, there is a fundamental threshold of eligibility, both financial and legal, and those standards are determined by the individual provinces.

How would one determine the eligibility of the fetus for legal aid? Do we simply provide legal aid across the board? Free counsel for all? If so, what about the provision of legal counsel for the individual carrying the fetus? It must be assumed that representation for the unborn will turn the committee into an adversarial arena, with mother and fetus in an adversarial relationship. As well, the rules of natural justice would seem to require that if the state provides free legal counsel to one party without regard to financial eligibility, it must do the same for the other party as well. In addition, I can see the argument arising that the father and other family members should also be allowed to intervene in these proceedings with counsel, as well as other interested parties such as social service agencies. If I were a doctor sitting on one of those committees I would most certainly wish to have counsel advise me as well. Who is going to pay for all this?

Apart from the matter of the expense of state intervention, there are other, equally serious ramifications involved in this proposed amendment. As currently set out in the Criminal Code of Canada, the therapeutic abortion committee is to be comprised of three medical doctors. If this proposed amendment were to pass, we would be asking medical practitioners to hear and determine points of law. They are not qualified to do that. In the parlance of administrative law we would be asking the medical profession to make judicial or quasi judicial decisions. Apart from the sheer improbabilty and impropriety of such a move, by turning the procedure into a judicial hearing the rules of natural justice will come into play. No longer will the committee consist of medical practitioners reaching a medical determination. The addition of counsel and legal argument and the rules of natural justice mean the incorporation of the right to notice, the right to a fair hearing, the right to be heard, and the inclusion of a plethora of case law or precedents which have been developed in this area over the years. I can envision a backlog of cases which, in all likelihood, could strike at the very fundamental right to be heard.

We must remember that time is of the essence in these matters. Delay due to preliminary motions or adjournments or other common legal procedures could strike at the very heart of the therapeutic abortion committee. Delays could result in a pregnancy going beyond the vital first trimester where a necessary abortion can be safely performed. As well, it would seem that further amendments might be required in order to place persons on the committee who are knowledgeable enough to deal with the inevitable legal arguments this proposed amendment invite. In short, the Bill proposes to change in a fundamental way the very nature of the committee as it is now set out in the Criminal Code.

We easily speak of rights in this day and age, but we must be careful to remember that rights laid down in legislation are absolute and lead to rules, regulations and bureaucracy, and can therefore lead to obstruction of the desired outcome. We cannot fiddle or tinker with the law and not expect that to lead often to greater complexity.

My final point of concern relates to the actual administration of this proposed scheme. What procedures will be put in place to effect representation for the unborn? Will there be a panel of lawyers available? How will they be selected? Given the wide difference of opinion in our society on the abortion issue, one can assume that a range of opinion is present within the legal profession. Will this work be available only to lawyers who are philosophically opposed to or supportive of abortion? Even if the bar maintains its neutrality in acting for the

unborn regardless of personal opinion, how does counsel receive instructions? Will it somehow be deemed they are to oppose the abortion automatically? If counsel cannot receive instructions from the client, is it his or her opinion which will be put forward? If counsel must be opposed, what would happen in cases of a pregnancy resulting from rape or incest?

The argument over abortion will continue. There will never be unanimity of opinion. The current section of the Criminal Code is a result of long study and a solid compromise with which most Canadians appear to agree. While the issue will continue to be the subject of debate, and while I commend the Hon. Member for his effort and concern in this area, the proposed amendment is too flawed to be put forward at this time.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, when I looked at this Bill I was reminded of Shakespeare. Was it not he who wrote in one of his plays that "the first thing we do, we kill all the lawyers".

Some Hon. Members: Hear, hear!

Mr. Waddell: There is lots of applause in this House for that. I must say that I do not agree totally with Shakespeare's sentiments or with the applause. I do not know if I am right now, but I was a member of the Bar of British Columbia and the Bar of the Northwest Territories. By "bar", of course, I do not mean what ordinary Canadians think of as a bar.

Ms. Mitchell: There are a number of those.

Mr. Waddell: There are a number of those involved as well. I mean the time honoured and well-respected legal profession. What do they call it, the second oldest profession? We barristers and solicitors know we are, if not the first, the second oldest profession, at least among solicitors. I will not mention the other solicitors out there.

Before I get into the content of this Bill I want to tell you a little story concerning lawyers. There was a cruise ship off the Bahamas last winter. There was a businessmen's convention in progress on board and there were two lawyers there. They were arguing about a legal point. The argument got so heated, rather like those of the Hon. Member for Hamilton East (Ms. Copps) sometimes here in the House of Commons or in the committees, that the lawyers fell overboard into the shark-infested waters. Immediately a bunch of sharks came up, but they suddenly formed a line and the two lawyers were able to swim right back to the boat. The businessman said: "That was a miracle". One of the wives of the lawyers looked over and said: "No, that is not a miracle, that was just professional courtesy". It seems to me that this is what is often thought of lawyers. The reason I mentioned it in connection with this Bill is that this is a Bill that for the first time goes beyond birth to get that ancient profession once again involved. I wondered when I was a lawyer how fortunate I was because I could go beyond death on the other end. I could send my bill not to the poor client, who was already gone, but I could send it to his or her estate. I could collect from the estate, and it was all very nice. You could go beyond death.

• (1720)

They say you cannot take it with you, but lawyers can get it from you after you have gone by doing all the work, handling the estate. Each province has a Wills Act, death duties and probating wills. If you die without a will, you still have lawyers who have to put you through a process called dying intestate, without a will. You have to go to court, make an application, and you incur legal bills. What this Private Member's Bill, does, while it is well intentioned, is to involve lawyers now before birth. When the poor kid comes out, you could sort of, if I can put it that way, give it a lawyer's bill. So you are born, and what do you get? You get a lawyer's bill. What a way to face the earth.

I must say I have mixed opinions about that. I do not want to make fun of this. I personally would benefit from it, as would my colleagues, the barristers and solicitors of this country, who would be quite pleased to be able to submit a bill. It is quite possible that you could have, with this Bill, someone coming into the world owing money to a lawyer who appeared before an abortion committee. I know that is extending it a little, and I know the Member for Burnaby (Mr. Robinson) would perhaps want me to be more serious in dealing with this.

Let me get away from lawyers and talk a little bit more about the Bill. The Hon. Member who last spoke, my colleague and friend from Maritime Canada, raised some interesting points. A good point he made was, how would counsel get instructions? They obviously do not get it from the fetus. They have to get it from somewhere. Do they oppose the abortion? Do they agree to the abortion? What if there is medical evidence to say the fetus, when born, will be born with Down's syndrome or with another handicapping disease, or will be born with permanent mental or brain damage? Those things can be discovered now. What if that is the situation? Does the lawyer take the position that, as counsel on behalf of the fetus, he is arguing that the fetus should be aborted? That is possible, I think, under this particular Bill. Perhaps some of the other Members will show me how this would not happen. I think that is what the Member who last spoke was getting at, by saying that, in spite of the intention of the Bill, there are a lot of questions that remain to be answered.

How does Legal Aid choose a lawyer? Presumably the lawyers are professionals and they would argue the matter properly. Even that is difficult. Who is your client? Is your client the family? The mother? The mother wants the abortion, presumably. Is your client one of these crazies like Joe Borowski, one of these kinds of people? Is that your client? Is your client like people who go around hitting people over the head in front of Doctor Morgentaler's clinic? Is that who you have to listen to?

Members of this House know how difficult the abortion issue is. Can you imagine some poor lawyer, in his first case, when he goes to the abortion committee having to go through a

picket line of pro or anti-abortionists? It would be absurd. It is not hard to indicate some of the difficulties here.

The Member mentioned the possibility of a rape case or an incest case. This is another example where, if I were counsel in the case, I would probably want to argue the possibility of abortion. It raises some fundamental issues about taking instructions, what kind of instructions, and even theorizing what a handicapped fetus would want. There are arguments on many sides here.

The Member who last spoke also talked about the current law on therepeutic abortions and the doctors' committee. I do not know if he heard a person I very much enjoy listening to on the radio, Mr. Peter Gzowski of *Morningside* on CBC Radio, but he had the other day women doctors on the program who were talking about their patients, women who wanted abortions. They talked about the terrible delays these women were having with the present system. I know the Member who last spoke said the present system is acceptable. I do not believe it is acceptable. These doctors were recounting how their patients were suffering, and that what would have been a simple matter, in terms of a medical operation for an abortion, became much more complicated as the matter was delayed for a number of weeks. It made it harder for the operation, it made it more difficult medically. Irrespective of what you want to argue on the abortion matter, the evidence that they gave was irrefutable, there was a problem with the delay in getting an abortion.

Would this Bill, and the appointment of a counsel—and again I say we lawyers look for business anywhere we can get it—but to be honest, does this not raise a lot of problems in terms of the potential for even further delay? A lawyer needs time to consult, time to prepare a brief and so on. What would happen is that there would be no abortion. That is really what would happen.

Maybe the inarticulated major premise behind this is that they really do not want any abortions at all. It is not a Bill about legal counsel for the unborn child. Then we are back to the days of abortions in the back alleys. I think I have made my point, which is the difficulties of having counsel in such a situation. I cannot help noting that Shakespeare certainly would not approve of this because he wanted to get rid of the lawyers, and now this Bill would get them not only after death, but even before birth.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to participate in this important debate on Bill C-254. Before commencing my remarks I would just like to clarify briefly the purpose of the legislation, at least on paper. The Bill requires that every fetus be represented by counsel at a meeting of the therapeutic abortion committee. In my view, Mr. Speaker, while one examines this Bill, and on the face of it it is an Act to amend the Criminal Code to provide for legal counsel for an unborn child, in fact, that is a sham and an illusion. The real purpose of this legislation is to implement the policy of the Hon. Member, which is to in fact get rid of all abortions in Canada under all circumstances.

• (1730)

In my view, by prolonging an already unworkable abortion procedure, this Bill indirectly seeks to make legal abortions virtually impossible to obtain in Canada. Because of its perspective, which is fundamentally opposed to freedom of choice, I am rising in opposition to this legislation.

I might say as well, just so that my position on this subject is clear for the record, that I have in fact tabled a Private Members' Bill, Bill C-238, which would remove the provisions of the Criminal Code dealing with abortion and allow this decision to be made by the woman in consultation with her doctor. Certainly, I believe I have an obligation in participating in this important debate to make it very clear where I stand on this question.

Existing Criminal Code provisions generally prohibit abortions unless they are performed in an approved hospital with a therapeutic abortion committee of at least three doctors which has certified that the woman's life or health is likely to be endangered by the continuation of the pregnancy. I note, however, that the establishment of therapeutic abortion committees is not mandatory. In fact, out of a total of 1,300 hospitals in Canada, only 250 have set up committees, and 20 per cent of those hospitals that have established committees do not in fact perform any abortions at all.

Although any decision which is made by a therapeutic abortion committee has very serious implications for the individual woman's future health and welfare, she is not, under Canadian law, entitled to be present at the committee hearing. Nor is she permitted to be represented by counsel at the hearing of the therapeutic abortion committee. The irony of this legislation is that if it were to be adopted, the foetus would have the right to legal representation, but the woman herself would be denied the right to legal representation. Surely the House cannot accept that kind of situation.

Present provisions of the Criminal Code governing abortions have been found to be in contempt of women by panelists in Vancouver, Winnipeg, Toronto, Edmonton and Halifax. These are panelists who are travelling across Canada and reviewing the laws from a woman's perspective. In addition, three juries have acquitted Dr. Henry Morgentaler of abortion-related charges.

Recent Gallup polls indicate that 72 per cent of Canadians call upon the Government to ensure access to safe therapeutic abortions. Recent British polls also indicate extensive public support for the fundamental principle of a woman's right to choose.

The Private Members' Bill of the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) ignores these findings and would further restrict and, in practical terms, totally deny the woman's freedom of choice. This is yet another example of the disregard by members of the Conservative caucus of the fundamental concerns of women and their attempt to impose the views of a vociferous and shrill minority on the majority of Canadians.

According to Dr. Nikki Colodny, who performs therapeutic abortions at the Morgentaler Clinic in Toronto, Canadian abortion laws themselves are criminal because they establish a medical delivery system of abortion services which is unnecessarily dangerous and institutionalizes unsafe medical practices. It is women who continue to suffer as a result of this unjust law. The Bill before the House now, by further limiting access to safe therapeutic abortions, simply sanctions unsafe medical practices.

Because of the lack of reasonable access to abortion under the present therapeutic abortion committee system, Canadian women are forced to wait an average of eight weeks between their first appointment and the performance of their abortion. As a result of these delays, Canada has the second highest rate of mid-trimester abortions of all the industrialized nations. By requiring that the fetus be represented by counsel at the therapeutic abortion committee hearing, as proposed by the Hon. Member's Bill, there would simply be further delays, and this would contribute to an even higher rate of mid-trimester abortions and further complications to the woman involved.

Let me point out that therapeutic abortion committees represent the only instance, outside of dealing with mentally incompetent individuals, where a person has three doctors who have never met her, and are not chosen by her, reviewing her private medical records and passing judgment on her health care needs. These doctors are also being asked to make a medical decision about women with whom they have no professional relationship whatsoever. By further complicating and prolonging the already unwieldy and unworkable therapeutic abortion committee process, the Bill before the House would legitimize a system which in effect treats women as somehow mentally incompetent and asks doctors to perform functions for which they have not been properly trained.

As a member of the Subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs, I had the opportunity to hear extensive testimony from across Canada on the provisions of the Criminal Code dealing with abortion. In my view, the present Criminal Code provisions governing abortion are one of the most glaring examples of discrimination against women under Section 15 of the Charter of Rights and Freedoms. The Code provisions discriminate against women by singling out a particular medical procedure for regulation, which, of course, happens to be carried out on women alone.

The Code provisions are also unequal in their geographic applications, due to discrepancies in hospital policies and procedures. For example, we heard that there were no therapeutic abortion committees in Prince Edward Island. Similarly, women in rural areas or communities in which no therapeutic abortion committees have been set up must travel to other parts of Canada or, in some cases, to the United States to obtain access to abortions. This Bill, which would further restrict a woman's right to choose, makes a mockery of sexual and economic equality in Canada.

The fact is that the purpose of this Bill is to make abortions illegal. In countries where abortions are illegal, women continue to need and obtain abortions. A further limitation on Canadian women's access to this procedure, therefore, is unlikely to result in a decrease in the number of abortions performed. It will only result in a decrease in the number of safe legal abortions. Any additional limitation on a woman's right to choose, such as that contained in the Bill before the House, would simply assist in recreating the pre-1969 scenario when abortions were completely illegal and women had to resort to back room abortionists. If further laws limiting women's access to abortion are passed in Canada, more and more Canadian women will suffer from the effect of these back room abortions or, indeed, self-induced abortions by desperate women.

I do not question the goal, which I am sure all Members of the House share, to try to reduce and limit the number of abortions performed in Canada. However, I do not believe that additional prohibitions in the Criminal Code will achieve this end. For this reason amongst others, I emphasize that the policy of the New Democratic Party calls for decriminalization of abortion and the repeal of these provisions from the Criminal Code.

If the Government and the Hon. Member were serious about limiting the number of abortions, they would support positive preventive schemes rather than unrealistic, unworkable, and punitive Criminal Code prohibitions. Constructive measures which could be taken include financial support for family planning and counselling agencies such as Planned Parenthood, conducting research into safer and more effective birth control, introduction of sex education into schools, provision of more information on birth control to young people generally and greater financial and related support services for poor families and single parents.

The Government and this Bill does nothing constructive in the area of family planning. We in the New Democratic Party support the objectives of the Planned Parenthood Federation of Canada in taking steps to reduce the number of unwanted pregnancies. Certainly we will continue to resist legislation such as this which attacks the fundamental freedom of choice of Canadian women.

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker, I welcome this opportunity to express my views on the Bill presented by the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil). The purpose of the Bill before the House is to have every unborn child represented before the therapeutic abortion committee by State-appointed counsel who would be responsible for upholding the provisions of the Criminal Code. Such a measure would radically change the present system.

Mr. Speaker, I shall, if I may, elaborate somewhat on the question to make my colleagues aware of what is at stake. We are talking about abortion. We are talking about the right to life. We are talking about the right to keep a fetus from being brought to term, from completing its nine-month development and being born.

I would like to draw a parallel with ... You know, Mr. Speaker, between 40,000 and 45,000 people die of hunger every day, and most of these are children. Has anyone set up an international or national committee to help these children, to help all these people out of this terrible situation? Has anyone given them a better life than the one they know today? No, Mr. Speaker, because what usually happens is that we spend millions so the media can show us how awful the lives of these people are.

Mr. Speaker, I think we can draw this parallel, because abortion is a fairly complex question. It is a matter where the feelings of the mother come first, because after all, she is the one who bears the fetus, but we must also think of the fetus, because it is a being that has a right to live like any other entity—I don't think we can say: you don't have the right and you do—it is a matter on which Canadian men and women generally tend to let their emotions speak first, and this is quite normal because our emotions are a part of us.

The second reason—today, we would call it a social or economic reason.

For these reasons, Mr. Speaker, I think we must look at the state of our society. Can we allow ... These are the moral questions—not whether we want to set up a committee or not—these are the moral questions our society is asking today.

Do we morally have the right to let a baby come into this world if he or she will be deprived of essential services and care right from birth? Do we morally have the right to let a child be born without parents to raise and educate him or her? Conversely, we might consider this alternative: Do we as civilized Canadian men and women have the right to let a human being die in a society such as ours, a society of plenty, an affluent society , an industrialized society, a society where most men and women own their house and enjoy material wealth? These are two basic questions, Mr. Speaker, questions of principle which transcend any legislation and go far beyond the mere legal purview of the Bill now before the House.

You know, Mr. Speaker, it is convenient to say: We will appoint a lawyer for this, and we will appoint a lawyer for that. Does the Bill provide counsel for the father? Does the Bill provide counsel for the mother? What right, what privilege does any lawyer enjoy to come to the defence of the foetus? What is the position of the foetus, if any? What about the position of the mother? As you know, Mr. Speaker, when an abortion is necessary it has to be done without undue delay, and we all know how very slowly the judicial system works.

I think it is important to consider the context, to realize how serious the matter is, and to keep in mind that the existing legislation has authorized therapeutic hospital abortion since 1969.

However, before seeking to improve the legislation as my colleague from Cape Breton Highlands—Canso (Mr. O'Neil) would do, or curtail rights as my colleague from Burnaby (Mr. Robinson) advocates, the basic question should be to ask ourselves how the existing Act is being enforced. We should sit down and consider how the Act is being interpreted. Over the past few years what has been the social evolution of the people who make the decisions, the people who sit on these committees? What criterion guides the people and physicians who sit on a committee responsible for saying yes or no to therapeutic abortions? Just what are their guidelines? The Criminal Code, as prescribed in the Act? Is priority given to health hazards threatening the expectant mother? Or is consideration given to the social environment and the way of life of the pregnant woman?

In my view, it is important, Mr. Speaker, that we stop and look at how complex such a legislation can be, that we stop and discuss and think about how important the life of a human being can be, even though he or she is still unborn, even though in many cases we do not yet know his or her sex, that we stop and think about how important the life of the mother, the life of the father, the social impact on that family are, if we want that everything proceed properly.

I was listening earlier to my colleague for Burnaby (Mr. Robinson) who stated that according to a poll, 72 per cent of respondents—although the figure may be slightly less, I think it was 72 per cent, and please correct me if I am wrong—were for maintaining abortion.

Recently I made a survey in my own constituency. The question was quite simple. I asked: "Are you for or against abortion?" And on the bottom line I added: "Comments, if any." Mr. Speaker, I had over 3,000 answers. This is much more than a national survey, as you know, 3,000 answers. And of those 3,000 people, 80 per cent were against abortion. In the majority of cases, reasons were not even given for being against. In some cases, respondents suggested: If we were all in favour of abortion, you might not be there. We have no right to kill a human being. We have no right to put a price on someone's head for the sake of temporary principles, economic principles. Very few people wrote to say: "Mr. Champagne, we support abortion." Very few. Those men and women who wrote and gave me their reasons referred to the ones I indicated earlier—economic reasons, social reasons, that could be termed rational reasons to a certain extent.

Therefore, Mr. Speaker, it would be useful and interesting, before we decide to have such a legislation passed, before we overload a legislation which is already quite involved in itself since it already rules on the life or death of a human being, since it rules on what will be the future of a human being that cannot defend itself, I say it would be important in the first place to discuss the matter fully, rather than submit it to the House as a piece of legislation or simply enact it, to have the

issue debated on its merits and discussed with those who are mainly involved.

You know, Mr. Speaker, I deeply regret that there are not many women Members in this House. Yet, if there are people who should have their say about this, who should be able to chose, who would be in the best position to give an opinion, I honestly believe that it is women, and if I am wrong, I hope that someone will correct me. Yet, when have we seen a panel of women who have been through abortion, women who are for, or against abortion, discuss and develop a policy and determine to what extent it should be applied?

On the contrary, Mr. Speaker, what is now being proposed is that a lawyer be brought in to judge the matter. But to judge what when we do not even know the priorities of the people involved? In my opinion, Mr. Speaker, this is carrying principles a bit too far. Instead, we should sit down and listen to people and really look closely at a social problem which is becoming increasingly serious. I think that we would then be able to develop regulations which would not be based simply on legal principles, but rather on human considerations. Indeed, in my opinion, the principle of abortion itself is a human issue.

• (1740)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Vancouver—Kingsway has spoken.

Ms. Mitchell: I am from Vancouver East and I haven't spoken.

The Acting Speaker (Mr. Paproski): I am sorry, Vancouver East. On Friday, January 17, 1986, on the motion, at page 9915 of *Hansard*, I have the Hon. Member speaking.

Ms. Mitchell: I apologize, Mr. Speaker. I did not realize this was a Bill carried over from a previous time.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, I rise to speak to Bill C-254, an Act to amend the Criminal Code to provide for legal counsel for the unborn child at meetings of therapeutic abortion committees.

[*Translation*]

First, Mr. Speaker, I would like to congratulate the Hon. Member for Champlain (Mr. Champagne) on his speech. I quite agree with him that this problem is extremely difficult for all of us in this House. It is a fundamental issue.

This Bill—

[*English*]

I would now like to say in English that I think that the proposed amendment is flawed in one sense. As the Hon. Member for Champlain (Mr. Champagne) has said, it is flawed in the sense that we cannot bring such an important issue to the floor of the House of Commons in the form of an amendment which has to be voted upon on the spot without thorough consideration.

Mr. Speaker, from having been in the House for as many years as you have, and having watched the House of Commons for as many years as I have from upstairs on the third floor, I cannot think of two more difficult issues for Members of Parliament, regardless of political stripe, than the issues of capital punishment and abortion. With respect to the issue of capital punishment, I believe the commitment of the Prime Minister (Mr. Mulroney) to deal with the matter and to allow a free vote on it at some time in the future.

If the matter of abortion ever comes to a vote, as a matter of personal conscience and so that there will be absolutely no question in the minds of my constituents or my colleagues with respect to where I stand on the issue, I oppose abortion. I believe that life begins at the moment of conception. It is my strongly-held view that nothing should interrupt that life short of a medical emergency. If a pregnancy should develop into an emergency which threatens the life of either the mother or the child, then I am not qualified to judge. I am not a doctor. Very few of us in the Chamber are medical practitioners. I think that these situations can only be left to qualified medical practitioners. In my view, then, and only then, does the subject of abortion become a matter of concern between a woman and her doctor. I do not think that any law should govern that type of life and death situation save for the Hippocratic oath. I want to place on the record that, in principle, I am against abortion.

That being said, we have problems with this Bill. As I have said, few subjects are as controversial as is the subject of abortion. Clearly, the deep-seated reasons for the controversy surrounding this issue stem from the often irreconcilable personal choices available in such important, varied areas as morality, religion, sexuality, politics, and family and social life. There is no doubt that we will see a whole spectrum of opinion about something as personal as the matter of abortion. The same is true with respect to the issue of life and death in terms of capital punishment.

Whatever opinion a person has about the current abortion legislation, it is important to know the legal grounds of the issue. Bill C-254 deals with that issue. The reform introduced by Parliament in 1969 rectified an unbearable situation for the medical profession. What exactly was this situation? In what way did the reform change the rules of the game? Is it true, as some believe, that the law-makers chose to liberalize abortion by making it available for all practical purposes on demand? These are the main questions which the Government and all Members of Parliament are desperately attempting to answer.

I would like to give some background on the need for reform. I do not want to go on for too long because I believe my friend, the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg), would like to say a few words on this matter. However, I wish to say that there is a real need for reform. Whether a person is for or against the liberalization of the abortion law, there appears to be a consensus regarding the

absolute necessity in certain cases of terminating a pregnancy. How in fact can one be opposed to the idea of destroying a foetus when, in the opinion of competent members of the medical profession, the pregnancy truly endangers the life of the mother and could even bring about her immediate death? There are no fewer people today than before 1969 who would prefer to save the life of the mother who may already have children for whom she is responsible than that of the unborn child.

In conclusion, I do not think that we as politicians really have the medical qualifications or the moral qualifications to decide whether or not an abortion should be performed, except for the general principle that some of us just do not like the principle of abortion. We want the foetus as a growing human being to live and to enjoy life. Therefore, I think it is up to the doctor, on the basis of the Hippocratic oath, to decide whether the life of the baby or the mother is in danger. It is only up to them and not up to Parliament. We will have to come to grips with this issue at some point in time. I just wish to place on the record where I stand on this issue.

• (1750)

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, I too am honoured to rise this evening to speak on Bill C-254. I would like to thank my colleague, the Hon. Member for Hamilton—Wentworth (Mr. Scott), for allowing me a few minutes. I do not know if I have many minutes in order to get my point across.

What I would like to say is that I agree with what my colleague from Hamilton—Wentworth has said. This is one of those issues that, no matter what we do, we will upset some people. As politicians, we often feel like referees in this business. When we blow the whistle, we upset half the crowd and please the other half. Normally, that breakdown is more like 80/20, or even 90/10, as opposed to 50/50.

I too oppose abortion. However, I also oppose this Bill for a variety of reasons. My colleague from British Columbia, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), who is a member of the NDP, raised some interesting points on this matter when he talked about the lawyers. It is bad enough that politicians have to make these decisions, but when we consider the lawyers, as opposed to doctors, we really get into trouble. Somebody said that when the Constitution was being debated and after the completion of the debate that it would make a great many lawyers a great deal of money over a long period of time. I am afraid that that has turned out to be true. That is similar to this Bill.

How will these lawyers be selected? There is a wide range of opinion in the legal profession. Would this work only be available to lawyers philosophically opposed to abortion? I am also very reluctant to support legislation which would force costs of a substantial nature upon the provinces. The Minister of Social Services, the Minister responsible for the provision of counsel under this Bill, for each province is endeavouring, I am sure, to reduce costs within his or her own Department in these times of severe fiscal restraint.

Those are some of the problems I have with this Bill. I see that you are indicating my time has almost expired, Mr. Speaker.

I would like to conclude by stating that while the issue will continue to be the subject of debate, and while I commend the Hon. Member for his efforts and concern in this area, the proposed amendment is too flawed to be put forth at this time.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), this item is dropped from the *Order Paper*.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

FEDERAL-PROVINCIAL RELATIONS (*A*) ESTABLISHMENT OF FRENCH EDUCATIONAL TELEVISION NETWORK IN ONTARIO. (*B*) INQUIRY WHEN FUNDING WILL BE MADE AVAILABLE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Last April 25, Mr. Speaker, in the absence of the Minister responsible I asked the President of the Treasury Board (Mr. de Cotret) whether his Government was trying to get out of meeting its commitments concerning funding of a new French educational television network in Ontario.

The President of the Treasury Board assured me that he would discuss the matter with the Minister of Communications (Mr. Masse) and provide an explanation for any delay in implementing the agreement.

Here are some of the background facts, Mr. Speaker. As you may recall, in October 1984 the federal Minister of Communications and the Minister of Civic and Cultural Affairs of Ontario began discussions which led to the December 18, 1984 announcement about an agreement in principle with respect to French educational TV services in Ontario.

This agreement in principle, Mr. Speaker, the federal and provincial Governments were bound to earmark up to $3 million a year each over a five-year period for TV Ontario network equipment and operating expenditures.

These monies will serve to increase to 70 hours a week French language programming on the educational television network in Ontario through a satellite cable transmission system.

On June 18, 1985, the Federal Minister of Communications and the Ontario Minister of Citizenship and Culture, Mr. Nick Leluk, announced officially this time a $30 million-

subsidy for the funding of this network. According to a press release dated June 18, 1985, the Government of Canada's contribution had been made possible through some Secretary of State programs and funds available from Telefilm Canada for the development of Canadian programming.

Today, over a year and a half later, we have an accumulation of press releases announcing a French language educational television network in Ontario, but no definite or signed agreement, and the province has yet to receive the promised federal contribution. Without this financial contribution from the Federal Government, the province just could not on its own ensure the survival of a French language television network in Ontario.

That is why, on April 25 last, I asked the Minister in this House whether his Government was trying to evade its obligation or whether they would sign the agreement shortly.

On May 1, a few days ago, I wrote to the Minister of Communications to ask him to provide me with a specific answer concerning the said agreement with his provincial counterpart.

Mr. Speaker, I have yet to receive a written reply from the Minister of Communications, but today, in the course of a few telephone calls we made, I was informed that this very morning in Toronto, there was a meeting of federal and provincial representatives for the purpose of negotiating conditions that would be acceptable to both parties.

Mr. Speaker, I hope the negotiations were successful and that this evening, the Parliamentary Secretary who will respond on behalf of the Minister will be able to announce the official signing of the agreement and what the conditions are.

Mr. Speaker, this agreement is particularly important since the survival of French language educational television in Ontario is at stake.

• (1800)

[*English*]

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised an interesting question on April 25, 1986, in relation to the Government's financial contribution to the creation of a French-language educational TV network in Ontario. My colleague, the President of the Treasury Board (Mr. de Cotret), assured the Hon. Member that he would get a reply on these very important matters.

I am pleased to have the opportunity today to clarify commitments made by the Minister of Communications (Mr. Masse) on behalf of the Government of Canada to assist in the establishment by TV Ontario of a French language educational network. I trust that my response today will also serve to correct misleading stories which appeared in the press on this very important issue.

Discussions with the Province of Ontario which began in December 1984 led last year to a joint commitment to provide $30 million over five years for the creation of such a network and the production and broadcasting of French-language programming. The federal share, $3 million a year over five years, will be provided in equal amounts by the Department of the Secretary of State and Telefilm Canada, the agency administering the Broadcast Development Fund on behalf of the Minister of Communications Discussions with the Secretary of State (Mr. Bouchard) have led to the allocation of $7.5 million over five years for both capital and production costs. I see the Member is smiling and agrees.

• (1805)

These funds are in addition to the existing commitment by the Secretary of State for educational programming by this network, which amount to some $1.6 million annually.

As for assistance by Telefilm Canada, the criteria governing eligibility for the Canadian Broadcast Program Development Fund were modified in March 1985 to allow access to the fund by independent producers for programming to be aired by provincial educational networks. As a result, assistance under the fund for both French language and English language programming has been available to TV Ontario for the past year.

Subsequently, and in addition to the initial understanding, it was agreed that the federal Government would endeavour to secure a commitment regarding the level of funding that could be made available by Telefilm.

The Minister of Communications has written to Telefilm Canada and is confident that if TV Ontario, in collaboration with independent producers, were to submit sufficient project proposals, the federal commitment would be met and $7.5 million in funding from Telefilm Canada would be made available over the next five years to enhance TV Ontario's broadcast programming.

At this point I would like to reiterate that the federal funding is in place and can be accessed by TV Ontario through the normal procedures governing the release of funds from both the Secretary of State and Telefilm programs. I might add that there is no signed federal-provincial agreement respecting these commitments other than joint public announcements made by the federal Communications Minister and the Ontario Citizenship and Culture Minister. The first of these consisted of an announcement of intent and was dated December 18, 1984.

On June 18, 1985 the federal Minister of Communications announced the sources of the federal contributions, the programs of the Secretary of State and Telefilm Canada. Federal funding is in place and our level of commitment to the project of establishing a French language educational network in the Province of Ontario has not wavered in any way.

Mr. Gauthier: Best answer I have had.

CANADA POST CORPORATION—CLOSURE OF ST. LAWRENCE SEAWAY POST OFFICE

Mr. Joe Reid (St. Catharines): Mr. Speaker, in response to a question put on April 15 last questioning the justification in the closing of the only marine post office servicing those seamen using the St. Lawrence Seaway, the Minister responsible pointed out that it was done to save money and that it, the Post Office, was looking for a convenient alternative.

There is no convenient alternative. Will the company offices of those shipping lines of ships working on haphazard schedules handle the mail? Will the company official or clerk open his doors or travel to the canal as that deckhand waits for word from his wife and family? Is this family communication to be reduced to emergency electronic ship to shore communications only? Mail service is not anything to write home about now, Mr. Speaker, but does Canada Post consider a postal box at a tourist oriented pop-shop with its short hours, short weeks and even shorter season good enough for some 10,000 persons formerly served by the marine post office?

The Lock 5 site was chosen in the first place because it was the most convenient location along the Seaway. It is on the Welland Canal section of that waterway where it is said that "ships do climb the mountain". It is where ships going either up or down the Seaway go through three levels of flight locks, giving the seaman some three-quarters of an hour to transact business or to make personal contact with spouse and family and time as well to pick up the mail, address a response and still get back on the ship. It is the most convenient location on the Seaway from which those plying the Seaway waters have been served for the past 20 years and from the Welland Canal administration office before that.

• (1810)

Yes, Mr. Speaker, the closing of that Post Office will effect a savings. The amount is questionable, but if we can follow the logic of cutting service to save expense, I wonder where that logic would take us. Would the Post Office look at a remote village and say that delivery of mail will be stopped because it cannot be justified? Would the Post Office, for any reason stop mail delivery to a community of 10,000 persons without warning, without dialogue, and without justification?

If the Minister says that it is unfair to talk in terms of 10,000 persons, I will remind him that there are 5,000 seamen plying those lakes. Most of them have spouses and most of them have more than one business contact. It is the service to these people that is being cut off. I have had communications from mayors along the Welland Canal division, union leaders, businessmen and women, and seamen urging the restoration of postal service to this community of users.

I ask those responsible for the administration of the Post Office to not look for the easy way out by cutting service. They should look at the multibillion dollar operation which continues to operate at a loss across the land. I am sympathetic to the desire of the Government that we must save money, but to save it at the expense of service is an unfair and unjustifiable course of action. Forty-eight thousand dollars is a mere pittance compared to the amount spent by the Post Office. That amount could be found by finding a cost-efficient method of operating that coast-to-coast facility. Restore the service, Mr. Minister, and improve the efficiency of the operation.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, as the Hon. Member for St. Catharines (Mr. Reid) mentioned, in the past sailors had to pick up their mail at the Thorold Marine Sub Post Office located at Lock 5 along the Welland Canal. Canada Post has decided to give these sailors a more convenient and improved service. Canada Post's decision to close the Thorold Marine Sub Post Office was taken following consultations with representatives of shipping companies using the Canal facilities. These companies have long encouraged their employees, that is crew members aboard their ships, to have their mail addressed in care of their own particular companies.

Prior to the decision to close the Thorold Marine Sub Post Office, shipping company agents were already handling 80 per cent of the mail addressed to crew members on various ships. As early as last fall, ship owners indicated to Canada Post their willingness to utilize their internal mail distribution system and have their agents deliver not just 80 per cent, but 100 per cent of the mail addressed to employees working aboard these ships.

Shipping company agents, working in shifts, greet their ships at various points on a 24-hour basis. Shipping companies' own agents would know on which of their own ships their own employees are serving and thus be able to ensure that the mail reaches the crew member. It was after discussions with the various shipping companies that Canada Post determined it could provide a more convenient and improved service to these sailors by having their mail routed through the shipping companies' agents. These agents are located in most ports across the country. They provide these sailors with supplies and will now provide them with their mail. These sailors will now receive their mail at various points along their route through their companies' shipping agents. This will result in improved service for the sailors and save Canada Post $48,000 in the process, which will help the corporation cut its costs and help it to achieve its mandate set by Parliament to attain financial sufficiency.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:16 p.m.

HOUSE OF COMMONS

Friday, May 9, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

UNEMPLOYMENT INSURANCE

CHANGES TO PRE-RETIREMENT BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Last week, Mr. Speaker, I went to the Quebec City area to meet with people who have been cheated by this Conservative Government, namely early retirees. I wish to advise all Hon. Members that these people will be here next week to demonstrate on Parliament Hill, and I urge my Conservative colleagues to express their views on this matter. When I was there they asked me: Mr. Malépart, could we also get interest-free loans as did the Minister's wife? It would certainly compensate for the revolting Government cutbacks concerning early retirees.

In closing, Mr. Speaker, I wish to congratulate the Hon. Member for Kamouraska—Rivière-du-Loup (Mr. Plourde) who had the courage to rise to defend his electors and speak up against the decision of his Government.

* * *

[*English*]

HEALTH

RADIOACTIVE RAINFALL IN CANADA—RESULTS OF NUCLEAR ACCIDENT IN UKRAINE

Mr. Jim Fulton (Skeena): Mr. Speaker, Canadians have been warned not to drink rainwater anywhere in Canada after radioactive iodine was detected in Ottawa at six times the level acceptable for drinking water. Across Canada samples are being taken at only 28 sites and are not being reported on a daily basis as promised. The reliability of the actual site measurements are not being questioned, but many Canadians are concerned that there are so few test sites. For example, there are only samples being taken in Vancouver for the whole of British Columbia. B.C. was the first to be hit by the nuclear cloud from Chernobyl and, despite repeated efforts to get infomation, the federal Government has hidden behind a cloak of secrecy little different from that for which the Soviet Union has been so widely condemned.

What are the real levels of radioactive iodine, cesium, ruthenium 103 and other elements? What are the levels in milk, in fish held in rainwater fed ponds and in areas of heavy rainfall like the Queen Charlotte Islands? Surely the emergency response effort could have been more scientifically applied and more responsive to the real medical health concerns of all Canadians.

* * *

THE GOVERNOR GENERAL

DENIAL OF PUBLIC ACCESS TO GROUNDS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am in a state of shock again. The plain clothes security on Parliament Hill is armed and the RCMP guarding some foreign embassies in Ottawa are now armed with machine guns for the first time. This week the NCC, DPW and the RCMP decided to lock the gates of Rideau Hall, the home of our Governor General, for the first time. Access is still allowed by invitation only, but joggers and walkers, skaters and sports enthusiasts, tourists and local resident and all Canadians are now denied friendly access to this magnificent public parkland. We will soon have local developers bidding for the excess land for housing.

If we are going to lock up the Governor General we should probably cancel all of her road trips as well. There may be some nut cases in Libya, but we seem to have a fair share in our bureaucracy as well.

* * *

• (1105)

STATUS OF WOMEN

REAL WOMEN ORGANIZATION—CRITICISM BY GOVERNMENT OFFICIAL

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is my view and that of many Canadians that, in fairness, the organization REAL Women should receive the same funding from the federal Government as do other womens' groups. However, certain individuals view REAL Women as a threat. According to the Montreal *Gazette*, Lyse Blanchard, Director of Women's Programs for the Secretary of State, calls REAL Women a "marginal, anti-democratic group". She goes on to say that she is "bothered" by REAL

Women getting equal time with the Minister. This is not particularly helpful. In fact, it is clearly unacceptable. Is Ms. Blanchard speaking on behalf of the Government of Canada or is she simply rendering a personal opinion? The public cannot accept a senior government employee uttering such obviously prejudiced comments against an organization with whom she should be working. It is time that Ms. Lyse Blanchard be called to account.

* * *

IMMIGRATION

INCREASE IN LANDING FEES FOR IMMIGRANTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, last year, in order to raise money, the Government increased the administrative fees charged to landed immigrants applying for Canadian citizenship. Before April, 1985, the fees were $15 for an adult and $8 for a child. As of last April they went to $40 per adult and $25 a child. For a family of two parents and three children, not earning a large income, this is a substantial amount. The costs appear to be creating an obstacle to people applying for citizenship because the number has dropped since the higher fees came into effect. Surely the Government did not intend to create a situation where citizenship was available only to those who can afford it. Newcomers to Canada already work hard to become Canadian citizens and it is not appropriate to put the goal of citizenship out of their reach for the sake of a few extra dollars. I hope the Government will reconsider this charge.

* * *

[*Translation*]

EXTERNAL AFFAIRS

LACK OF INFORMATION PROVIDED BY U.S.S.R.

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the international community and the Abitibi region strongly denounce the ill-advised practices of the Soviet Union concerning environmental protection.

After the Chernobyl tragic nuclear accident in Ukraine, not only did Soviet authorities systematically refuse to provide information about the incident, but they even chose not to warn their neighbours. This carefree and irresponsible approach to history's worst nuclear accident attests to their utter lack of common sense, consideration and respect for the lives and health of tens of thousands of men, women and children in Abitibi.

How can we possibly give any currency to their Government's so-called overtures towards western nations when their leaders show so little consideration for their own citizens and neighbours!

[*English*]

AIR TRANSPORT

REPORTED OFFER BY WARDAIR TO PURCHASE PLANES FROM SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Wardair has indicated it is prepared to buy planes from South Africa which have become redundant as Canada and other countries cut back on South Africa's airline routes. This will facilitate white South Africans in their attempts to liquidate fixed assets and move their funds out of South Africa. The final outcome will denude black South Africans of their country's wealth which has accrued largely due to their labour. Apart from the immediate need to make the voluntary code for business in South Africa mandatory, the Canadian Government must move to block domestic Canadian companies from taking part in the stripping of the fixed assets of South Africa, the people's assets.

* * *

THE ECONOMY

RESULTS OF GOVERNMENT POLICIES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, over the past 19 months some 630,000 new jobs have been created. Unemployment is at the lowest level in four years. The CPI remains stable at 4 per cent. Consumer spending is up 14 per cent. Motor vehicle sales are up 15 per cent. Building permits are up 29 per cent. Housing starts are up 35 per cent, and manufacturing orders 11 per cent. The Bank of Canada lending rate has fallen from 12.38 per cent in September of 1984 to 8.72 per cent today. Mortgage rates are at their lowest level in eight years. In my Province of Saskatchewan, in spite of the collapse of world oil and grain prices, some 21,000 jobs have been created and unemployment, at 7.6 per cent, is down by almost 1 per cent. These figures confirm the correctness of the economic policy of this Government, one of responsible deficit reduction through lower interest rates, more jobs, private sector initiative and small business enterprise.

* * *

THE ECONOMY

REDUCTION IN BANK RATE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, yesterday the central bank rate dropped to 8.72 per cent, a bigger drop than even the analysts expected. It is the lowest level since July of 1978. Translated into savings on a five year $50,000 mortgage, the average couple would save $124 a month or $7,500 over five years. This decline is tied to the growing strength of the Canadian dollar, and growing

confidence by consumers in our economy. Both of these factors are a direct result of this Government's realistic economic recovery program that has been in place since the 1984 November economic statement. Five hundred and seventy four thousand new jobs have been created since the election. I know this is bad news for the doomers and gloomers to my right.

• (1110)

I might add that the April employment statistics reveal that the unemployment rate in Toronto has fallen to an incredible 5.3 per cent. While members of the Opposition leap over tables—

Mr. Speaker: Order, please. Sixty seconds.

Mr. Pennock: —to attack witnesses and threaten Ministers with—

Mr. Speaker: The Hon. Member for Davenport.

* * *

NUCLEAR ENERGY

INTERNATIONAL ATOMIC ENERGY AGENCY—CALL FOR ADOPTION OF MANDATORY STANDARDS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the detection of Iodine 131 in rain water in Canada inevitably forces us to think of the Chernobyl disaster and the urgent necessity of regulating the activities of the 374 reactors operating in 26 nations.

Each nation producing nuclear energy has a responsibility towards neighbouring nations and the world community. Human health must be protected by way of international safety standards enforced by the International Atomic Energy Agency. This agency has safety codes, but not the power to implement them.

We in the Opposition urge the Government to move swiftly and take international action leading to the adoption of mandatory international safety standards and inspections by the 26 nations that operate 374 nuclear reactors today.

* * *

POLITICAL PARTIES

NDP GAINS IN ALBERTA GENERAL ELECTION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, a lot of Albertans last night decided to sack the quarterback. I want to congratulate Ray Martin and the New Democrats who won 16 seats as the NDP continues to move across the west. I think a more pluralistic system will be good for Alberta in the long run.

I want to say eat your hearts out to Jamie Lamb and Jeffrey Simpson, and the other so-called commentators. I want to say a special thanks to the Member from Bow River (Mr. Taylor) whose address to this House last week inspired us to go out and increase our representation in Alberta by over 800 fold—even better than biblical terms. I find it very ironic that now in British Columbia they will be saying, "The socialist hordes are coming". From where? From Alberta, that is where.

* * *

[*Translation*]

AGRICULTURE

SHARING BY ALL CANADIANS IN DEFICIT REDUCTION

Mr. Michel Champagne (Champlain): Mr. Speaker, I would like to point out that Canada's dairy producers have up to now done more than their fair share in helping this Government reduce the deficit.

It has not always been easy, but the fact remains that they have acted responsibly towards the Canadian people, and we are proud of them.

However, the same cannot be said of dairy processors who, as far as the deficit is concerned, are about to pass the buck to the consumers of this country.

I cannot tolerate Canadian families having to pay more for their butter just because the processors say so.

Canadian consumers are doing their share to reduce the deficit, and I promise to be very vocal in my criticism of those who shirk their duty in this respect, including of course our dairy processors.

* * *

[*English*]

BANKS AND BANKING

CANADIAN PAYMENTS ASSOCIATION—SUCCESS OF SYSTEM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, after careful consultation with the financial community Parliament, in December, 1980, passed the Canadian Payments Association Act, which gave to the new association the objectives of establishing and operating a national clearings and settlements system and of planning the evolution of the national payments system.

It is a pleasure to report that the association, which now has over 120 members, has seemingly proved a great success. Currently the annual volume of payments in the system approximates 1.7 billion items, representing a value of about $8.4 trillion. Other countries are studying our system in order to improve their own.

The Canadian Payments Association, its member institutions, and the bank—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

THE LATE GASTON DEFFERRE

Hon. Bob Kaplan (York-Centre): Mr. Speaker, I rise in the House today to pay tribute to the memory of Gaston Defferre, former Minister of France and former mayor of Marseille, who died this week. I had the privilege of meeting him and working with him when he was his country's Minister of the Interior and I was Solicitor General of Canada. Canada has lost a good friend who had a very good relationship with our country and was very much interested in Canada.

To his family and his country, I express my sympathy and best wishes.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—APPOINTMENT OF CROWN CORPORATIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the administration of the Government, with special reference to the conflict of interest guidelines. Will he explain to the House when he and the Prime Minister first learned that persons appointed by the Minister of Regional Industrial Expansion to the most powerful Crown corporations in this country were first approached by the wife of the Minister of Regional Industrial Expansion and the President of York Centre—his former campaign manager—for special financial arrangements for the Minister's bankrupt company?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that sort of question has been answered repeatedly over the last two weeks. I am quite surprised that it would now come from the Hon. Member, who raised it again, particularly in view of the fact that the word out of Cape Breton is that, as a result of their questioning, there is beginning to be a loss of confidence in Cape Breton that those industries that are being attracted as a result of the policies of the Government might not get there. I suggest that the Hon. Member is doing a disservice to that area of his province by raising that kind of question.

Mr. Dingwall: I say to the Deputy Prime Minister that blackmail will not work in this case. I say it to him most sincerely.

REQUEST FOR RESIGNATION OF MINISTER

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, is the Deputy Prime Minister telling the House that he knew of these facts before today and has refused to disclose those to the House? If he knew those facts, or now knows that they are true, why does he not do the honourable thing and seek the resignation of the Minister of Regional Industrial Expansion today?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, it is the Hon. Member who is calling them facts, not I. He and his many colleagues have been calling items facts for several days now when they bear no resemblance to facts.

ACTING PRIME MINISTER'S ROLE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on February 24, 1986, the Minister said in regard to possible resignation of Ministers:

> —the only steps a Prime Minister can take to clear his Cabinet of the clear and present suspicion of trafficking in friendships and indulging the "old boy network" of past and present Ministers.

What more evidence does the Deputy Prime Minister need to sack the Minister of Regional Industrial Expansion who is in an obvious conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I do not agree with that, nor do I recall having said any such thing on the date mentioned by the Hon. Member—February, 1986.

Mr. Dingwall: 1983.

* * *

CROWN CORPORATIONS

PRIVATIZATION—UNDERWRITERS AND APPRAISERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion as a result of the Diane Francis story in today's *Toronto Star*. Very serious revelations are contained in that article. I want to get to the heart of the question of conflict of interest and the question of honest Government. Does the Minister expect the Canadian people to believe that when he was making the billion dollar decisions about which underwriters should be used in the Government's privatization programs, and which firms should be used to do appraisals, he gave no consideration at all to the fact that some of those underwriters had agreed to help bail out his family business and that other of those underwriters refused to do so?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, most Members will recall that yesterday there were similar questions with respect to the CDC issue. At that time I pointed out that 41 investment dealers were involved with that issue. The story that I read this morning and to which the Hon. Member is referring is simply a matter of setting out that there are various brokerage firms, investment dealers, in Toronto that may or may not have been approached by the persons who are referred to in the story. However, I can tell the Hon. Member that the story is as much news to me as it presumably is to him.

Mr. Kaplan: The Minister says that he did not know what his wife was doing in approaching these underwriters. I wonder if the companies involved could possibly believe that.

• (1120)

ACTIVITIES OF MINISTER'S WIFE

Hon. Bob Kaplan (York Centre): Can the Acting Prime Minister allow a situation to continue where the whole business community of Canada is being victimized by a Minister whose wife and business associates are going around trying to shake them down?

Some Hon. Members: Oh, oh!

Mr. Kaplan: How can the Government allow that kind of a situation to continue in this country?

An Hon. Member: It's unworthy.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, what is being victimized here by conduct such as displayed by the question of the Hon. Member and by the conduct of other Members of his caucus in committee and elsewhere, is this very institution. If the Hon. Member wonders about what was in the realm of knowledge of what he calls "the companies involved", why does he not ask them? He has heard the answer of the Minister.

Mr. Kaplan: You refuse to face the facts. It's right here.

* * *

THE ADMINISTRATION

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—CONFLICT OF INTEREST GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister. Here we are on Friday and we are learning through a whole unfolding of events just how deep this matter has become. I want to refer specifically to the loan made by Mr. Czapka to the Minister's wife. At the beginning of the week we learned Mr. Czapka was a shareholder, then we learned he was a consultant. Yesterday we learned that his son was directly involved in the company with financial connections to the Minister's Department—

Mr. Gormley: How about a relevant question?

Mr. Broadbent: —and finally yesterday afternoon we learned that he himself, the man who made the loan, is on the Government's gravy train getting a $980,000 grant. Does the Minister not at last see what the whole country understands, namely, the Minister is involved in a conflict of interest and should submit his resignation from that Department?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that question was answered in detail by myself yesterday. The Hon. Member is obviously not prepared to accept the assertion that the Minister has complied with the Code of Conduct for public office holders. That is his choice, that is his opinion, but it does not depart for a moment from the fact that compliance has been had, and that is a fact.

Mr. Broadbent: Mr. Speaker, I would like to follow up on what I can only regard, coming from him, as the outrageous reply of the Acting Prime Minister.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): I want to refer to a quote from the Prime Minister last year at a time when he was discussing the guidelines. About the present situation the Minister has got himself into, the Prime Minister said with respect to the guidelines: "They must be honoured by all Ministers, not only in reality, but in appearances to the contrary that might emerge inadvertently or otherwise". He was talking about the appearance of a conflict of interest. He said "inadvertently or otherwise". Notwithstanding the Minister's claims about not knowing before about his wife's loan—he knows now—does the Acting Prime Minister not agree that he may have inadvertently got himself into this conflict of interest, which I think he has clearly done? The country sees he has done that. And if he agrees, why does he not ask for the Minister's resignation?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, what the hon. gentleman is doing is reaching a verdict on the basis of what he and his colleagues have been saying and what the newspapers have been saying.

Mr. Broadbent: It's logic.

Mr. Nielsen: It is not my idea of justice. I repeat to the Hon. Member that the public record discloses that there is a full compliance with, not the guidelines, the Code of Conduct governing public office holders. That is a matter of public record. I say it is a fact because there is clear evidence on the public record that the hon. gentleman, or any other Hon. Member, can have a look at if they take the trouble to do so.

[*Translation*]

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question is directed to the Minister, himself.

Today, it is clear that the person who gave the Minister's wife a loan is getting some benefit from his department. Will the Minister finally understand the situation and hand in his resignation?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, you will recall yesterday I indicated to the House that the transactions to which the Hon. Member is once again today referring were anticipated, indeed, set out in a Memorandum of Understanding signed on August 27, 1984, by my predecessor, the Hon. Ed Lumley, of the previous Government.

Mr. Broadbent: You made the decision.

• (1125)

Mr. Stevens: The departmental processing followed that.

Mr. Cassidy: Was the loan in the memorandum?

Mr. Stevens: Yesterday, I indicated that I was willing to table the notes to which I had referred. I was rather surprised at the almost hostility of the Opposition. Subsequently, I found out that, no, it is the Memorandum of Understanding that they want to see. As far as I am concerned, after having consulted with Magna International, we now have a letter in hand from Magna stating that it is willing for me to table the full Memorandum of Understanding.

Mr. Nunziata: That is your obligation! It's not up to Magna.

Mr. Stevens: They have asked that three items be deleted because of the confidential nature of them. However, they are content to show even those three items to the Leader of the Opposition—

Mr. Speaker: Order, please.

Mr. Stevens: —and to the Leader of the NDP—

Mr. Speaker: Order, please.

Mr. Stevens: —on the understanding that they will keep them confidential.

Mr. Speaker: Order, please.

[*Translation*]

ACTING PRIME MINISTER'S KNOWLEDGE OF FACTS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns conflicts of interest. This morning, the President of Brascan and others were quoted in a newspaper article as saying that when the Minister of Regional Industrial Expansion was giving major contracts and grants to businesses in Toronto, his wife and the Minister's campaign organizer were visiting the same companies to obtain loans in order to save the Minister's family business from bankruptcy.

Could the Deputy Prime Minister inform the House today whether he was aware of these dealings and, if so, when he was informed of the situation?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman says that he has learned—I think "we" was his term—from the mouth of the President of Brascan certain things. I suggest it might be more accurate to say that he has learned the items which he is putting to us from reading a story in *The Toronto Star* today.

Mr. Waddell: Quit stonewalling.

Mr. Nielsen: There is no stonewalling. Hon. Members heard the Minister offer—and they have yet to accept it—to table the entire Memorandum of Understanding subject to the three exceptions—

Mr. Nunziata: Confirm or deny the *Star* story!

Mr. Nielsen: —which he is prepared to discuss with the Right Hon. Leader of the Opposition and the Leader of the New Democratic Party in their roles as Privy Councillors.

Surely members of the Opposition who have been questioning for almost two weeks on this matter would want to see the information upon which they are basing their questions.

[*Translation*]

TIMING OF ACTING PRIME MINISTER'S KNOWLEDGE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Deputy Prime Minister failed to answer the question. I asked him whether when he was making enquiries to check whether there was any conflict of interest, whether he was aware that when the Minister was giving contracts to major businesses, the Minister's wife and his campaign organizer were going to the same companies to obtain loans to save the family business from bankruptcy. At what time did the Deputy Prime Minister find out about this?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I say to the hon. gentleman that my responsibility as Acting Prime Minister, and as Deputy Prime Minister charged with that responsibility by the Prime Minister, is to ensure compliance with the code—

Mr. Garneau: That's not my question!

Mr. Lapierre: Would you answer the question?

Mr. Nielsen: —which is applicable to public office holders. I have done that.

Mr. Lapierre: Cover-up, cover-up!

Mr. Nielsen: There is that compliance and I have so stated for two weeks now.

DIRECTIVE ISSUED BY PRIME MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Acting Prime Minister. It concerns the directive given by the Prime Minister which states as follows:

—I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children.

Does the Deputy Prime Minister believe that that particular requirement was complied with in the case of Mrs. Stevens who went to people who do business with the ministry of which the Minister has control asking for financial assistance for the Minister's troubled company?

• (1130)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, had it not been for the last part, there would have been entirely no problem with responding very directly to the question. However, the Hon. Member smuggles in at the tail end of it another allegation that bears no resemblance to what I can see as being a factual situation.

The compliance that is required is the compliance by all Ministers of the Crown with the Code of Conduct. I am required to ensure that there has been that compliance, and I have done that. The Hon. Member does not choose to accept that.

ACTING PRIME MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question was simple and I smuggled nothing into it. Does the Deputy Prime Minister believe that the Minister took the actions that were appropriate, given that his wife has violated the Code of Conduct that the Prime Minister demands that all Ministers and their spouses live by?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, obviously the hon. gentleman is unwilling to accept the very open offer that was made by the Minister to table the document, the Memorandum of Understanding, upon which those opposite have been basing their questions for two weeks. They do not want to see the truth. They do not want to look at it.

Mr. Deans: I do want to see the truth.

Mr. Nielsen: If the Hon. Member wants to see it, he should ask the Minister to table the document and his leader—

Mr. Speaker: Order, please. Order.

MINISTER'S POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Minister of Regional Industrial Expansion said that he did not know that his wife and his campaign manager approached major Toronto brokerage firms to invest in his cash-starved company. Because he is an Hon. Member, we must believe him. However, now that he has full knowledge of the fact that his wife and campaign manager have in fact approached those major Toronto brokerage firms, how can he now deal objectively with the brokerage firms involved? Does he not agree that any future dealings he may have with those brokerage firms would lead one to believe that there is a conflict of interest?

Mr. Benjamin: Why don't you sit together and be done with it?

Mr. Nielsen: No need.

Mr. Rodriguez: The Bobbsey Twins.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I felt that I had answered a similar question which was raised yesterday by pointing out that the CDC issue was done through 41 different investment dealers in Canada.

Mr. Garneau: That's boloney and you know it.

Mr. Stevens: I would suggest to the Hon. Member—

Mr. Garneau: Who is your manager in your syndicate?

Mr. Speaker: Order, please. Order.

Mr. Hnatyshyn: We'll put you in the back again.

Mr. Garneau: He knows it's nonsense, what he says. I can't accept nonsense like that.

Mr. Kaplan: It's nonsense.

Mr. Speaker: Order, please. Surely the Hon. Member who asked the question is entitled to hear the answer.

Mr. Stevens: Mr. Speaker, I would suggest to the Hon. Member and to other Hon. Members that they should not be quick to start repeating what some Bay Street informant has fed to a newspaper on the co-ordinated approach that has been going on between the Official Opposition and newspapers in Toronto.

Mr. Fulton: Conspiracy!

MINISTER'S DEALINGS WITH INVESTMENT FIRMS—ACTIVITIES OF MINISTER'S WIFE

Mr. John Nunziata (York South—Weston): Mr. Speaker, It is obvious that the Minister's wife and campaign manager have rendered him a lame duck Minister. I would like to put the question again. How can the Minister, with full knowledge of the fact that his wife approached, not 41 investment dealers, but three investment dealers in particular, now say that he can deal objectively and fairly with those three investment dealers knowing that his wife approached them and knowing that he appointed them or has given them Government contracts?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, having spent over two hours in committee with the Hon. Member, having answered repeated questions in the House and knowing of the Hon. Member's behaviour after the committee meeting, frankly, I do not think there is any way that any Member of the House could get the Hon. Member to understand the truth.

PRIME MINISTER'S STATEMENT ON CONFLICT OF INTEREST GUIDELINES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. I refer to a statement made in the House by the Prime Minister on June 6, 1985, as reported at page 5487 of *Hansard*, dealing with conflict of interest guidelines. At that time, the Prime Minister said the following:

—I would like to acknowledge that the guidelines are very much in effect and force, and that all Ministers are obliged to respect them in all ways, including appearance. We must seek to avoid even the appearance of a conflict of interest.

Can the Deputy Prime Minister tell us when the Prime Minister changed the rules on conflict of interest? Was it before he went to Japan, on the way to Japan or while he was in Japan?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the simple answer to that question is September 9, 1985.

PUBLIC PERCEPTION—REQUEST FOR JUDICIAL INQUIRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, would the Deputy Prime Minister not agree that in the minds of millions of Canadians there are serious doubts and there are appearances of conflict of interest? Would he therefore ask the Minister of Regional Industrial Expansion to step aside and set up a judicial inquiry into the possibilities of conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister): I have answered that question several times, Mr. Speaker.

* * *

[*Translation*]

CONFLICT OF INTEREST

REASON FOR NOT TABLING DOCUMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In answer to yesterday's question from my colleague from Cape Breton—East Richmond, the Minister brandished a five-or-six-page document to defend his cause and, after requests from the Leader of the Official Opposition to table the document, the Minister agreed to table what he called notes, only parts of the document. Can the Minister explain why he did not tell the truth yesterday and table the complete document?

[*English*]

Mr. Speaker: Order, please. The question is quite out of order. The Hon. Member may ask a question about the documents if he likes but not in the way he has asked it, and he knows it.

[*Translation*]

Mr. Malépart: I will rephrase my question, Mr. Speaker. Can the Minister explain why he did not table the whole document yesterday?

Mr. Lapierre: He has an accommodating conscience.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I thought that I had indicated earlier my answer to that. Yesterday I had two documents in my hand. There was a Memorandum of Understanding and there were also my notes.

Mr. Axworthy: Why didn't you say that then?

Mr. Stevens: The notes to which I referred was where I got the number from that I put on the record yesterday. At the conclusion of Question Period, I offered to table the notes that I had. As I have indicated to the House, I have subsequently checked with Magna International which has a clause in its Memorandum of Understanding, incidentally signed by the previous Government, indicating that the memorandum is to be kept confidential and can only be released with its consent. Subject to the condition I indicated earlier, we now have the written consent from Magna to table even the Memorandum of Understanding to which I referred.

Mr. Speaker: Order, please. Short question.

[*Translation*]

MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Now that the Minister has just shown he misled the House yesterday, how can we believe him today as he tries to defend himself and his wife?

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows that I cannot allow the—I can allow the question but I must ask him to withdraw.

Some Hon. Members: Withdraw what?

Mr. Speaker: Order, please. Perhaps I am hearing something else because I am listening to two things. However, would the Hon. Member simply put his question without the comment?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps I heard something that was not there. It would help the Chair if the Hon. Member would just put his question.

[*Translation*]

Mr. Malépart: Can the Minister now explain whether he has any credibility left with respect to the other matter involving his wife, considering he misled the House yesterday?

• (1140)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I will tell the hon. gentleman and his colleagues how they can believe the Minister. He wants to give them the information—

Mr. Garneau: That is not true, and you know it.

Mr. Nielsen: —and there is no one over there who is prepared to accept it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

HEALTH

RADIOACTIVE RAINFALL IN OTTAWA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question concerns the radioactive rain which has been falling on Ottawa. I will direct it either to the Parliamentary Secretary to the Minister of National Health and Welfare or to the Parliamentary Secretary to the Minister of the Environment, if they are capable of answering. Could they indicate in the House exactly what are the dangers from the fact that the levels of radioactivity in the rain in the capital area have been six times the acceptable, safe level? How long is it likely to continue, and what precautions should Canadians take? I ask these questions so that Canadians will have some advice in the House of Commons rather than just indirect reports through the press or by telephone from Switzerland.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I would like to point out to the Hon. Member that tests were made from May 1 to May 7 in Vancouver, Regina, Winnipeg and Thunder Bay, and that they showed no trace of radioactivity. It is true that there is some radioactivity in Ottawa. However, before the Department gives an opinion, the radioactive level would have to be 10,000 times higher than it is now. There is therefore no danger for the moment and we are continuing to make tests. We are monitoring the situation very closely.

[*English*]

LOCATION OF TESTING STATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary question. The Hon. Member for Skeena pointed out in a statement earlier today that there was no testing station within 1,000 miles of portions of his riding. Because there was only one testing station in Vancouver, British Columbia, vast areas of the country are not covered by the tests to which the Minister has referred. Could the Government explain why there has not been initiated a regular program of testing to cover all regions of Canada, not just the capital cities and the national capital of the country?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I would like to point out to the Hon. Member that the present testing system reflects our needs. I maintain that the low radioactive level in Ottawa is no cause for concern. Perhaps it was just a cloud which passed over Ottawa so that the Opposition would ask us a question about it instead of the traditional questions about conflicts of interests!

* * *

[*English*]

NATIONAL REVENUE

FARM FUELS—REQUEST FOR CASH ADVANCE ON REBATE OF TAX ON BULK FUELS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of National Revenue. The rebate of all federal taxes on farm fuels is most welcome. However, the interest burden pending reimbursement of the tax is causing some fuel dealers considerable concern. In light of the greatly increased amounts of money involved, could the Minister again examine the possibility of providing some kind of cash advance or cash flow to bulk fuel dealers, perhaps a system similar to the one in place in the Province of Alberta?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am grateful to the Hon. Member for raising the recent relief in this regard which was announced by the Prime Minister and the Minister of Finance on April 30. There is a matter of policy involved. I will take it as a matter of representation, consult with the Minister of Finance to see if there can be some further improvements, and advise the Hon. Member.

* * *

[*Translation*]

THE ADMINISTRATION

CONFLICT OF INTEREST—POSITION OF GOVERNMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my questions is for the Deputy Prime Minister. First, I would like to point out that the Code of Ethics on conflicts of interests in Canada is unique in that it has no legal authority. There is

therefore something lacking in the code if we want to ensure compliance, and especially if we want the public to know that there is compliance. In my opinion, what is lacking is the requirement to provide full explanations. I would therefore like to ask the Deputy Prime Minister why it is that he himself, the Prime Minister and the Government as a whole can accept that the Minister still be reluctant to provide detailed and complete explanations since he stands accused by public opinion?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, here we are struck by the extraordinary spectacle of an offer by the Minister to provide information to the Opposition, for which it has been asking, and now they are running away from it like scared hares.

Mr. Axworthy: Just table the papers.

Mr. Nielsen: If the hon. gentleman in his supplementary question would simply indicate that he would like the Minister to table the Memorandum of Understanding on the conditions which he set out, he would be delighted to do that, and also to speak with the Right Hon. Leader of the Opposition and the Leader of the New Democratic Party as Privy Councillors.

Mr. Nunziata: Every Canadian has the right to know.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if the Minister wants to table this memorandum, we shall gladly agree to it and consider it as a first step toward obtaining more complete and straightforward explanations.

I would therefore like to ask the Deputy Prime Minister if we shall have to be content much longer with his own statements that the Minister has complied with the guidelines. If so, these guidelines deserve nothing better than to be discarded because they are absolutely worthless.

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): No, I certainly do not agree with that, Sir. The Code of Conduct originated in 1963 as a result of the events of that day, and was carried on by successive Liberal Governments for very good reason.

* * *

THE PUBLIC SERVICE

WAGES OF FEMALE EMPLOYEES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the President of the Treasury Board who should be ashamed that the average earnings of female public servants are $8,000 less than the average earnings of male employees. Surely this is proof that Conservative employment equity is not working. What practical steps will the Minister take immediately to redress these pay inequities for women who work for Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, that is a problem of which we are well aware. The wage gap between the sexes can only be eliminated by ensuring that employees in female dominated occupations receive equal pay for work of equal value. That is well under study at the moment by Treasury Board officials, and hopefully we will have something to announce in the near future.

EQUAL OPPORTUNITIES FOR WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am astounded that this important issue is just under study. Since men now hold 92 per cent of the highest paid jobs in the Public Service, will the Minister immediately establish a mandatory enforcement mechanism to ensure equal opportunities for women in every federal Department and Crown corporation?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is not only a study, we have also acted. I took the initiative in March, 1985 to invite all Public Service bargaining agents to participate in a joint union-management initiative to recommend means of implementing these very important but very complex concepts to alleviate the situation.

* * *

REFUGEES

REFUGEE DETERMINATION—TIMING OF POLICY ANNOUNCEMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Some time ago the Minister said in the Chamber that the Minister of State for Immigration would be addressing the issue of refugee determination shortly. Could the Minister indicate today a more precise date as to when a policy will be announced?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as a culmination of intensive consultation and study, including study by a parliamentary committee of the House, the Minister of State for Immigration will be announcing the new refugee determination policy during the week of May 19. I assure Hon. Members of the House that the new policy will adhere to our humanitarian traditions and respect our international obligations. What we have tried to do throughout is to seek a balance between fairness, efficiency and humanity.

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—ACTIVITIES OF MINISTERS' SPOUSES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. Earlier in the Question Period he was presented with the fact that the spouse of the Minister of Regional Industrial Expansion had approached a series of brokerage firms asking for financial assistance for the assets of the Minister and to his benefit. At that point he said that that was in perfect compliance with the standards of the Government and that it met all the requirements of the Government in terms of reporting and accountability. For the sake of all those who want to do business with the Government, is it now an acceptable practice and standard that spouses of Cabinet Ministers can go to prospective clients of the Government and ask them for financial assistance for personal benefit as a basis for doing business?

• (1150)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman has obviously come to a judgment on the basis of what he has read on the front page of *The Toronto Star*. It is equally obvious that he regards what is printed on the front page of *The Toronto Star* as undoubted fact. That is his choice and I can understand why he would make it. I choose not to believe everything I read on the front page of *The Toronto Star* as fact.

Mr. Nunziata: What are the facts? Do you know them?

Mr. Speaker: Order, please.

REQUEST FOR INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): My supplementary question is addressed to the Deputy Prime Minister who is responsible for conflict of interest. Surely when very distinguished members of the Canadian business community say that these are facts, it should strike his sense of responsibility and moral sensibility that an investigation should be launched to determine whether these are true facts rather than, *ipso facto*, dismissing them and, thereby, casting a cloud over his Government and the whole operation of the country.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman has some experience in that area himself. The code has been complied with. He chooses not to believe that.

Mr. Lapierre: Cover-up.

Mr. Nielsen: He chooses to believe what he reads. I choose not to. I choose to be a good deal more careful and prudent than he obviously does when it comes to convicting, in my mind, any person in this House or anywhere else.

TRADE

LUMBER EXPORTS TO JAPAN—JAPANESE BUILDING CODE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of International Trade. Once again the Prime Minister has apparently misstated the views of another person, that person being this time the Prime Minister of Japan.

Would the Minister of International Trade clarify the matter of whether the Government of Japan is going to review or amend its building codes in order to allow greater imports of Canadian two-by-fours?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I think the Hon. Member is well aware that for many years Canada has been making very strenuous efforts to have the trade laws of Japan relaxed with respect to the entry of our lumber into that country. The Prime Minister, the greatest trader that Canada has, raised that question at the highest level. I am confident that as a result of those discussions trade relaxation will indeed follow.

JAPANESE GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. I am talking about the trade in blarney by the Prime Minister. Are the senior Japanese officials who were present at that meeting and the officials of the Embassy of Japan in Ottawa whom I contacted today correct in saying that the Government of Japan is only going to review the building code, that it is not going to amend it? Who is telling the truth, the Prime Minister of Japan or Canada's Prime Minister?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only reply to the hon. gentleman that we should be very pleased indeed that our Prime Minister is taking our trade problems to the highest levels in Japan. He has discussed those, and I think we should be commending the Prime Minister for attending to the problems of this very troubled industry in Canada.

* * *

THE ADMINISTRATION

CODE OF CONDUCT—APPLICABLE TO MINISTERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in view of all that has gone down in this Chamber in the past two weeks, it would appear that the Deputy Prime Minister is saying that as long as a cabinet Minister conforms to the Code of Conduct he can receive a benefit. Does the Deputy Prime Minister believe that such permissive guidelines are adequate?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the main part of the allegations in the Member's question has been answered repeatedly in the House. With regard to

improvements, nothing is perfect. The Prime Minister said that, in response to a question put to him at his last press conference before leaving for his Asian tour.

I remind the Hon. Member that his Leader, the Right Hon. Leader of the Opposition, and the Leader of the New Democratic Party, have yet to respond to a letter sent to them on September 9.

Mr. Deans: We did respond.

Mr. Cassidy: That's not true. We did respond.

Mr. Speaker: Order, order!

Mr. Deans: You know as well as I do that we sat down and sent it to committee, just as we were asked to do.

Mr. Speaker: Order, please!

Mr. Baker: After that answer I now agree with what the Deputy Prime Minister said two days ago, that we have sunk to a new low in this Chamber. The word "sunk" is the past tense of the word "sink", and we all know who has been doing the sinking. I will, therefore, put my questions succinctly to the Deputy Prime Minister.

STATEMENT ATTRIBUTED TO MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. George Baker (Gander—Twillingate): Does the Deputy Prime Minister know if the Minister of DRIE was quoted correctly in *The Globe and Mail* as saying:

It's not so much that I don't trust the private sector—

To administer his affairs:

—it is just that in my whole life I have never had anyone else manage my affairs and I don't want to lose control.

Does he know if the Minister still holds this opinion? If he does, does he not think that this Minister belongs in no Cabinet?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, yesterday I was referring to the new low depths to which his caucus colleagues have sunk in their conduct in the committee where one of them was leaping over chairs to get at the Minister and the other one—

Mr. Gauthier: Don't give us that sanctimonious stuff. What a sanctimonious guy you are.

Mr. Speaker: Order, please.

Mr. Gauthier: Preaching to us, for God's sake.

Mr. Speaker: Order, please!

CANADIAN JOBS STRATEGY

ALLOCATION OF FUNDS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I, too, have a question about conflict, only my question is about the conflict between need and deed and is directed to the Minister of Employment and Immigration.

Last year hundreds of millions of dollars went unspent while thousands waited for jobs. No money has yet been allocated this year to the Canadian Jobs Strategy. When is the Minister going to get around to making the money available which is supposed to be putting people to work under the Canadian Jobs Strategy?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thought the Hon. Member was going to mention that in the past month 52,000 new jobs have been created for young people across the country.

Some Hon. Members: Hear, hear!

Miss MacDonald: That has brought the unemployment rate for young people down to 15 per cent, the lowest rate since 1981.

Mr. Nunziata: Are you proud of that?

Miss MacDonald: The Challenge '86 program, which is already being funded to the tune of some $180 million, is now coming into effect. That, too, will help to lower the unemployment rate for young people. It will help to create jobs. That program is one of the many programs under the Canadian Jobs Strategy which is already in operation.

Some Hon. Members: Hear, hear!

Mr. McCurdy: Mr. Speaker, I, of course, did not mention the facts which the Minister mentioned because I knew she would mention them rather than answer the question.

TIME OF FUNDING

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I will repeat my question which has nothing to do with Challenge '86 but is with regard to the Canadian Jobs Strategy. Members on all sides of the House ask when money is going to be made available to the Canadian Jobs Strategy so that people will be put to work, or is this the Minister's way of bringing about the cuts in the Budget which she was allocated?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, just so the Hon. Member will know, Challenge '86 is part of the Canadian Jobs Strategy. I can assure him that moneys are available for various programs under the Canadian Jobs Stategy. Yesterday I had the privilege of being in Sault Ste. Marie with the Hon. Member from that area. I announced a program of some $6.5 million for the benefit of people who are unemployed in the Sault Ste. Marie area. That was the first project to be announced under

the Community Futures Program of the Canadian Jobs Strategy.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

FINANCIAL ASSISTANCE INQUIRY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Since the disclosure about the loan made to a company run by his wife, many small and medium-sized businesses are wondering whether they could not also get five-year loans, with one year interest-free, and not to be refunded before 4 years. Could the Minister indicate to those companies where to apply for that kind of financial assistance?

[*English*]

Mr. Garneau: Call Erik.

• (1200)

Hon. Erik Nielsen (Acting Prime Minister): I think on a question of that nature, where I would need some sound financial advice, I would consult with the Hon. Member for Laval-des-Rapides.

Mr. Speaker: Order, please. I am in receipt of—

Mr. Broadbent: Point of order.

Mr. Speaker: I am in receipt of a notice of a desire to raise a question of privilege from the Hon. Member for Cape Breton—East Richmond. I have received notice of a point of order from the President of the Privy Council. Is this arising out of Question Period or not?

Mr. Broadbent: Yes.

Mr. Speaker: The Hon. Member for Oshawa wishes to raise a point of order arising out of Question Period? I will deal with that first.

* * *

POINT OF ORDER

PROPOSED TABLING OF DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Regional Industrial Expansion said earlier that he was prepared to make available a document he referred to yesterday. I am prepared to accept the conditions, as I understand them, that there are certain limited sections only, not directly involved with what has been debated here but

which have something to do with commercial confidentiality, which would have to be kept confidential. The rest would not. Under those terms I would be glad to accept the Minister's offer and look at what he has.

Hon. Herb Gray (Windsor West): On behalf of the Official Opposition I say that the Minister can table the document if he wishes. We do not accept that it is sufficient information for this House and the Canadian public to launder the document to suit the Minister's purposes.

Mr. Stevens: Point of order.

Mr. Speaker: The Minister will have his opportunity under Tabling of Documents. Is the Hon. Member raising a point of order out of Question Period? I must hear the question of privilege since I have been given notice.

Hon. Ray Hnatyshyn (President of the Privy Council): On this point of order, Mr. Speaker, I just want to make it absolutely clear that the Liberal Party will not accept the offer which has been accepted by the NDP.

Mr. Guilbault (Saint-Jacques): Speak for yourself.

Mr. Gauthier: Just sit down.

Mr. Hnatyshyn: I would like to get a clarification, Mr. Speaker. There are some constraints with respect to the tabling of documents. My colleague, the Minister of Regional Industrial Expansion, indicated he is prepared to table the document but make the exempted information available to the Right Hon. Leader of the Opposition and the Leader of the NDP as members of the Privy Council. It is not a question of not making disclosure but the normal exclusion of certain limited parts of this document on the basis of commercial confidentiality. The Official Opposition House Leader (Mr. Gray (Windsor West)) will understand that, having served in Government. I just want to make sure I understand that that would not be a suitable arrangement under which the Minister tabled this document.

Mr. Speaker: I suspect that there needs to be more conversation about this among House Leaders.

Mr. Gray (Windsor West): Mr. Speaker, I have to respond to the President of the Privy Council. I want to make our position clear.

Mr. Benjamin: That won't be easy.

Mr. Gray (Windsor West): If the Minister wants to table the document he referred to during today's Question Period in the form to which he referred, he can do so. We are not stopping him. I am saying that, as far as we are concerned, we do not consider that ends the matter. If he says he will table it only if the Right Hon. Leader of the Opposition as a Privy Councillor agrees to look at certain parts of it and keep them confidential, then certainly at the very least I will have to consult with my Leader, who is not here. However, I say let

the Minister table his document and let this House and the Canadian people pass judgment on it right away. However, do not use the fact that we may not be willing to say the document is adequate as an excuse not to table the document in question today in the form he says he wants to table it.

Mr. Stevens: Point of order.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans), and then the Minister.

Mr. Gauthier: You have a question of privilege.

Mr. Deans: On a different point of order.

Mr. Speaker: I know I have a question of privilege. The Hon. Member raised a point of order arising out of Question Period and I think I have to resolve that matter before we can go to the question of privilege. The Minister wishes to speak to the point of order?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Yes, Mr. Speaker. It arises out of the original comment made by the House Leader for the Official Opposition. He said there had been some laundering of the document overnight.

Mr. Gauthier: You said "notes" yesterday and not "document".

Mr. Stevens: I think it should be abundantly clear that the Memorandum of Understanding has a confidentiality clause in Clause 21. This is directly over Ed Lumley's signature. It says that, subject to the Access to Information Act, the Minister and Magna agreed to keep this MOU, including its annexes, confidential and not release it to third parties unless the prior consent of the other side is first obtained.

Mr. Axworthy: You used it yesterday.

Mr. Stevens: That is exactly what we did last night. Magna worked late into the night to make sure there was no other reason for not releasing the document. They have indicated that, with the exception of only three parts, they are prepared to have it tabled. That is what we are offering to do.

Mr. Speaker: Order, please. I think, as Hon. Members, know there has not in fact been a point of order in all of this. There has been an attempt to negotiate on the floor. I think that should occur somewhere else.

I am in receipt of a notice of a question of privilege from the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

PRIVILEGE

STATEMENT BY MINISTER

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, yesterday during Question Period I posed a question to the Minister of Regional Industrial Expansion. In answer to my question he clearly read from a document. Later, according to established practices, the Minister was asked to table that document. Unfortunately, he said he had read only from a note and offered to table the note from which he said he read. After Question Period I had an opportunity, along with many of my colleagues, to view the official video tape, the electronic *Hansard*. We saw that the Minister was clearly reading from a document of several pages in length, not from the short note he showed us at three o'clock. My question of privilege is that the Minister perhaps—perhaps—through misunderstanding the document referred to in the point of order raised by the Hon. Member for Windsor West (Mr. Gray), has misled the House. I think he should be called upon to correct his statement, table the proper document and, if he is not so prepared and he is viewed as having breached the privileges and practices of this House, I am prepared to move the appropriate motion.

Mr. Speaker: The Hon. Member gave me proper notice of his question. He may know that it is not a question of privilege but a point of order he has raised. He has a view of the facts yesterday. The Hon. Minister gave me his view in the House yesterday that, on his word in the House, he was speaking from notes. As I indicated yesterday, the Chair accepts that the Hon. Member has a view of the facts and the Hon. Minister has given us his view of what the facts were. I, of course, accept his view.

Mr. Gauthier: He changed it overnight.

Mr. Prud'homme: Did you watch television?

Mr. Speaker: Hon. Members will know that the Speaker's obligation is to listen to the point of order raised in the House, and that is that.

* * *

POINT OF ORDER

STATEMENT BY ACTING PRIME MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a point of order arising out of Question Period. Earlier in Question Period the Acting Prime Minister repeated something he has said on a number of occasions during the course of this week. He said the Prime Minister (Mr. Mulroney) had written to the Leader of the New Democratic Party regarding the conflict of interest guidelines for Members and had no response. I want to put two matters clearly on the record. One, the Leader of the NDP did in fact file the views of this Party with the commission studying the conflict of interest issue.

They were made available to all Members, including the Prime Minister. More important, in the letter written to the Leader—

Mr. Speaker: The point of order?

Mr. Deans: The point of order is that the Acting Prime Minister has inadvertently misled the House.

Mr. Hnatyshyn: That is not a point of order.

Mr. Deans: It is a point of order.

Mr. Hnatyshyn: It is a question of fact.

Mr. Deans: What is a question of fact?

Mr. Hnatyshyn: You are arguing a matter of fact.

Mr. Deans: I am not arguing facts.

• (1210)

Mr. Speaker: Order, please.

Mr. Deans: I'm sorry, I demand the right to clear the record.

Mr. Speaker: The Hon. Member knows, I think, that he is debating the fact.

Mr. Deans: I am not.

Mr. Speaker: He is saying he has a version of the facts, and he is saying another Member's version of the facts is wrong.

Mr. Deans: There is only one version of the facts.

Mr. Speaker: Anybody who has been around this Parliament as long as I have knows there is always more than one version of the facts.

Sir, with respect, I say—order, please.

Mr. Deans: I have about had it!

Mr. Speaker: Order.

Mr. Deans: I have defended you at every turn.

Mr. Speaker: I know you have.

Mr. Deans: I am sick of it.

Mr. Speaker: Order, please. The Hon. Member for Hamilton Mountain feels strongly that the facts have not been—order, please.

Tabling of Documents

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): I would like to raise a point of order to announce business next week, namely, that I want to designate Monday as an allotted day.

ROUTINE PROCEEDINGS

[*English*]

MEMORANDUM OF UNDERSTANDING

MAGNA INTERNATIONAL INC.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to table what I offered to table yesterday, which are the notes that I referred to during Question Period, and from which I read a number into the record concerning the Magna International contracted projects. In addition, as I indicated earlier, I would like to table the Memorandum of Understanding that was entered into on August 27, 1984, by Ed Lumley, on behalf of Her Majesty, and by Frank Stronach, on behalf of Magna International Inc. This Memorandum of Understanding, and perhaps I could read this into the record, is tabled on the understanding that there are four columns of figures on Annex 1 that have been deleted because it is felt they are, businesswise, quite sensitive. They show projections and sales, this type of thing. Annex Nos. 9 and 10 are also deleted. Those portions of the Memorandum of Understanding, Magna has told us in writing, will be made available to the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the NDP Party (Mr. Broadbent) provided they sign, and I will read into the record, on the part of the Leader of the Opposition:

I, John Turner, P.C. hereby promise and agree personally, and in my capacity as a member of Her Majesty's Privy Council, to keep confidential and not disclose to any person the contents of the four (4) columns of figure on the—

Mr. Speaker: Order, please. Order, please.

The Hon. Minister may have something to say under statements, but at this point all he can do is table documents, with respect. Order, please.

Mr. Stevens: Mr. Speaker, I have tabled the two documents.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to five petitions.

[*Translation*]

PETITIONS

REQUEST THAT GOVERNMENT RECONSIDER CANCELLATION OF KATIMAVIK PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I have here a petition signed by some thirty Canadians from around Saint-Hyacinthe, Quebec, asking the Government to reconsider its decision to terminate the Katimavik Program.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am also pleased to speak for a number of petitioners who humbly submit that the Katimavik Program was successful training the 20,000 young people who participated over the past ten years, and request that the Government support that initiative and reconsider its decision to terminate the program. Mr. Speaker, I have at least eight such petitions.

[*English*]

CAPITAL PUNISHMENT

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, I am pleased to be able to present another petition, this one signed by 110 residents of Etobicoke Lakeshore, and some 20 other municipalities around Ontario, from Ajax to Agincourt, Welland to Weston, Scarborough to Sarnia, and so on, in which the petitioners humbly pray and call upon Parliament to vote, at the earliest possible date, to reinstate capital punishment for first degree murder.

Pursuant to Standing Order 106 this petition has been certified correct both as to form and content.

[*Translation*]

REQUEST THAT GOVERNMENT RECONSIDER CANCELLATION OF KATIMAVIK PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I too have a number of petitions that I would like to present on behalf of citizens from Montreal, Dartmouth, Nova Scotia, Pierrefonds, Toronto and other areas in Canada who request that the Government reconsider its decision to terminate the youth program called Katimavik, and reinstate it.

[*English*]

DISARMAMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I have the honour to present a petition from several hundred residents of Prince Edward Island who belong to the Island Women for Peace, and who urge the Government of Canada to diminish Canada's participation in the nuclear and conventional arms buildup, and, to that end, withdraw any proposed contract with Litton Systems Canada Limited to produce, in Prince Edward Island, the radar component for ADATS weaponry.

QUESTIONS ON THE ORDER PAPER

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): I ask that all questions be allowed to stand.

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed from Thursday, May 8, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health. Contributions Act, 1977, be read the second time and referred to a legislative committee; and on the motion of Mr. Lewis (p. 13066).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the debate we are starting or rather resuming on Bill C-96 can hardly be said to be proceeding smoothly. I see the Conservative Members across the way making jokes.

I find it incredible that when we have a Bill that will have an impact on every Canadian province and will involve a total of $8 billion by the end of this decade, that not a single Minister who was involved in the decision-making process, not the Prime Minister (Mr. Mulroney), not the Deputy Prime Minister (Mr. Nielsen), not the Minister of State (Finance) (Mrs. McDougall), not the Minister of Finance (Mr. Wilson), not the President of the Treasury Board (Mr. de Cotret), not a single Minister who was involved in making this decision or making this proposal to the Government, not a single Minister has had the courage to rise in the House to explain, not just to Hon. Members but to the Canadian people, what this Government was doing! Through Bill C-96, the Conservative Government, the Minister of State (Finance) and the Minister of Finance are taking $8 billion off the deficit and dumping it on the shoulders of the provincial Ministers of Finance. And then the Minister of Finance is going to tell us they have reduced the federal deficit. They reduced the deficit by passing it on to the provinces.

I think it is shocking that the Minister of Finance does not have the guts to come and explain, and that the Minister of State (Finance) who replaces him did not have the good judgment to come and explain to the House why the federal Government is going to cut back on health and post-secondary education programs and why the Government is going to cut transfer payments to the provinces by nearly $8 billion. Three billion for Ontario, two billion for Quebec, hundreds of millions for all the other provinces in Canada, provinces that

cannot afford such cutbacks. And none of the Ministers responsible for financial affairs have had the courage to rise in the House to explain their position.

Mr. Speaker, I am not sure what kind of administration Hon. Members on the other side of the House are trying to set up, but there is growing evidence that all Conservative Cabinet Ministers have been gagged and ordered by the Prime Minister and the Deputy Prime Minister not to say anything. It is obvious in this case which closely resembles the matter under discussion in the House over the last couple of weeks. When well known businessmen such as those whose names have been reported in today's newspapers confirm before the media that indeed there were meetings between a Minister's wife and their companies, and that the Deputy Prime Minister stands up to say "I do not believe a word of it",we must conclude that the Government is putting up a smokescreen and does not want to come clean with the Canadian people. To top it off, in the case under consideration the Minister of State (Finance) refuses to explain the Government position. As we recall, the Hon. Member for Etobicoke Centre (Mr. Wilson) was in the Opposition in 1982 and, after months and months of negotiations to amend the equalization formula, he stated that it was not co-operative federalism, but predatory federalism. Why is he not in the House, or why can his colleague the junior Minister of Finance not be here to explain this glaring contradiction?

I have been listening to back-benchers expounding their principles. Sure enough, the Conservative Members told us yesterday that we must privatize hospitals, particularly homes for the elderly. Mr. Speaker, the Conservative Member ought to know that when the federal and provincial Governments changed the health care funding formula in 1976-77, the idea was to give more leeway to the provinces. I really do not see how anyone can argue that $8 billion will be taken away from the provinces because these activities have to be given back to the private sector. I quite agree that the private sector might have a role to play, but does the Hon. Member believe that only those who can afford to pay between $700 and $1,000 a month should be entitled to a space in a nursing home, a senior citizens residence or a hospital? If such is the Conservative philosophy and if the Member from Nova Scotia who spoke the other day was expressing the views of this Government, I would like a Minister to confirm that, from now on, the cutbacks of $8 billion, or $3 billion for Ontario and $2 billion for Quebec, mean that the Conservative Government wants the provinces to privatize hospital care. Is this the philosophy of the Conservative Government? Has the Hon. Member from Nova Scotia, whose province will lose hundreds of millions of dollars, consulted his Premier? Did he ask the Members of the Legislative Assembly of Nova Scotia whether they agree with privatization and with a reduction of their costs? Could they indeed reduce hospital costs?

For my part, I am shocked to see such an important financial bill, which goes to the very heart of our social programs about which the Prime Minister of Canada said during the 1984 electoral campaign:

• (1220)

[*English*]

"the social programs are a sacred trust not to be tampered with".

[*Translation*]

Mr. Speaker, "not to be tampered with" . . . The provincial Ministers of Finance will have to shoulder this $8 billion cut in program funding. Is this consistent with the firm commitment the present Prime Minister had made during the election campaign, at a time when he was the Leader of the Opposition?

There are things which do not make sense. Over the past few days, Mr. Speaker, we have been trying to bring the Government to its sense and have it realize the absurdity of pushing through this $8 billion bill without any minister daring to come to the House to defend it. No Minister has risen in the House to deal with this Bill, and today, under threat of closure . . . It is not enough for the Government to use the weight of its 211-seat majority, it needs also use closure to stop this debate and make sure the Canadian people do not realize that they are about to be had.

Mr. Speaker, in view of the complete lack of courage demonstrated by the Minister of Finance and the Minister of State (Finance), in view of the fact that they have the gall, in spite of their 211-seat majority, to try and gag the 39-members strong Liberal Opposition—211 against 39—and that this Government is forced to use closure . . . I suggest the Government have gone far beyond the acceptable limits in our democratic system Mr. Speaker, and I move the immediate adjournment of the House to protest the Government's irresponsible attitude.

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

Committee Report

The Acting Speaker (Mr. Paproski): Call in the Members.

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

• (1230)

(Division No. 255)

YEAS

Members

Allmand	Gray (Windsor West)	Malépart
Althouse	Guilbault (Saint-Jacques)	McCurdy
Axworthy	Hovdebo	Mitchell
Baker	Isabelle	Murphy
Caccia	Jewett	Nunziata
Deans	Kaplan	Penner
Fulton	Langdon	Prud'homme
Gagliano	MacLellan	Rodriguez
Garneau		Skelly
Gauthier		Waddell—28.

NAYS

Members

Bertrand	Gass	McDougall (St. Paul's)
Blouin	Gérin	McInnes
Boyer	Gormley	McKinnon
Brisco	Graham	McKnight
Cardiff	Gurbin	Mitges
Champagne (Champlain)	Hamelin	Murta
Comeau	Harvey	Nickerson
Cooper	Hawkes	Nielsen
Corbett	Hnatyshyn	Oostrom
Crouse	Hudon	Pietz
Darling	Jardine	St-Julien
Daubney	Jourdenais	Scowen
Della Noce	Kilgour	Siddon
Dick	Ladouceur	Vézina
Dorin	Lanthier	Vincent—50.
Fennell	Lopez	
Fretz	MacDonald (Kingston and the Islands)	
Friesen		

• (1300)

Mr. Speaker: I declare the motion defeated.

Mr. Deans: Mr. Speaker, I rise on a point of order. I would just like to extend my apology to Your Honour for my earlier intemperate remarks.

Some Hon. Members: Hear, hear!

Mr. Speaker: I thank the Hon. Member for being, as always, an example of a parliamentarian.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, I wish to have my vote registered as an abstention because I believe that this is a disgusting waste of parliamentary time and—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member knows that a comment of that kind is entirely out of order.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. If you were to seek the consent of the House to revert to the tabling of committee reports, I have reason to believe, after consultation, that you would find such consent. I think the House would be so disposed.

Mr. Speaker: I take it there is an agreement to do this before calling it one o'clock.

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to table the seventh report of the Standing Committee on Management and Members' Services.

[*English*]

We voted the estimates of Mr. Speaker last Wednesday.

Some Hon. Members: Hear, hear!

[*Editor's Note: See today's Votes and Proceedings.*]

Mr. Gauthier: Let's have lunch.

Mr. Speaker: Order, please. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has made a suggestion which I am afraid I cannot accommodate today. It being after one o'clock, I do now leave the chair until two o'clock today.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and on the amendment of Mr. Lewis (p. 13066).

The Acting Speaker (Mr. Paproski): Is the House ready for the question? I will recognize the Hon. Member for Churchill (Mr. Murphy).

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to thank the Government House Leader (Mr. Hnatyshyn) for finding a quorum this Friday afternoon. The Government has moved a motion that the question be now put. This means that I and other Members who are interested in speaking on this issue will not have the opportunity to do so.

Some Hon. Members: Hear, hear!

Mr. Murphy: I can understand the response of the Government Members because in previous opportunities to speak on this Bill I have quoted the Minister of Finance (Mr. Wilson), the Minister of Health and Welfare (Mr. Crombie), the Minister of Employment and Immigration (Miss MacDonald), and the Minister of Justice (Mr. Crosbie). I can understand why Conservative back-benchers, and those on the front bench when they deem to show up in this place, are reluctant to hear the words of their own Cabinet Ministers. As you well know, Mr. Speaker, from your many—and some say too many—years in the House—I say that with all due respect, Mr. Speaker—what the Conservative Cabinet Ministers were saying when they were the opposition finance critic, health and welfare critic, employment critic, and justice critic, was the exact opposite of what they are doing at the present time in government.

We are presently debating a piece of legislation which will take money which would have gone to the provinces for medical services and the funding of post-secondary education. Some of the Government Members have said that that is not what the Bill will do. They say it will give more money to the provinces. That is certainly what some people would call *newspeak*. The present legislation is not due to expire until April of 1987. That legislation which was passed by this House in 1982 would have given each of the provinces more money for medicare and post-secondary education. The legislation with which we are now dealing will take that money from very essential programs which are necessary to create a sense of equality across the country.

The Ministers whom I quoted in earlier remarks said that this was unilateral action of a federal Government which was not concerned with consulting the provinces. In other words, while in opposition, the Conservatives said the Government should not pass such legislation because the Government had not consulted with the provinces. Post-secondary education and medical services are not paid for only by the federal Government but are paid for by the provinces and other agencies in conjunction with the federal Government.

In 1981 and 1982, Conservative after Conservative spoke in this House. Their theme was that we must keep co-operative federalism alive and that there should be no unilateral action by the federal Government. In 1982, the Liberals were not taking money away from the provinces. They were introducing legislation which would cover the period from 1982 to 1987. We objected to that legislation as did the Conservatives. However, it was a recognized responsibility of the federal Government of that day to introduce legislation which would cover federal contributions to post-secondary education and medicare for the next five-year period.

The federal Liberal Governments of that time failed to negotiate that with the provinces. They could not come to any agreement. They introduced a piece of legislation which they passed without the support of most of the provinces. They did that and were attacked time after time by the present Minister of National Health and Welfare (Mr. Epp), the Minister of Finance, the Minister of Justice, the Minister of Employment and Immigration, and any number of other Members now sitting in Cabinet. The Tories condemned what they said was unilateral action. However, the Liberal Government was introducing legislation covering the next five year period. The present legislation has another year to run, until March 31, 1987. The legislation in front of us takes back money promised to the provinces under legislation which the Tories condemned as lacking in generosity and failing to recognize the rights of the provinces.

• (1410)

I have quoted the words Conservative MPs have used in the past in order to point out that they do not live up to what they said when in opposition. For that matter, they are even worse. One might say that they are stealing the money, if I can use that expression, from the provinces.

In addition to that, during the last election the Conservative Party said it would return to the 1977 funding formula which the Liberals had taken away. I do not know what the Conservative Whip was saying during the election but he knows that that was his Party's platform as shown on page 98 of its campaign handbook. I want him and other Members to know that they did not keep their election promise to the youth of this country. They did not restore the money taken away by the Liberals. No one in this House can get up and deny that.

Ms. Jewett: Where is Flora today?

Mr. Murphy: Where are any of the Ministers today?

Some Hon. Members: Order.

Mr. Murphy: I realize I do not have much time left because of time allocation, but let me say this. Mr. Justice Emmett Hall, a distinguished former member of the Conservative Party, spoke in Winnipeg on April 3. He made very clear what this legislation would do. It will hurt two groups in this society, the poor and the poorer provinces. He said that the provinces are going to have to incur more costs for medicare and that those provinces which do not have abundant resources will suffer more. He said it is obvious that there will be a lowering of standards and an inability to keep up with the state of the art in provincially owned hospitals. This from a man twice commissioned by the Government of Canada to look into

medicare. He is not a New Democrat, he is a Conservative. He went across this country on this issue and is saying that this legislation will mean a reduction in the level of services.

Two weeks ago, speaking to *The Financial Post* conference on health, the Minister of National Health and Welfare was asked if these reductions will impact on affordability and accessibility. He replied that of course they will. He admitted that this legislation will reduce accessibility and affordability, and the people of this country should know that. When the legislation gets to committee I am sure we will make that case. We cannot beat the Tory numbers in this House, but I am sure the groups concerned can keep repeating these Tory promises—

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the purpose of this Bill, as other Hon. Members have said, is to cut back on federal Government transfers to the provinces for post-secondary education and health care. We in the Opposition, along with the people of Canada, must oppose this Bill with all our might. Most of the provinces are doing so even though some of them are run by Conservative Governments. The Conservative Party campaigned during the election on a promise to respect social programs and make them a sacred trust. It is strange that the Conservatives should pick on post-secondary education and health in dealing with the deficit. What they are really doing is transferring the deficit to the provinces.

Education and health, as you know, are the lifeblood of a modern technological state. I look upon money spent by Government on education as an investment, not simply as a transfer payment for welfare or social services. If we are to have a society able to meet competition from the U.S., Japan and the European Common Market, we must have the best trained and most competent people in industry. The only way we are going to do that is by having a first-class educational system at the primary, secondary and post-secondary level. This money which is being cut was not only for universities but also for community colleges, technical schools and others as well. It was to be used to train those people required in a modern technological society.

The other side of the coin here is the issue of health care. Again, if we are going to have a productive, competent nation, we need healthy people. We need people who are able to work without worrying about health problems, especially the financial aspect. I spoke to the amendment to this Bill put forward by my colleague, the Hon. Mmember for Laval-des-Rapides (Mr. Garneau). I put some arguments on the record against this Bill. I would now like to put on the record some of the things happening in this country outside Parliament, some of the opposition taking place, which I think is important. I do not want people to believe that it is just the Opposition in this place which is opposing the Bill. There is opposition everywhere in the country. I quote from an article from *Le Devoir* as follows:

[*Translation*]

—and in the newspaper *Le Droit* on March 14, 1986, and in the article entitled "Three Hundred Students condemn the Cutbacks", this was written:

Over 300 students from Ottawa and Carleton Universities demonstrated on Parliament Hill yesterday noon to condemn the cutbacks announced by the Conservative Government with respect to the financing of post-secondary education.

[*English*]

I now quote the following from the Saint John, New Brunswick *Telegraph Journal* of February 21:

• (1420)

The New Brunswick Medical Society has already done everything it can to fight Finance Minister Michael Wilson's proposal to trim federal support of provincial medicare, says society president Dr. Paige Emenau.

In anticipation of the legislation Wilson brought to the House of Commons last Friday, medical society officials met in Ottawa early this month and laid out their case to New Brunswick members of the federal Progressive Conservative caucus.

I have another example from the scientific community, and I quote from the Toronto *Star* on February 6 the following:

Funding cuts seen as crisis for our universities. Shrinking Government support for post-secondary education is causing a crisis for Canadian universities, spokesmen for the academic research community have warned.

And they say a federal-provincial conference is needed to resolve the issue before the damage becomes irreparable.

"Research is not a luxury, but a necessity", Bernard Shapiro, president of the Social Sciences Federation of Canada, told a news conference yesterday.

I have already referred to the medical profession and the scientific community. There are also quotes from the political leaders in our provinces. I have here an article from the Halifax *Chronicle Herald* of January 2. This is an article by Harvey Webber, who is a Sydney, Nova Scotia businessman, a lawyer and a founder of the Atlantic Canada Plus Association. He says the following:

Federal transfer funds allocated ostensibly for health care and post-secondary education alone total approximately $275 million in this province.

That is Nova Scotia. He continues:

The Atlantic Provinces must be quite clear that reduction of transfer payments for health and education could cost Nova Scotia alone $70 million a year.

As an Atlantic Canadian, I am alarmed. What are our provincial Governments doing to prevent a reduction in transfer payments? All of us throughout the Atlantic region should clearly express our concern and our alarm to our provincial representatives.

In Quebec—

[*Translation*]

—as stated in the newspaper *Le Devoir* dated December 18:

The Minister of Finance, Gérard-D. Lévesque, brought pressure to bear on the federal Government "in a general way" and not on specific issues, urging not to transfer its deficit over to the provinces—

The Quebec Minister insisted that he had exerted pressures on the Government in Ottawa so it would understand conditions in Quebec. Not only I did that, answered the Minister of Finance, but I added other considerations—

[*English*]

What is particularly sad in this situation is that we have a Government attempting to deal with the deficit, and that must be dealt with, with two very critical programs for Canadian people, namely, education and health care.

While the Government is cutting back in that area what is it doing at the same time? As it did in the last Budget it is giving a $500,000 tax exemption for people with capital gains, who are the wealthier people in our population. The Government has spent approximately $1 billion bailing out the two banks that failed recently and the creditors in those banks, even though the creditors were beyond the $60,000 limit for insurance purposes. The Government provided tax benefits to the large oil companies. These are very, very expensive programs. The Government is doing that at the same time as it is attempting to cut back on education and health care.

Let me point out for symbolic purposes, and I know it got some of my colleagues upset the other day, that when this Government came to office one of the first things it did was to increase the size of the Minister's offices. The Government raised the salaries of what used to be called executive assistants, made them chiefs of staff and gave them much higher salaries than are given to Members of Parliament. The Government established offices for Ministers recently in different parts of the country, and has announced one in Vancouver. I mentioned the establishment of an office for Mila Mulroney, the wife of the Prime Minister (Mr. Mulroney), which is completely unacceptable and had never been done in this country before. Here we have the wife of the Prime Minister proclaiming herself a real political animal. In other words, she admits that her work is principally political on behalf of the Conservative Party, and she is being paid through public funds for an office on Parliament Hill. That is a symbolic issue.

[*Translation*]

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

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary on a point of order.

Mr. Lanthier: Mr. Speaker, I wonder what the outstanding conduct of the wife of the Prime Minister of Canada, the greatest among Canadian women, has to do with Bill C-96.

[*English*]

The Acting Speaker (Mr. Paproski): I do not think that is a point of order. The Hon. Member has exactly 30 seconds.

Mr. Allmand: I know it is not a point of order, but I am glad the Member raised it. It has a lot to do with this Bill because Bill C-96 cuts important funding to the provinces for education and health care, when at the same time the Government is spending money on such frills as offices for the wife of the Prime Minister, and that is unacceptable in this country. It is only an example of the profligacy of this Government.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time is expired.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it is pretty obvious that we have almost finished consideration of Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. We, that is, our small team of Opposition Members, since there are only 39 of us in this party and 30 in the other Opposition party. But nevertheless, the Government, with the biggest majority ever, 211, since Confederation, has decided to crush that Opposition by gagging it, by putting the previous question. This means that the Government will probably make it this afternoon, unless we get reinforcements. However, I think we are running out, because there are hardly any Opposition Members left who have not spoken to the Bill. But nevertheless, Mr. Speaker, this Government has resorted to a procedure that is certainly not acceptable in a true democracy, and 211 Members could at least have the patience to listen to what the Official Opposition—

Mr. Gauthier: And to learn!

Mr. Prud'homme: Not only to listen, but to learn, as my hon. friend from Ottawa—Vanier (Mr. Gauthier) pointed out.

Mr. Speaker, it is a pity, because I wish my colleagues and especially those from Quebec, would realize the kind of impact this Bill will have on my own province, the Province of Quebec.

I am told that at a reception someone heard a rather interesting comment by our Quebec Premier, Mr. Bourassa, who said not long ago, and I will allow myself the indiscretion of quoting him: "the 66 million I am about to lose are probably the DRIE Minister's $64 million that are going to another province... ", the reference being to the contracts the controversy is all about today.

Mr. Speaker, I am sorry they don't realize how important this Bill is. They are undermining the very sectors on which Canada has built its reputation: health care and education, areas in which I think we can say our country has made enormous progress in the years since the War.

We are envied by the world. We are envied by our much richer neighbours to the South, the United States, and that is saying a lot. We are envied not only by the rest of the world but by our most precious neighbours the United States. How many Americans who know about our system envy us? How many Americans who do not know about it would, if they did, urge their Government to have two of the best programs in the world. But if we cut back those expenditures without consultations, without consulting the provinces—because after all they are directly involved—how can we believe in good harmony between the Federal Government and the provinces?

This Government was elected, as I say, because the Canadian people thought the time had come for a change. But they were not expecting such cutbacks in those expenditures. The Government made a clear commitment. They even attacked us, as it was their right to do it, and I will always remember that debate in January 1984, if my memory serves me right. You were there, Mr. Speaker, and you delivered very serious attacks against the Government.

At that time, we were criticized both by the present Minister of Employment and Immigration (Miss MacDonald) and very, very harshly by no other than the very able Chairman of the Committee on Finance and Economic Affairs, the Hon. Member for Mississauga South (Mr. Blenkarn), who suggested then that there was a breach of contract. He added—of course he was in opposition at that time—that health care and education programs came under the jurisdiction of the provinces and that the latter should be consulted.

I attended that debate. It went on and on, and you were there, Mr. Speaker. I even remember at that time you were looking at me and you were nodding in approval when your colleagues blamed us for backtracking on promises, as we wanted to do at that time, because of things we wanted to have done, because of promises broken at that time.

In view of all those attacks by the Hon. Member for Kingston and the Islands (Miss MacDonald), the Hon. Member for Wetaskiwin (Mr. Schellenberger), Alberta, and the Hon. Member for Brandon—Souris (Mr. Clark) . . . I remember very well, as does my colleague and friend the President of the Privy Council (Mr. Hnatyshyn), those attacks against our Government as democracy would have it. And what are they doing today, after having promised solemnly—I repeat, solemnly—in Sherbrooke never to do such a thing?

You know that, since yesterday, I have developed the habit of showing documents like that, because, having watched TV—I hope I will be allowed this remark as an aside—I cannot help thinking of what we have seen yesterday from the Hon. Minister of Regional Industrial Expansion (Mr. Stevens); the document he was holding at 2 p.m. had become a single sheet at 3 p.m.. That is why I have some difficulty—

On the one hand, Mr. Speaker, the Government has broken the definite promise that was made in Sherbrooke during the election campaign not to make any cut in the expenditures. We now have a total reversal of the situation, considering all the speeches which had been made as recently as January 1984 by a multitude of Hon. Members who were sitting in the Opposition at the time.

I am somewhat ill at ease when, having examined the figures very closely, I realize the extent of the losses. I point this out to my Quebec colleagues in particular, because, after all, I am not an Ottawa Member in Quebec, I am a Quebec Member in Ottawa. Therefore I owe it to myself to represent the interests of my province when they are being threatened, as I have always done even when we were in office.

Mr. Speaker, my province stands to lose close to $2 billion for health care alone. The loss will also be considerable in the post-secondary education sector. Where will the Province of Quebec find the money to make up for the funds it was supposed to get from the federal Government? How can a province as poor as Newfoundland which will lose $187 million over the next few years . . . And Prince Edward Island, Mr. Speaker, the strength of Canada stems from mutual assistance between poorer and richer provinces, yesterday's richer provinces may very well be poorer tomorrow, just as yesterday's poorer provinces may be tomorrow's richer provinces. This is what mutual assistance in Canada is all about, Canadian understanding, the spirit of federal-provincial conferences. That small province will have to make do with $40 million less in the health and post-secondary education sector alone.

Nova Scotia will be deprived of $282 million. Your own province, Mr. Speaker, will receive $773 million less.

Mr. Speaker, I think it is the duty of Opposition Members to impress upon their colleagues from their own province the fact that such cutbacks will put the Government of Quebec in a very precarious situation, as they will the other provincial administrations. It is quite obvious. We know the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) said that we are faced with a difficult situation. She is right, but that does not justify her unloading the problem on others. There should be a co-operation between the two, since these agreements had been reached together, and I feel that it is together that they should be discussed and discussed again.

Mr. Speaker, I notice that you are signaling to me, and as always, I will obey the Chair. As I interpret your smile as a sort of permission, I will try to conclude in an intelligent way.

First of all, I find it regrettable that the Government should try to gag the Opposition on such an important and significant Bill. We will therefore look into it again in committee, and we will spend more time debating it at the third reading stage. I find regrettable that the Federal Government should ask others to shoulder the deficit without getting them together to address the issue. Mr. Speaker, I can assure you that tomorrow Canada will be less generous than it is today in the areas of health care and post-secondary education which are so very important for the future of young Canadians whom we must protect, because they are Canada's real wealth, and it is not by cutting post-secondary education funding that we will have this wealth and this country envied by all.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it gives me pleasure to speak on such an important matter for Quebec. In the presence of one, two, three, four, five, six, seven . . . They do not even know what I want to say, Mr. Speaker.

• (1430)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been here for close to two years.

Mr. Gauthier: More than that.

The Acting Speaker (Mr. Paproski): More than that. I have no intention of lecturing the Hon. Member, but I wish he would maintain decorum and not count the other Members in this Chamber. *s'il vous plaît.*

[*Translation*]

Mr. Malépart: Mr. Speaker, I was counting those to whom I want to speak. I do not want to address people who are not here, so I shall speak to the eight Quebec Members who are in the House. If the Hon. Member for LaSalle (Mr. Lanthier) had not gotten excited—and I am addressing myself mostly to these people since they are supposed to defend Quebecers.

I am not blaming the other Quebec Members who are absent, but I am now addressing the Hon. Member for LaSalle—

Mr. Lanthier: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for LaSalle (Mr. Lanthier) on a point of order.

Mr. Lanthier: Mr. Speaker, we have an excellent representation of Quebec Members in this House today. We do not need the lessons of the Members opposite. I believe that it is out of order for the Hon. Member to refer to the presence of Members as he is now doing.

• (1440)

[*English*]

The Acting Speaker (Mr. Paproski): Order. I appreciate what is happening. I know it is Friday afternoon, but, please, let us just get back to debate and enjoy each other here in this Chamber.

[*Translation*]

Mr. Malépart: Mr. Speaker, I was mentioning the Quebec Members who are present because I would like them to wake up. I have the feeling that I have succeeded in the case of the Hon. Member for LaSalle (Mr. Lanthier).

Mr. Speaker, what we would like is for the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) and the Hon. Member for Champlain (Mr. Champagne) to rise to defend the interests of Quebecers.

My colleague for Saint-Denis (Mr. Prud'homme) has told us exactly how much money Quebec will be losing. This money would not go into the trust fund of the Government. It would be used to provide health care and post-secondary education for the people of Quebec. I think that it would be a good thing and that the population of Quebec would be proud and happy if the Hon. Member for LaSalle (Mr. Lanthier), the Hon. Member for Beauharnois—Salaberry (Mr. Hudon), the Hon. Member for Champlain (Mr. Champagne), the Hon. Member for l'Assomption, the Hon. Member for Châteauguay (Mr. Lopez) and the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) were to rise and say: For my part, I agree with the fact that Federal Government is cutting back millions of dollars from its transfer payments to Quebec for health care. Or else, they should simply rise and say: Mr. Speaker, I do not agree with the Government that these amounts should be cut back.

Mr. Speaker, Conservative Members have said that this is because of the deficit. But when the Government tabled a $1 billion Bill in this House to rescue some one hundred individuals in Western Canada who had $60,000 deposits in a bank account, the Hon. Members whom I have just mentioned never stood up in the House to say: I am against this Bill, because we must reduce the deficit. On the contrary, they stood up and said: I support this Bill, Mr. Speaker, for we must save these institutions. We must save banking institutions; as for ordinary citizens, it is not serious. What we are trying to do here is not to save hospital buildings, but to save the people—including some of us, who knows—who might get seriously ill and be forced to seek health care in a hospital.

Mr. Speaker, health care standards . . . Yesterday, you saw on TV . . . In the province of Quebec, in Montreal, there were surgical operations for people suffering from heart conditions. The money made available by the Federal and Provincial Governments have raised the people's standards of living. Instead of clowning about, the Hon. Member for LaSalle should rise in the House to try and defend the interests of both the Government and his constituents.

Mr. Gauthier: So far, not a single Minister has done so.

Mr. Malépart: Mr. Speaker, my colleague the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who has spoken so elequently on this issue points out to me that not a single Minister has raised so far to deal with this issue.

Mr. Speaker, they all rise in defence of the Minister of Regional Industrial Expansion (Mr. Stevens), but none of them are rising to defend the interests of Quebecers. This is absolutely shocking, Mr. Speaker. All the provincial governments expressed their disagreement, and the important thing here is that the credibility of the Prime Minister (Mr. Mulroney) is at stake, because in Sherbrooke, Quebec, he promised he would not cut back transfer payments for health care and education, Mr. Speaker. And now he has failed to keep the promise he made in Quebec City.

Mr. Speaker, once again, I may remind the Conservative Members from Quebec who are here in the House, and I am not talking about those who are absent . . . I never saw the Hon. Member for Montmorency—Orleans (Mrs. Blouin) rise in the House.

I think it would be interesting to know what she has to say about this question, Mr. Speaker. Not only is the Government preventing its Members from speaking, it has gagged the Opposition.

The Members across the way are laughing. There are 211 of them. The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) is laughing, but I can tell you something, Mr. Speaker.

Mr. Hudon: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary has the floor.

Mr. Hudon: Mr. Speaker, it really bothers me on this side of the House when I hear my hon. friend opposite. I have the impression that if he speaks long enough, he will end up saying something, and I would like to hear it.

Mr. Malépart: Mr. Speaker, you will agree that this was not very bright, but then people did not know them before they elected them. So he has just showed, and was not the first to do so . . . but I can predict that he will not be there come the next elections, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I hope the Hon. Member will get back to debate and talk about the Bill and not about attendance in the House, please.

[*Translation*]

Mr. Malépart: Mr. Speaker, I was indeed responding to the point of order, and you agreed with me that what he just did was stupid.

Mr. Speaker, coming back to the guillotine proposed by this Government to end the debate, we just saw the Hon. Member for Beauharnois—Salaberry (Mr. Hudon) who just rose. It is easy to gag the House, but it is a shame for the Government to rise and speak. So he has nothing intelligent to say. But, Mr. Speaker, there are others here—and the fact that they are Conservatives has nothing to do with that take the Hon. Member for Chateauguay (Mr. Lopez)—he is a good Member, intelligent, and I would like to know what he thinks about that. Instead of going through such antics as did the Hon. Member for Beauharnois—Salaberry, certainly he could enlighten us, and perhaps after hearing his explanations we might say: Of course, maybe it could do for a year, and next year we will negotiate, the Government was right in doing this or that.

But no. There are no discussions, although they brag about enhancing co-operation with the provinces. Mr. Speaker, all the provinces disagree with the measure. The Quebec Government has had to impose a special tax on firms and corporations to cover the $66 million gap in equalization payments being received from the federal Government. There was a meeting here at 2 p.m. this afternoon between Mr. Ciaccia and Mr. Sinclair Stevens concerning the Matane paper mill, because that project is not proceeding because of lack of federal funds as usual paid to the provinces.

Mr. Speaker, equalization involves payments from government to government, but it also implies payments from citizens to citizens. And with the arrangements that were reached in the areas of health care and post-secondary education the people of this country—the rich provinces at the expense of the poor provinces—would know when someone paid taxes to the federal Government, that there was some redistribution to help the less favoured in other provinces through post-secondary education or health care.

Mr. Speaker, you are indicating that my time has almost expired. Again I would like to give an opportunity to the Hon. Member for Beauharnois—Salaberry. He uttered mere stupidities, but I feel he could contribute intelligently to the debate.

I am convinced that the Hon. Member for Châteauguay (Mr. Lopez) would have something brilliant to say as well as the Member for Charlesbourg (Mrs. Tardif), the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) the Hon. Member for Montmorency—Orléans (M^{me} Blouin) whom we do not know. My colleague for l'Assomption, I think, is competent enough as far as the Gulf issue is concerned. Mr. Speaker, in concluding I invite those Members to defend the interests of Quebecers.

[*English*]

The Acting Speaker (Mr. Paproski): Order. I always like to hear the Hon. Member speak on debate, but his time has expired.

• (1450)

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of the Hon. Member for Simcoe North (Mr. Lewis):

That the question be now put.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(5), the recorded division stands deferred until 6 p.m. on Monday, May 12, 1986.

* * *

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Energy, Mines and Resources) moved that Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be read the second time and referred to a legislative committee.

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am proud to speak on the second reading of the Canada petroleum resources Bill in the House today. It is an important element of our broader economic strategy. The strategy was clearly laid out by the Government shortly after we took office. It was particularly faithful to the commitments we made to the people of Canada during the last election.

The strategy reflected our belief as a Party, and the commitment of our Prime Minister (Mr. Mulroney), that fundamental change was necessary to the existing structure of federal economic policy. Soon after taking office, the Minister of Finance (Mr. Wilson) announced five economic priorities which would determine the Government's long-term approach to economic and fiscal management. They are: reduction of the federal deficit; removal of Government obstacles in the market-place; the strengthening of Canada's trade relationships; establishment of a new and a more practical investment policy; and the resolution of long-standing energy disputes with the provinces. These priorities reflected the genuine anxieties of Canadians about the way that the previous Government was mishandling the economy.

Under the former Government, unemployment and the deficit were on the rise while investment and investor confidence were on the decline. Our Government has moved quickly to make its economic priorities a reality, bringing new hope to Canadians. For the first time in years we have stopped the rate of growth in the deficit. There is real restraint in Government spending. This is a direct result of the Budget of the Minister of Finance.

As a Government we are deeply concerned with the fair and equitable treatment of Canadians from all regions, whether they are from Atlantic Canada, Ontario, Quebec or western Canada, and from all walks of life. I believe that the budget measures announced by the Minister of Finance treat seriously the problems facing our nation today. We can no longer afford to spend more than one-quarter—and I think the figure is close to one-third—of our national revenue on the financing charges for the debt. The Government is committed to paying down the national debt. As any family with a mortgage or any small-businessman who relies on credit will agree, the sooner we pay off our debt the sooner we will be able to put our revenue to productive use.

That is what our Budget will do. By the end of the decade the national debt will finally stop growing faster than the national economy for the first time since 1974-75. The money the Government must actually borrow in the market-place is projected to fall from $8.8 billion to $11 billion in 1990.

The Minister of Transport (Mr. Mazankowski) has begun the process of deregulation in that sector. This initiative will release the market forces that will provide Canadians with the best transportation system at the best possible price while not sacrificing safety.

The Foreign Investment Review Agency has been replaced by Investment Canada. It attracts, and does not repel, the foreign investment so needed for healthy economic growth in this great country.

The Government has begun to return certain Crown corporations to the private sector. Those which serve a genuine public interest as Crown corporations will be retained. But those which merely represent the excessive intrusion of the previous Government into the Canadian economy will be returned to the market-place.

Our energy policy, like our over-all economic strategy, is based on certain fundamental beliefs: that the petroleum industry must be freed of excessive taxation and government control so that it can adequately respond to the sometimes dramatic shifts in the world oil market; and that energy should unite the country and not divide it.

The introduction of the frontier policy statement on October 30 marked the end of the Liberal blueprint for disaster—the National Energy Program. The Progressive Conservative message, the message of fairness and of market responsiveness, has been heard. It has been heard and understood by Canadians in every region of the country.

The Government has delivered on its promise to use Canada's vast energy resources as a uniting force. The Atlantic Accord has made Newfoundland and Labrador an equal partner in the development of oil and gas resources off its coast. Just two months after signing the Atlantic Accord we signed the Western Accord with the Governments of British Columbia, Alberta and Saskatchewan. This accord stimulated $1 billion in investment. Under the accord, we deregulated oil prices.

Under the previous Government's policies the price was set at the whim of Government, regardless of what was happening in the market-place. Even if the pressure was for crude oil prices to drop, consumers would not have received any kind of price break unless the Government wanted them to receive one. Canadians remember that the National Energy Program increased gasoline prices by up to 94 per cent. The Western Accord has made it possible for consumers to enjoy the

benefits of lower gasoline and oil prices. It also eliminated a list of taxes, removing both the financial and bureaucratic burden these placed on companies operating in Canada's oil and gas sector.

Last November 1, the Government delivered on another commitment by reaching an agreement on natural gas pricing and markets with the western producing provinces. If you could, Mr. Speaker, you would ask me: What were the results? I will tell you, Sir. Canada's natural gas industry is now free to compete both in Canada and in the United States. Consumers will benefit because the market-place will determine the price of natural gas, and competition will ensure that the prices are market responsive. Industrial users of natural gas can buy directly from producers or brokers, which will enhance their competitive position *vis-à-vis* American industries.

Companies are responding to the opportunity to make deals without the federal Government determining the bottom line. As Conservatives, we believe this is the way it should be, and Canadians are responding. In fact, contracts under the natural gas pricing and markets agreement are being signed all the time between western producers and industrial users.

• (1500)

We are all aware that crude oil prices have dropped and have dropped dramatically in the past several months. This will provide a direct economic stimulus to many regions of Canada. However, it is causing serious uncertainty in the oil and gas industry. Exploration and development plans are now under review and jobs are being threatened. It is important to understand that this negative impact will be felt not only in western Canada but in other regions of the country as well. Many suppliers in central Canada depend on orders from the oil and gas industry. People in Atlantic Canada and the North depend directly and indirectly on the industry for their jobs.

Canada's job-creation record since the Government took office has, I believe, been nothing short of phenomenal. Almost 600,000 jobs have been created since we took office. In absolute numbers, we have created more jobs in this nation of 25 million people than all the western European countries combined, countries with a population 16 times ours. That is the phenomenon.

The Government is not complacent about its job-creation record even though it is proud of it. It is concerned about the state of the industry and the impact on jobs right across the country. On April 30, the Prime Minister announced changes to the petroleum and gas revenue tax worth $175 million to the industry between now and the end of the tax in 1988.

I would like to cite the changes that were included. First, there was an increase in the small producer's tax credit from $.5 million to $2 million for the life of the PGRT. Second, there was a zero rate of PGRT for the Syncrude and Suncor oilsands plants to the end of 1986. These changes are targeted to small, active, independent producers who have created thousands of jobs in western Canada and are particularly hard hit by declining oil prices. The assistance will improve the industry's cash flow and will help to maintain short-term exploration activity in western Canada. The changes are consistent with previous tax relief announced in the Western Accord and with provincial royalty relief provided by the Government of Alberta.

The Government of Canada will continue to monitor the impact of world prices on the industry in close co-operation with the Governments of the producing provinces. The energy policies of the Government of Canada have freed the industry to meet the challenge of lower prices. These are tough times for the oil and gas industry but it must survive in a highly competitive domestic and international market. Can you imagine, Mr. Speaker, the state of the industry if it had to deal with the National Energy Program's excessive taxation and the suffocating regulations that were imposed on the industry? We would not have had an oil and gas industry. It would have been gone.

The Canadian petroleum resources Bill is entirely consistent with our approach to energy. It is market-responsive, and that is important. It is internationally competitive, and that is very important. It is free of excessive Government intervention, and that is something for which we fought. It is sensitive to regional interests.

We know that drilling for oil in Canada's far North and offshore carries a higher cost and a greater risk than drilling for oil in the conventional areas. The Canada petroleum resources Bill responds to the challenges that our frontier regions offer us. The Canada petroleum resources Bill will replace the existing Canada Oil and Gas Act with a simplified and fair set of rules designed to encourage exploration success in Canada's frontier regions.

I believe that the Canada petroleum resources Bill is an important legislative element of the Atlantic Accord, of a revised agreement which we are seeking with Nova Scotia, and of agreements that may be reached between the federal Government and other coastal provinces and territorial Governments. This Bill sets the rules that will guide Governments and the petroleum industry in the exploration and development of Canada's frontier and offshore resources.

At the exploration stage, the Government may issue rights in the form of an exploration licence. If a company's exploration effort is successful and results in the discovery of significant accumulations of oil or gas, the company then will have the right to a significant discovery licence. The significant discovery licence will then allow the operator to continue exploration in the area for an indefinite period of time. If the economics and technology justify commercial production, a production licence will be issued at that time. The production licence confers the exclusive right to produce oil and gas from that area for as long as it is capable of commercial production.

Under this Bill, the Government of Canada will introduce a simple, competitive bidding system for exploration rights to prospective lands based on a single criterion, one in which the

best bid wins. This will ensure the maximum return to Canadians as resource owners. It will ensure fair treatment of the companies bidding for exploration rights.

Key factors in determining the criteria for bidding in the best-bid-wins process will be the geological prospects of the area and the policy objectives of the coastal province or northern territory. For highly prospective areas such as those close to existing commercial discoveries, a cash bonus may be most appropriate. Where an exploration program is less mature and the risk is greater, a form of work commitment bid may be more suitable in that case. Bid prerequisites may include commitments to Canadian and local benefits, work commitments and commitments to levels of Canadian participation. Companies will have to continue to satisfy environmental protection, safety and health requirements which are so important to our Government and our people.

The Canada petroleum resources Bill does not have a Crown share. We believe that this provision of the former legislation eroded investor confidence because it gave the Government of Canada power to confiscate property retroactively. This Government will not confiscate property. However, we are committed to 50 per cent Canadian ownership in frontier production projects, and we think this is important.

The Bill will require a company applying for development approval with respect to pre-1982 discovery to submit a plan showing how it will attain a 50 per cent Canadian-ownership rate by the time the production licence is issued. However, unlike the previous legislation, the provisions in this legislation are non-retroactive, are non-confiscatory and emphasize private-sector solutions to the problems.

The Bill respects the rights of companies regardless of nationality. Under the existing legislation, Petro-Canada enjoys special rights in the frontier lands. This is unfair. This Bill does not give preferential treatment to Petro-Canada. The Government has instructed Petro-Canada to operate in the market-place as do private sector companies. It will raise capital on money markets, and it will work to deliver the best possible return to its shareholders—the people of Canada.

• (1510)

To enhance the profitability of companies operating in the high cost and high risk frontier regions, where it is difficult to work and difficult to transport, the proposed legislation provides for the fiscal measures outlined in the frontier policy statement. The 10 per cent basic royalty and progressive incremental royalty will be eliminated. These will be replaced with a royalty which, before project pay-out, begins at the rate of 1 per cent of gross revenue and rises to 5 per cent in increments of 1 per cent every 18 months. Following pay-out of the initial investment, including a fair return on capital invested, the royalty will be 30 per cent of net cash flow.

These changes will limit the royalty burden during the early stages of production, but we believe they will ensure an equitable sharing of revenue between Government and industry after the investment has been recovered. The proposed regime is similar to the royalties levelled by Alberta on high-cost oil sands and enhanced oil recovery projects.

The Government will implement a 25 per cent investment royalty credit. It will be applicable to eligible costs of up to $5 million for new exploration wells. The credit will be applied against royalties otherwise payable within the region. This royalty credit will provide conventional onshore frontier exploration with incentives comparable to those available for similar activity in the western provinces. The royalty credit will be implemented in regulations following discussions with industry representatives.

In addition to the investment royalty credit, a new tax incentive for exploration will be introduced in separate legislation. This investment will help bridge the gap between the end of PIP and the start of frontier developments, which will create incentives for frontier investment. The 25 per cent exploration tax credit will apply to qualifying expenses of more than $5 million per well for wells drilled anywhere in Canada. To ensure that the credit assists companies not currently paying taxes, this provision will be refundable at a 40 per cent rate.

The Canada petroleum resources Bill introduces a balanced framework for the development of Canada's frontier lands. It is fair to provincial and territorial Governments and to all Canadians as resource owners. It is not only market responsive but it is internationally competitive and sensitive to the commercial concerns of companies operating in the high risk frontier regions of the country. It is not only all those things which I mentioned, but it is consistent with the policies the Government has introduced during the past 20 months of being in office.

Today Canada's oil and gas industry is facing an important challenge which perhaps it has never faced before. Crude oil prices are dropping dramatically, and there is a great deal of uncertainty in the industry about the impact of this. However, the Government has unleashed the industry's expertise, hard work and vision to meet today's challenges and to take advantage of tomorrow's opportunities. We cannot allow current market conditions to deter us from our commitment to energy security. We cannot become complacent in our search for new sources of supply; we just cannot afford to do it. We must be prepared for the eventual return to a market where prices will result in an adequate return on investment, which is so necessary. The projects we review today must be judged not by current prices but against pricing forecasts for the early 1990s.

The progressive energy policies introduced by the Government provide the flexibility necessary for Canada's petroleum industry to deal with short-term market challenges. Equally important, our energy policies provide incentives for the industry to continue exploration activities in order to take advantage of longer term opportunities. That is what Canadians elected us to do, and we believe we are delivering.

The Canada petroleum resources Bill is another piece of legislation developed as an integral part of the progressive energy policies which Canadians elected us to deliver.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I listened with interest to the Parliamentary Secretary to the Minister of State for Mines (Mr. Fretz), a Member of Parliament for whom I have a good deal of respect. However, I must say that I have very little respect for the energy policies of the Government.

The Government's new approach to energy is to let the private sector do it. When it comes to security of supply, the Government says that we should trust oil companies to go out and find new sources of oil and gas. When it comes to Canadianization, the Government says that we need more foreign investment and that Canada is open for business. When it comes to fairness to consumers, the Government sends a telex to oil companies asking them to lower oil prices, pretty please, and to give consumers a break. Canadians deserve much more than this from their Government, especially when it is dealing with our energy future.

The new frontier energy policy as stated in Bill C-92 provides a 25 per cent exploration tax credit. It is applicable to all wells in Canada with costs in excess of $5 million. For those companies which do not pay taxes, the tax credit will be refundable at the rate of 40 per cent. Under existing legislation there is a benefit of 80 per cent for Canadian companies in the energy sector which do not pay taxes. We are now in a position where Canadian companies which do not pay taxes will not obtain the 25 per cent exploration tax credit but will only receive the refundable 40 per cent of the 25 per cent, or 10 per cent. They will go from an 80 per cent benefit to a 10 per cent benefit.

The Government complained that the Liberal Government was discriminating against foreign companies and that it was giving Canadian companies an advantage. We in the Liberal Party do not apologize for giving Canadian companies an advantage, not in the least; certainly not Canadian companies which have steadfastly explored frontier areas and have taken advantage of the incentives provided by the Liberal Party when it was in Government. We are not apologizing for our interest in furthering frontier exploration by Canadian companies.

What will they now receive? There is a complete breakdown in the frontier areas; the industry is abandoning exploration. The only companies which are exploring at the present time are those with grandfathering rights under the Petroleum Incentives Program. There are very few of those. Even with the grandfathering provisions, which could have been fairly significant to the end of 1987, the Government decided it would retroactively cut back the drilling rights of some of the companies. The new exploration tax credit simply does not go far enough in encouraging exploration on the frontiers. Even before the world price of oil fell drastically and put all energy projects under review there was much doubt about the future of energy projects on the frontier. That is unfortunate because so many areas of the country depend on frontier exploration and so much of our energy future depends on it.

• (1520)

The Independent Petroleum Association of Canada has been asking for changes to the exploration tax credit. It feels strongly that smaller Canadian companies need help to get through the transition period which they must go through to adjust to the new regime which the Government is recommending in Bill C-92. Canadian companies are being put under the gun which will strangle the initiative given to companies on the frontier by the former Liberal Government. The Government is relying on the promises of the major oil companies to look after our energy future.

On March 29, 1985, the Minister of Energy, Mines and Resources (Miss Carney) said: "Companies involved in the drilling ventures told me personally that the removal of the petroleum and gas revenue tax would be one of the greatest incentives to continue drilling on the Scotian shelf".

If you were to fly over the resource areas where the reserves of oil and gas exist off Nova Scotia, Mr. Speaker, you would see one or maybe two wells being drilled. If you checked the records of the Department of Energy, Mines and Resources, you would find that there were very few new wells scheduled to be drilled off the coast of Nova Scotia. Yet, on March 29, the Minister stated proudly that companies involved in the drilling ventures had told her personally that the removal of the petroleum and gas revenue tax would be one of the greatest incentives to continue drilling on the Scotian shelf. She added at that time that she had received assurances of the reinvestment of $800 million a year from those companies working in the Atlantic off-shore, and that the removal of five different taxes meant that they will "invest more money in the East Coast".

Why is Nova Scotia down to one or two rigs when there were nine in 1984? It is a national disgrace that the Government is jeopardizing and jettisoning a policy of frontier exploration which has kept the country in such good stead and has held so much promise for the future of our energy security of supply.

When the Minister made a statement introducing her policy entitled Canada's Energy Frontiers, which led to the introduction of Bill C-92, she talked about the existing legislation. She said that it robbed Canadians of opportunities and very seriously impaired the economic and energy potential of the country. There was a great deal of activity on the frontiers under the legislation brought forward by the Liberal Government. As I mentioned, nine rigs were drilling off Nova Scotia alone. Discoveries of resources were made off the coasts of Nova Scotia and Newfoundland and in the Beaufort. These were very promising discoveries which were brought about by the policies which this Government wants to jettison.

In her statement the Minister said that the Progressive Conservative Party has always supported the goals of the National Energy Program, the goals of opportunity, fairness and energy security. What opportunity is there for Canadian companies when the Minister takes away all the incentives they were given and gives them to the multinationals who, rather than drilling, will sit on the reserves of leases they have until the price of oil and gas goes up again? They are not interested in the security of supply or the energy future of the country. What fairness is there when the Minister retroactively takes away the drilling rights which Canadian companies had under their drilling plans filed with the Department of Energy, Mines and Resources and retroactively reduces the number of wells which they can drill? What energy security is there when the Minister takes away the incentive to drill in the off-shore and other frontier areas?

The Minister reneged on giving a loan guarantee for the Husky upgraders in Saskatchewan and Alberta. What kind of security of supply does that provide for? What kind of security of supply can there be when the Government does nothing to stabilize the energy sector in western Canada, the downturn of which is costing jobs for hundreds of western Canadians and many other Canadians as well? In the long-term that will damage the economy of this country which we have moulded and fostered for so many years.

The Minister said:

> In a very constructive reaction to the NEP policies of the previous Government the Progressive Conservative Party caucus released its energy policy principles at Prince Albert in July of 1984, and again in Halifax in August of that year.

She said that one of them was energy resource development as an engine for economic growth. We all heard about the Minister's statement with regard to the engine of our economic growth. She was going to create 100,000 to 300,000 jobs depending upon which day she was making the statement. We were heartened to hear that the Minister believed that she was going to do something for the energy sector in the country. What is the Minister now doing for the energy sector? She has completely backed away from the problems of the energy sector on the frontiers and in western Canada. She has completely forgotten about the commitments she made to Canadians with regard to the development of the energy sector. She made a complete mockery of the commitment to energy resource development as an engine for economic growth.

The second thing proposed by the P.C. Party at Prince Albert and Halifax was energy self-sufficiency. The Government literally abandoned the Husky up-grader. It completely backed away from the problems in western Canada and the dire needs with regard to the tar sands and heavy oil. It has allowed the producers to be gouged by the major oil companies. It has allowed major oil companies to pay producers $3 to $6 less for a barrel of oil than comparable producers get in the United States. Producers in this country are being paid the lowest price in the world for their product. What does this add to energy self-sufficiency?

Increased Canadian participation was the third principle enunciated in Prince Albert and Halifax. The Minister has decreased the incentive of companies in the off-shore not paying tax from 80 per cent to 10 per cent. The incentive of tax-paying Canadian companies has been decreased from 90 per cent to 25 per cent. That is not increasing, but decreasing Canadian participation. The first three principles enunciated in Prince Albert and Halifax have been completely jettisoned, trampled and spat upon.

• (1530)

What about the fourth one? It states that there will be fair treatment for energy producers and consumers. That may be the most ludicrous and hypocritical statement yet. Where is the fair treatment? I have already said that Canadian producers are getting the lowest price in the world for their product. This is encouraged by the Government through the policies of PetroCan. The Parliamentary Secretary said that the Government put a new policy in effect for PetroCan by encouraging it to make money. It is also encouraging the company to gouge the consumer. Canadians are paying a higher price for gasoline than Americans. That has been going on since January. We have been told that there is a flow-through period of 60 to 90 days. Try and tell that to someone who knows the truth. Try and tell that to someone in Alberta who sees the oil going through the refinery and out to the retailers.

This is a very sad situation because people trusted the Tories. That is why they voted them in on September 4, 1984, with such a large majority. They trusted them to do what they said they would, particularly on those four points. The Minister said that Canadians were presented with a choice on energy policy during the election. She said that they voted for a new approach and an end to the National Energy Program. They did not necessarily vote for an end to the NEP *per se*. They voted for change, yes, but they did not tell the Conservatives to come up with a policy, run an election campaign on that policy, and then completely ignore it once they became the Government.

The Minister said that the energy initiatives the Government has taken to date in the Atlantic and Western Accords, and the measures which were announced at the end of October, 1985, marked the end of the NEP and its replacement by a fair, non-discriminatory and constructive Conservative energy policy. I think we are getting down to the nub of this energy policy. It is built around one thing: the Minister and her Government wanted to do away with the NEP. They became apoplectic any time someone mentioned the National Energy Program. They did not care what they did. They did not care about the damage they inflicted on the producer or the consumer. All they wanted to do was to get rid of the NEP. Through the legislation they have put forward, they will get rid of the NEP. They will also get rid of a lot of things the Canadian people were pleased to have, things such as conservation and producer and consumer protection, things they now wish they had.

We talked about the Government's policies. There are no policies. The Western Accord was brought forward, but that was a position paper. No thought has been given to dealing with changing conditions. The Minister said that for the first time the Western Accord provides for revenue sharing on offshore oil and gas resources on the same basis as on land. There is a very big difference here because offshore resources are a lot more expensive to obtain. Certainly we have to maintain interest in land-based reserves.

The Minister says the accord is based upon the quality of Government and shared management while providing for the national interest and self-sufficiency. Try and tell that to the people of Newfoundland and Nova Scotia. Newfoundland was told that this was a new day, this agreement is better than the one the province was offered by the former Liberal Government. The Government eliminated the terrible back-in provision because it favoured Canadian companies and individuals. We cannot allow that to continue. The Government was going to offer a royalty sharing provision. Where is the activity, the exploration and development? Where are the royalties? It is great to have a program which says we are going to get 50 per cent royalties, but if there is no follow through, no development, then 50 per cent of nothing is nothing. That is what the Provinces of Newfoundland and Nova Scotia are getting, nothing, zilch, zero.

What about the Province of Nova Scotia? That province is being punished for signing the agreement. John Buchanan, the Premier, wanted that agreement signed before the House adjourned at the end of June, 1984. The Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources never forgave him for not having faith in the Conservatives being elected in the ensuing federal election. So the people of his province are being punished. After the Western Accord was signed the Minister said she would sign a new agreement with Nova Scotia. She said, "Just give me a weekend to rest". That was over a year ago and she has been resting a long, long time.

It seems that the companies with deep pockets will be the ones who will produce on frontier lands, not Canadians. Canadians are being frozen out of the frontier by the policies of this Government. Those policies are destroying the principle of Canadianization on the frontier. On the one hand, the Government says Canadianization is an important principle, and on the other hand, Canadianization is being destroyed by these policies. The Government is saying one thing and doing another. The Tories said they increased Canadianization from 42 per cent to 47 per cent since they took over from the former Liberal Government. The Liberal Government increased Canadianization from 28 per cent to 42 per cent. The Tories said they increased it from 42 per cent to 47 per cent. How? By the sale of Gulf Canada to Olympia & York, and the sale of Gulf's downstream assets in Ontario and western Canada to PetroCan. When the former Liberal Government said it wanted to buy PetroFina to create a window on the marketplace for Canadian consumers, so that they could purchase gasoline from their own company, that is what they wanted and what they still want. Now we have not only a window, we have a greenhouse, which is eliminating competition at the refining end. The Government has created a monster in PetroCan. The company, because of the Government, has developed economic rabies; it has turned on the producers and consumers. It is gouging them by paying a low price for the product and charging consumers a price that is far too high for that product.

How has all this started? It started with the policies of this Government because it wants to issue shares of Petro-Canada to the private sector. It wants to piecemeal Petro-Canada, to sell shares to the private sector so Canadians will have to pay for Petro-Canada yet a third time. The first time was when we purchased the companies that now make up Petro-Canada; the second, by the inflated price at the pumps Canadians will be paying; and the third, we will be paying for it in the marketplace so that good brokerage fees will be given to the friends of the Minister of Finance (Mr. Wilson) and the Government.

• (1540)

Canadians own Petro-Canada now. They do not have to buy it. They already own it. It is a travesty to make Canadians think that they are going to be better off with a private share placement of Petro-Canada. What is happening now? Where is our security of supply? Our Canadianization is gone. Our security of supply is going. Why is this happening? Where does it stand? I think it is very important to focus on this because some day we are going to look back on this legislation before the House, as we look back on Bill C-85 and we look back on all the policies of this Government, and we are going to condemn this Government from coast to coast for the policies that the Government is putting forward.

What are these policies? The Government is saying that Canada is open for business. With Investment Canada we now have the foreign companies welcome in Canada with practically no review whatsoever, to buy up Canadian companies. As the Leader of the Opposition (Mr. Turner) said, Canada is open for business, but Canada is not for sale. Canadian companies are not going to be given away piecemeal to foreign companies. How can this happen in the oil and gas industry? Because the majors have a lot of money. They have cut back their investment, they have cut back their exploration program, they have the money. All they have to do is to wait for the producers to go bankrupt and pick up the existing resource of oil and gas that these small companies have, for bankruptcy prices.

This is where we are going to lose our Canadian companies in the upstream, the resource sector. What is going to happen to our security of supply? The Husky upgrader is not important to this Government. The frontier development is not important to this Government. What is important to this Government? Making the big boys happy is what is important to this Government, not considering the people we brought into the energy field through production, not the consumer, but the

movers and shakers with which the Government likes to be associated.

I think that this is a very, very unfortunate piece of legislation. The Government's energy policy is very unfortunate for all Canadians.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, it is with a great deal of pleasure that I rise to speak on this Bill. I must say that I have been energy critic for the New Democratic Party since 1980 and I have seen these policies come and go. I almost feel as if we had gone full circle.

I want to congratulate the Hon. Member for Erie (Mr. Fretz) on his speech. I did not agree with very much of it, but it was a very thorough speech. He put out his philosophy as he sees it. I want to congratulate the Member for Cape Breton—The Sydneys (Mr. Dingwall), who came after me on the Energy Committee. Without sounding patronizing may I say that he certainly knows what he is talking about in this area.

I want to deal seriously with one aspect that has never been dealt with in this House. I will come to it in a minute. Let me say generally that what this Bill does is to change the oil and gas regime, that is, the exploration and development on Canada's frontiers, that is mainly the East Coast and the Arctic. This Bill turns back the clock, with one or two exceptions. It turns the frontiers, quite frankly, back to the Yanks and to the American oil companies. It is turning and running in the face of American pressure to abandon the National Energy Program. The National Energy Program was successful in the frontiers, mainly because there were massive grants going to the frontiers. The program got Venture going off Nova Scotia, and Hibernia off Newfoundland, and it meant more discoveries in the Beaufort Sea for use of Canadians later on when we have the next energy crisis.

It got Canadian firms involved, both public and private, and it got private companies like Husky-Bow Valley and public companies like Petro-Canada into the frontiers in a much bigger way. It did this by nationalistic policies. It used the power of the state to make sure that Canada gets a fair share of their resources. After all, they are our resources. There was tremendous opposition from the United States Government and from the United States oil companies, and I am sad to say that they eventually have won. This Bill is one of the results of their intensive lobbying efforts.

Let me deal in some detail with the abolition of the Crown share, or the 25 per cent back-in provision which is held by the Government of Canada for all interests in frontier lands. It is a central part of this Bill. The new Bill eliminates the Crown share provision of the Canada Oil and Gas Act, which was an Act passed in 1981 in this House. That Act provided for a 25 per cent share for the federal Government in all interests held in the frontier lands.

Let us go back to see how the Government looked at the situation in 1980. If you put an exploration incentive in place, the federal Government has to pay a subsidy. An exploration incentive is a subsidy. The Government must consider whether you need subsidies in the frontier, and it appears that you do for oil companies to go out there. That is another topic, but apparently that is needed. Is it going to be a tax-based incentive, as it was before 1980, or will it be a grant-based incentive like the PIP program after 1980?

For example, Energy Minister Marc Lalonde was speaking in the House of Commons on January 20, 1981. He said that for years now the Canadian taxpayer has been paying the bulk of the oil and gas exploration expenditures made in the frontier regions. He said that some $4.5 billion to $5 billion has been spent to date. He felt it was fair to say that three-quarters of that, some $3 billion, has been footed by the Canadian taxpayer. He went on to say that more than 90 per cent of every exploration dollar has been covered by the Canadian taxpayer.

I draw to the attention of the House the testimony in the Legislative Committee on Bill C-85 in the committee minutes for February 6, 1986 at page 1:17. I cross-examine Mr. Carruthers and Mr. McDermid. You will see that from 1982 on, the following amounts were spent, and Mr. McDermid said the following:

> In 1982-83 there was $1.441 billion; in 1983-84 there was $1.5 billion; in 1984-85, $1.9 billion has been spent—approximately $4.8 billion to March 31, 1985.

Then I asked him about 1985 to 1986, and he said, $1.5 billion. I asked him for 1986 to the end of the program, and it appears it would be about $900 million during 1986 and possibly another $100 million as the program winds down in 1987. That is a total of $7.3 billion.

We are looking at spending since the 1960s, as Mr. Lalonde said, about $3 billion up to 1982, and about $7.3 billion after that. It is about $10 billion in the frontiers. Under a combination of PIP grants together with tax breaks, our research estimates that the taxpayers put up 93 cents of every dollar spent by a Canadian company and 72 cents spent by a foreign-owned company in Canada Lands. I once coined the phrase that a lot of oil companies drill, they drill in Ottawa, and they strike it rich sometimes. I wish the press would pay me royalties when they use that expression.

Therefore, no matter what kind of exploration incentive is put in place, that is one that is tax-based as before the National Energy Program, before 1982, or grant-based with the National Energy Program, the federal Government would be paying 90 to 100 per cent of the costs through forgoing tax revenue or direct grants. The problem with that was that there was no direct return for this public investment. Thus, the Government decided to take a 25 per cent interest in any oil and gas discovered on Canada Lands when those lands were to be developed in the development phase. There was even an historical precedent for this. For example, the regime prior to 1982 was governed by the 1961 Canada oil and gas land regulation, called COGL. Exploration permits were available under those regulations for a nominal sum, on a first come, first served basis, for a term of nine to twelve years and renewable on terms set by Ottawa. However, these were for

exploration rights only. Any subsequent production arrangements under the COGL regulations were provided through negotiated leases. This was legislation under the Diefenbaker Conservative Government.

• (1550)

Let us compare this to the United States system where exploration rights were auctioned off for lots of money to the highest bidder, who got ownership of the rights and ownership of the subsequent production. In Canada, under the Canada oil and gas land regulations, when production started, Ottawa got at least 50 per cent of the acreage on a modified checker-board basis. The point is that the idea of a Crown share in the production phase is supported by this historical precedent.

There is also the Petro-Canada precedent in 1977. Under the renewal provisions of some COGL exploration permits which had expired and which had proven to be barren until then, Petro-Canada was allowed to back in at 25 per cent, which means to acquire 25 per cent working interest, without paying the exploration expenses. The partial result of this procedure was the great discovery of Hibernia off Newfoundland.

Another example is the Sable Island gas exploration in 1979. Petro-Canada's exploration partner, Mobil Oil, had pulled its rigs out of the area in search of more lucrative prospects elsewhere in the world. Petro-Canada farmed in and, after six dry holes, made a significant discovery of gas on the offshore of Nova Scotia. Therefore, in my view, a Government presence in the projects was of immense benefit to Canada. The civil servants thought of this at the time.

StatOil in Norway, their equivalent to Petro-Canada, inherits a minimum 50 per cent ownership in any new oil or gas concession. This equity interest can rise to 70 per cent, depending on production patterns. In addition, most of StatOil's share of exploration costs are picked up by the multinational oil companies.

When Bill C-48 in the previous Parliament went before committee, I called evidence from the StatOil company of Norway. They said that it should be noted that Norwegian petroleum exploration in the North Sea was essentially starting from scratch when Norway introduced its regulatory legislation. It was not necessary for them to take into account previous exploration and development as was the case in Canada Lands, for which the Canadian taxpayers had been footing the bill of some $3 billion, as I indicated.

What was the reaction to the 25 per cent Crown share, or back-in, that was given to Petro-Canada in the production phase? The foreign owned sector of the oil industry, the United States Government and the Tory Opposition angrily attacked it as unfair, discriminatory and a form of confiscation. That is exactly what the Minister stated in his speech today. Of course, it is not confiscation because the COGL permits that were issued and outstanding did not confer any production rights. Therefore, one cannot confiscate a right that was never conferred in the first place. While it is nonsense to suggest that it is confiscation, that is the philosophy behind this Bill.

Outstanding production leases were exempt from the Crown share by grandfathering provisions. Ottawa would also pay for its working interest in the next phase, which is 25 per cent of the development and production costs.

This provision is not confiscatory or retroactive. Therefore, why do the Conservatives want to abolish it? The Bill before the House today represents an historic retreat to the right wing, free enterprise ideologues of the Reagan administration. While the details may be complicated, the principle is simple: Does Canada want freedom to create our own policies in energy or any other area, or must we be dictated to the by United States?

Our foreign affairs critic and our trade critic are in the House. This is exactly what they have been talking about with respect to their areas of concern.

I believe that this issue can only be settled in one way, that is, in a general election. I believe that the broad aspects of this subject will be the major election issue in the next general election.

I should add a footnote that Marc Lalonde, despite his brave words, partly yielded to Mobil and the U.S. Government by amending Bill C-48 in committee to compensate the oil companies up to 1982 for 25 per cent of the Crown-carried interest on exploration agreements. Today, we are seeing a full retreat, which the Government trumpets as a triumph.

The issue has not quite ended because in 1983, Mr. Lalonde allowed the Nova Scotia Government to take 12.5 per cent interest in producing offshore fields through the Crown share. The agreement with Nova Scotia had a 42 year life span. Nova Scotia could have acquired the working interest in producing oil and gas fields until well into the next century. This is now wiped out by the energy policy of the Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources (Miss Carney). We should be considering whether Nova Scotia should be compensated. Should the loss of Nova Scotia's Crown interest be addressed by some other means, such as in the equalization formula?

The people of Nova Scotia and Newfoundland, where there has been a drastic drop in offshore exploration, are looking for answers and are entitled to them. I suggest that the Crown share issue is not finished as far as Nova Scotia is concerned.

I only have three minutes left, Mr. Speaker. I do not know if the House will allow me another five minutes in order to finish.

Some Hon. Members: Agreed.

Mr. Waddell: I invite other Members to deal with this Crown share issue later on in the debate. Some of my colleagues will deal with other aspects of the Bill. When we study this Bill in committee, we will want to examine the pacing of the development to see whether it is in Canada's best interest.

We will want to consider the interests of aboriginal inhabitants, and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) will speak to that next week. The Hon. Member for Skeena (Mr. Fulton) will examine the many environmental concerns that will have to be addressed with respect to this Bill. I expect that the Hon. Member for Comox—Powell River (Mr. Skelly) will want to look at the notion of using a single bidding criterion.

In summary, the Government has embarked on a misguided effort to undo all the wicked provisions which it believes the previous administration applied under the National Energy Program. I suggest that the Government is discarding some valuable tools in the national energy policy. For example, it is eliminating the 25 per cent back in provision that guaranteed Canadian taxpayers a piece of the action in successful oil and gas discoveries in remote offshore locations, through Petro-Canada. Gone too are the powers of the federal Minister of Energy, Mines and Resouces to direct oil and gas activity to reflect national priorities, such as the need for secure supplies, as opposed to shareholders' priorities, which are the maximization of profits. Destined to fade away under this new five-year program are the Petroleum Incentives Program grants which have helped Canadian oil companies to compete with the giant multinationals and have spurred exploration activities in the costly Arctic and East Coast.

While these grants were costly, they were at least up front and visible. The Minister of Energy, Mines and Resources is replacing these grants with tax credits which will largely escape parliamentary scrutiny. They are precisely the kind of device that the Auditor General, Mr. Dye, complained about earlier this year. They also constitute a greater benefit to the big multinationals which pay more in taxes, than to the smaller Canadian oil and gas companies. However, we will deal with that in another Bill.

In conclusion, the greatest problem we face is that this Bill favours the big American oil companies. It is no wonder that the Minister of Energy, Mines and Resources is the "oilman of the year".

If we adopt this Bill and turn the clocks back to the days when our frontiers went to the large American multinational oil companies, when the next oil crisis occurs in 1990 we will not be prepared to develop our own Canadian resources. Once again we will have yielded a part of our precious independence to American pressure.

• (1600)

The Acting Speaker (Mr. Paproski): It being 4 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Private Members' Business

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

INDIAN AFFAIRS

PRODUCTION OF PAPERS

On the Order: Private Members' Business

September 11, 1985—Mr. Greenaway—That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, telephone calls, studies and other communications during the years 1980, 1981 and 1982 between (a) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and Mr. Noll Derriksan or Toussowasket Enterprises Limited (b) Mr. Noll Derriksan or Toussowasket Enterprises or any official or employee of Toussowasket Enterprises Limited and the Indian Economic Development Fund (c) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and the Westbank Development Company or any official or employee of the Westbank Development Company (d) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or his officials and Mr. Ron Derriksan or the Westbank Indian Bank regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited or the Mount Boucherie Trailer Park or any financial arrangements associated with the above (e) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development and the Headquarters Economic Development Branch of the Department of Indian Affairs and Northern Development regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited, the Mount Boucherie Trailer Park, Mr. Ron Derriksan, the Westbank Indian Band or the Westbank Development Company.

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

Mr. Gauthier: Point of order.

The Acting Speaker (Mr. Paproski): I will hear the point of order of the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) first.

Mr. Gauthier: He is on debate.

Mr. Kilgour: Not on debate.

The Acting Speaker (Mr. Paproski): He cannot get on debate yet.

Mr. Kilgour: Mr. Speaker, I have just attempted to contact the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway). His office has indicated that he simply could not cancel appointments he had in Vancouver today. I understand the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) would like to move the motion in his place if he has the unanimous consent of the House.

The Acting Speaker (Mr. Paproski): Does the House give unanimous consent?

Mr. Gauthier: No.

The Acting Speaker (Mr. Paproski): Did you say no?

Mr. Gauthier: If I can be allowed to address the point, unanimous consent for someone else to move a motion has been refused before. I do not see how we could accede to that request today without reverting to what I would call previous anomalies in our treatment of various Hon. Members.

I would like to make the point that I think it is about time that the Table and the House itself come to terms with the difficulties at hand here in dealing with Private Members' Hour. I want to make just a few remarks and then I will sit down because I think the Speaker knows very well what the alternatives are.

This is the fourth time out of five hours we have had to forego because of the impossibility of an Hon. Member to be here, for very serious reasons. I am not questioning the reasons. It is because their schedules have been rather difficult to accommodate sometimes. The difficulty, of course, arises from the fact that Hon. Members' initiatives have been dated. There is, therefore, little flexibility in terms of accommodating other Hon. Members who may want to speak or to present other Bills or motions. I, therefore, cannot give my consent to someone else moving the motion in the name of the Hon. Member who is not here basically for the same reasons we invoked the last time, that is, it is a Private Members' Hour and without that particular Hon. Member being here, I think it would be unfair to that Hon. Member, given the situation, to proceed.

I do think it would be fair to all Hon. Members at this time if the House would take it upon itself to resolve this problem, that a House order be adopted and that we resolve the situation in favour of back-benchers and not in favour of the Government.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the comments of the Acting House Leader of the Liberal Party—

Mr. Gauthier: The Whip.

Mr. Hnatyshyn: I am sorry, you are acting as Whip. I apologize. The Hon. Member's colleague, the House Leader for the Official Opposition, on behalf of Members of the Liberal Party, as I understood it, along with the Hon. Member for Hamilton Mountain (Mr. Deans), has been discussing this matter and a number of options on behalf of Hon. Members of the New Democratic Party. I, along with my Parliamentary Secretary, participated in these discussions with a view to canvassing propositions which would be put forward to our respective caucuses in the interest of resolving the matter.

I thought we were making progress, but I take there is now not a disposition on the part of the Liberal Party to carry on with these discussions. If the House is going to rule with respect to this matter, so be it. I always remain available to try to resolve these matters by agreement. There are some important issues which I had understood we were going to try to resolve in these discussions with respect to these provisional rules to ensure improvements could take place. These discussions were going to take place in the House Leader's meetings.

I do not think we can do anything about it right now. I am not in a position to address the matter. I have strong views about the interpretation of the rules. I have been trying to negotiate something which would meet with the satisfaction of all Hon. Members. If there is no agreement, I think all we can do is have Your Honour rule as to what we should now do and what happens as far as the business of today is concerned.

The Acting Speaker (Mr. Paproski): I ask the House again, is there agreement?

Mr. Gauthier: No.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) has notified the Chair that he is unable to be present today to move his motion. As Hon. Members are aware, notice of all the items of Private Members' Business in the order of precedence established by the draw has been published in the *Notice Paper* pursuant to Standing Order 39(1). Points of order were raised on April 24 and 25 as to the practice that would be followed in the event of an Hon. Member being unable to be present to move his motion on the day fixed according to the order of precedence.

At that time the Chair made an interim ruling, without prejudice to any other ruling which might be made subsequently, in order to allow consultation amongst interested parties. I understand that such consultations are as yet incomplete.

Once again, the Table requires instructions by which to prepare the *Order Paper and Notices*. Therefore, I will rule without prejudice in the same manner and to the same effect; first, since the House has not yet made clear its wishes as to disposition of Private Members' items not taken up, I am ordering that this item of business in the name of the Hon. Member for Cariboo-Chilcotin drop to the bottom of the order of precedence.

Second, Standing Order 39(2) provides for continuing with or reverting to the business before it prior to Private Members' Hour "in the event of it not being possible to provide the twenty-four hours' notice ... ". Since notice had been published, it is the view of the Chair that Standing Order 39(2) does not apply in this case.

Third, as there is no business before the House at this moment, it is the view of the Chair that the House should adjourn.

Before I move that the House do now adjourn, there is an additional procedural administrative problem related to Private Members' Business.

Hon. Members will be aware that the Government House Leader has designated next Monday, May 12, an allotted day. Pursuant to Standing Order 38, therefore, the hour for Private Members' Business will be suspended. Again, instructions must be given to the Table as to the place on the *Order Paper and Notices* of the item standing in the name of the Hon. Member for Skeena (Mr. Fulton). The Chair has considered

moving back all items in the order of precedence any time an Order of the House causes the suspension of Private Members' Business. However, this would cause disruption to the planning for some 15 Members of Parliament, the debate on whose motion or Bill would be moved to another date.

Therefore, in order to keep changes in scheduling to a minimum and to interfere as little as possible in the notice as published in the *Order Paper*, the Chair is instructing that the item standing in the name of the Hon. Member for Skeena be dropped to the bottom of the order of precedence.

Again, this decision is without prejudice in the expectation that the House will pronounce itself upon this subject in the near future.

Therefore, there being no business before the House, I have no alternative but to adjourn the House until Monday next at eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 4.09 p.m.

HOUSE OF COMMONS

Monday, May 12, 1986

The House met at 11 a.m.

[*English*]

GOVERNMENT OF CANADA

RESIGNATION OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Speaker: I am in receipt of a notice of request from the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) who has asked me if he can make a brief personal statement. I have examined a number of the precedents in this area and therefore propose to recognize the Hon. Minister now.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I rise to inform Members of the House that yesterday I wrote the Prime Minister (Mr. Mulroney) to ask that he call for an impartial person to conduct an investigation as to fact respecting allegations of conflict of interest which have recently been made in various newspapers, electronic media, and in the House of Commons. As you know, Mr. Speaker, I have complied with the provisions of the conflict of interest code for public office holders. Nonetheless, there seemed to remain sufficient confusion as to fact to warrant an impartial investigation.

In the circumstances, I believe it is in keeping with our parliamentary traditions and practices that I tender my resignation as Minister of Regional Industrial Expansion effective immediately. I can inform Hon. Members that I have so tendered my resignation to the Prime Minister.

I thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. On a point of order, the Right Hon. Leader of the Opposition.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, as I understand it, we will have an opportunity when you open the debate in a few minutes to comment on this. However, with your indulgence, I have a few things I would like to say at this stage in response to this ministerial statement.

Mr. Speaker: Order, please. The right hon. gentleman will know that the Chair is always in some difficulty on these matters. When I received the information this morning I checked the precedents regarding Ministers in previous Governments. They had been handled as matters of privilege. The right hon. gentleman is in the hands of the House if he is seeking the right to make a reply.

Mr. Turner (Vancouver Quadra): Without prejudice to whatever we might do on future occasions if this arises again, because of the coincidence of a debate beginning this morning on this issue we will waive whatever rights we may or may not have had in order to await that debate.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I make precisely the same point that the Right Hon. Leader of the Official Opposition just made. I am assuming we are proceeding with the debate and any other comments which I might have in mind to make about what the Minister has just informed the House will be made in that debate.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL NURSES WEEK

PROCLAMATION OF THE WEEK OF MAY 11, 1986

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, for over 300 years Canadians have been well served by competent and dedicated nurses. Nursing has been developing and growing as a profession in Canada since the time of Jeanne Mance, who is considered to be the first lay nurse in Canada, in the early years of the 17th century. Today nurses continue to distinguish themselves and their profession by their excellent record of achievement in the provision of high quality nursing care.

The contributions of nurses throughout the world in many and varied aspects of health care have been recognized internationally for many years with the declaration of May 12, Florence Nightingale's birthday, as International Nurses Day. In Canada, nurses have played an active and valuable role in the development of health care policies at all levels. Their commitment to the well-being of Canadians is well established and recognized.

The need for nurses in our health care system is such that they constitute over 50 per cent of Canada's health care professionals. Today there are over 180,000 nurses practising in Canada. Nursing is a profession which touches everyone. Nurses reach into the community to care for citizens ranging in age from the newborn to the aged during health and illness. Their presence is felt in the home, the community and the workplace as they provide health care for Canadians in schools, industry, community clinics, hospitals, nursing homes, and in all other types of health care institutions. In recognition of the many contributions of nurses to the health and well-

being of citizens of this country, on behalf of all Canadians, I hereby proclaim the week of May 11, 1986, to be National Nurses Week in Canada.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am pleased to respond to the Minister's statement on the occasion of the proclamation of National Nurses Week in Canada. About 300 years ago Canada's first nurse and hospital administrator, Jeanne Mance, arrived in Montreal to establish the first hospital in Canada. It was her courage, determination, and caring which set the standard for nursing care in Canada. It is a standard that today's nurses meet and surpass. I need not remind this House of the tremendous contribution made by nurses to our society as health care professionals and care givers. The proclamation of National Nurses Week is a tangible recognition of their efforts and accomplishments.

I would like to remind the Minister, however, of the confusion arising because of the lateness of the 1986 proclamation decision, and I do not believe that is the fault of the Minister. It has been brought to my attention that there will be various provincial nurses' weeks celebrated across the country and, at this late date, it will be difficult to co-ordinate the different celebrations. It has been suggested by the National Federation of nurses' unions that in the future the federal Government make efforts to co-ordinate provincial activities with the nationally proclaimed week.

• (1110)

In closing, Mr. Speaker, I am sure I am joined by all Canadians as well as my colleagues on this side of the House in thanking nurses across the country for their dedication and caring.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, today, May 12, Florence Nightingale's birthday, has been declared International Nurses' Day. Nursing in Canada dates back to the time of Jeanne Mance who brought competent lay nursing to Canada in the early 1600s. Today over 180,000 nursing professionals continue that tradition of care for Canadians 24 hours a day, seven days a week, 365 days a year.

Canadian nurses know their profession and have faith in their ability to provide competent, caring health services, but are concerned about their practice settings when financial restraint and cut-backs in service occurs since, at the level of direct hands on care, all the fat has been trimmed from the bone. Further cut-backs will be dangerous to the health care system. Nurses have clearly expressed their opposition to the federal health care cut-backs outlined in Bill C-96 which amends the formula for federal-provincial fiscal arrangements. The result is that the federal Government's share of health care funding will gradually drop from 50 per cent to 36 per cent by 1990-91 and will be less than 43 per cent in this fiscal year. This decision was unilateral. No negotiations took place with the provinces or the affected health care professionals. Recognition of nurses on Nurses' Day is no recompense for the damage inflicted on nurses, health care workers, and all Canadians who may require such services.

All Canadians welcome International Nurses' Day with the hope that the Minister of National Health and Welfare (Mr. Epp) will return to a clear financial commitment to health care in Canada by withdrawing Bill C-96.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADIAN SECTION OF CANADA-U.S. INTERPARLIAMENTARY ASSOCIATION

Mr. Bill Kempling (Burlington): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the official parliamentary delegation of the Canadian section of the Canada-U.S. interparliamentary group which attended the meeting with the steel caucus of the U.S. House of Representatives in Washington, D.C., on April 28 and 29.

* * *

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I wish to present a petition today from a number of people from Kamloops, British Columbia, who are concerned about the decision made by the Minister of Employment and Immigration (Miss MacDonald) that after December 31, 1985, their pension benefits would be deducted from their unemployment insurance benefits, effectively eliminating the benefit to the worker of the pension package. They, therefore, call upon the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the honour to present a petition to the House from many people who live on the east coast of Vancouver Island and the central coast of B.C. They are complaining that the Government of Canada is removing lighthouse services which will eventually impair the ability to conduct search and rescue activities. It will make life on the coast of British Columbia more dangerous. They ask that the Government reinstate this service and, thereby, reinstate the safety of transportation on the coast of B.C.

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise simply to indicate that tomorrow will be designated as the second allotted day in this trimester.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: I wish to inform the House that because of the ministerial statement made by the Hon. Minister of National Health and Welfare, Government Orders will be extended by five minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—GOVERNMENT'S FAILURE TO PROVIDE INFORMATION—ALLEGED CONFLICT OF INTEREST

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemns the Minister of Regional Industrial Expansion and the Government for failing to provide full and satisfactory information on the blatant conflict of interest situation involving that Minister.

He said: Mr. Speaker, we learned this morning that the Minister of Regional Industrial Expansion (Mr. Stevens) has offered his resignation to the Prime Minister (Mr. Mulroney). We also learned that he has asked the Prime Minister for what he terms an independent inquiry. In responding to that initial announcement we want to warn the Government and alert Your Honour that Parliament will not be stilled. We were blocked in two separate committees from getting to the root of this issue. We have been trying to elicit answers for two weeks during Question Period. A judicial inquiry may well be an attempt to take this matter away from the House of Commons. We are dealing with the comportment of a Minister and the public administration of the country. The Minister is responsible to the highest court of the land which is Parliament. We will not countenance a by-passing of parliamentary review and parliamentary accountability through an attempt to convert

this from a matter of parliamentary and political responsibility to a judicial inquiry.

In the last two weeks we have seen a piece-by-piece revelation of a blatant conflict of interest. That conflict of interest has reached such proportions that it not only smells of corruption, but we believe it is corrupt. It is using public office for private gain. No matter what the Deputy Prime Minister (Mr. Nielsen) may attempt to convince the country of through his stonewalling, it is a breach of the guidelines introduced by the Prime Minister outlining conduct for his Ministers.

I want to put on the record what the Prime Minister said on September 9, 1985, when he introduced the guidelines. He said:

It is a great principle of public administration—I could even say an "imperative"—that to function effectively the Government and the public service of a democracy must have the trust and confidence of the public they serve. In order to reinforce that trust, the Government must be able to provide competent management and, above all, be guided by the highest standards of conduct.

Those were the words of the Prime Minister of Canada at that time.

In an open letter to all Members of Parliament and Senators bearing the same date, the Prime Minister said:

The new Code leaves no doubt that the ultimate responsibility for the ethical standards of the federal Government rests with the Cabinet and, more particularly, with me.

He went on to say:

You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else.

I made that point earlier this morning. The Prime Minister cannot divest himself of his responsibility by shuffling it off to an independent inquiry.

In his letter to his Ministers of the same date the Prime Minister said:

I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of the activities of their spouses or dependent children on the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children.

I believe that those guidelines cover the issues specifically. In Ontario there is now a sharing of property during the time of a marriage. Anything that Mrs. Stevens was dealing with, her husband owned jointly. In any event, the shares are registered in a majority fashion in his own name.

• (1120)

We brought this motion before the House today because the recently revealed actitivies of the Minister of Regional Industrial Expansion constitute an obvious blatant and flagrant violation of the spirit and letter of the guidelines issued by the Prime Minister. Yet, the Deputy Prime Minister insisted on trying to bring the Minister's conduct within the ambit of those guidelines.

There will be those calling for the further strengthening and updating of the guidelines. However, apart from the guidelines, what we have here is unethical conduct. It is not possible to codify the whole range of human behaviour. We cannot codify and try to predict every possible conflict and every possible ambit of how a Minister may or may not react in the conduct of his public duty. We must rely on individual judgment, on the ethics of the position and on the understanding by Ministers that they cannot allow their private activities, gain or benefit to interfere with the impartial operation of their public office.

Time does not permit me to outline the whole range of facts that have come to the attention of Parliament. We know about the $2.6 million loan that was solicited successfully by Mrs. Stevens on behalf of her husband, through a company with which her husband was then dealing for tax incentives and grants from the federal treasury. Where was the benefit? An interest-free loan is an obvious benefit and amounted to some $314,000 at interest rates at the time the loan was sucessfully obtained. The very fact of obtaining the loan was a benefit because the Minister and his wife obviously were unsuccessful at getting credit elsewhere. They had already approached the brokerage houses and investment bankers on Bay Street in Toronto in an attempt to get a capital injection, but failed. Presumably, they approached the banks. Finally, they had to go to a company with whom the Minister was dealing to see whether they could get enough liquidity to keep the company going.

There is the earlier $3 million loan from the Korean bank of which 40 per cent of the shares are owned by the Hyundai motor car company which the Minister brought into this country. It is that company from which the Minister freed the requirement of Canadian content and the provision of jobs, all the usual guidelines and rules that are applied within the auto industry to ensure Canadian content. All of that was forgiven; all of that was waived. Was there consideration? We do not know because the Minister has not answered. I believe we can establish that there was clear benefit.

We now have to deal with the second issue of the so-called blind trust. The Minister, on the rare occasions that he spoke, and the Deputy Prime Minister said that the official in the Registrar General's Department assured them that the necessary documentation had been made and the affairs had been put in a blind trust. We asked that National Trust, apparently the blind trustee, be called before the appropriate committee of the House of Commons. The chairman and the Conservative majority on that committee refused to allow that to happen.

Where was the arm's length approach that would constitute a blind trust? The Minister's wife was actively dealing on his behalf for his property or their jointly held property. The Minister tries to maintain that he had no knowledge of that. It strains the belief of the Canadian people that a wife dealing in favour of their jointly held property would not have told her husband about a loan in the amount of $2.5 million that she successfully obtained in order to preserve the liquidity of their prime asset in life. No one believes it. No one believes that a husband and wife, in a matter so important to them, would not have talked about that at some time. Knowledge or no knowledge,I do not understand why she would have done it anyway. Surely her conduct is subject to some type of review, and I am sure we have not heard the end of that. She was actively dealing on the Minister's behalf. Together with the Minister's former campaign manager, who was also an officer of York Centre, the Minister's wife visited the investment houses on Bay Street. It is these same houses that were vying for the job of adviser to the Minister on the privatization of some Crown corporations, such as de Havilland, Canadair, CDC and Teleglobe. The very firms seeking that business are the firms that were visited by the Minister's wife. Did she say what the *quid pro quo* would be, or was it so implicit in their conversations that the investment houses knew they had to receive her into their offices and talk to her? I will not discuss names because we do not have the full facts.

This matter has not ended this morning. We will look into the interlocking directorships that give some companies an inside track with CDC. The decision as to who would advise and whose bid would be accepted is cozily decided by a group of men and women having close connections to the Minister. Some of them were even appointed by the Minister to the functions that allow them to make those choices and give that advice. It is self-dealing by insiders. It is rotten, and the people of Canada do not have to put up with it at all.

Let us examine the Deputy Prime Minister's defences, one by one. His first defence is that the Minister fulfilled the guidelines. I believe I have convinced Your Honour, having read the particular guidelines, that those were not satisfied. Certainly, in terms of the letter, they were not satisfied and certainly the ethical spirit of the guidelines were rudely, blatantly and ruthlessly contravened.

The Deputy Prime Minister says that the documentation was in order. He expects us to believe that the case has ended because an official in the Department of the Registrar General says that everything is in order. The problem was not with the documentation. The problem concerns the conduct. What did the Minister's wife do? What did the Minister know? Why were these dealings even contemplated?

I say once again that the guidelines are not a complete code of human behaviour because such a code is not possible. We are talking about ethical spirit and the judgment behind the conduct of the Minister's wife and the Minister.

The second line of defence by the Minister was that the deal with Magna Corporation was a Liberal deal. He maintained that all the grants for Magna were agreed to by an administration under my authority in August, 1984. We pointed out to the House in Question Period that that was a Memorandum of Understanding signed by the former Minister, Ed Lumley. It was an over-all umbrella agreement. According to the terms of that agreement, every specific grant and item had to be negotiated by a Minister in the future and had to be approved

by the Cabinet in the future. The Minister who just tendered his resignation this morning is the one who was responsible for that. This will go down as the biggest and most deceitful red herring drawn across the trail of those in pursuit of honesty in the history of this country.

Why did the Minister not tell the House and the people of Canada that every cent of funding anticipated in the over-all agreement required his specific approval of each item? Why did he attempt such subterfuge and deceit in the House of Commons?

What is even more disgusting and shocking is the fact that the Minister did not tell the House that another Memorandum of Understanding was signed by him with Magna International on June 14, 1985, when he and the Prime Minister's Government was in office. It was announced in this press release, just one month after the $2.6 million loan was arranged by his wife, through a numbered company.

[*Translation*]

Why did the Minister not table this second memorandum as well? What is he trying to hide? Were there other memoranda we have not heard about? Were there other incidents? Question period after question period, will we have to sit here in the House, according to your very narrow interpretation of the Standing Orders, Mr. Speaker. Why did the Minister not make a statement before the House? Why didn't the Prime Minister (Mr. Mulroney), before he left for China, make a statement on his investigation of his Minister's activities?

[*English*]

This is absolute subterfuge.

The third line of defence was that there was no proof. Yet, the facts have been overwhelming. The media has done excellent research on this matter. There has been no denial by the Minister, no explanation and no statement. Before he left, the Prime Minister said we had to allow the presumption of innocence, that a man was innocent until he was proved guilty.

• (1130)

Mr. Hnatyshyn: You find that offensive.

Mr. Turner (Vancouver Quadra): I do not find that offensive at all. That is quite in order in a criminal matter. This is not a criminal matter, yet—which has nothing to do with the matter of public administration. In public administration a Minister has the burden of proof, the duty to show that what he is doing is beyond reproach. The burden of proof is not on Parliament. It is not on the opposition, nor the media. The burden of proof is on the Minister—

An Hon. Member: And the Prime Minister (Mr. Mulroney).

Mr. Turner (Vancouver Quadra): —to show that his conduct is absolutely beyond reproach. It is obvious that not only was there not proper conduct, there certainly was not an appearance of proper conduct. The Prime Minister just does not understand the full scope of the issues before us.

The Minister was rendered ineffective. Suspicion engulfs him. He has not spoken. The Deputy Prime Minister (Mr. Nielsen) did not allow him to rise in this House, and I said to the Deputy Prime Minister in Parliament and on the streets that no Minister can delegate his reputation to a Deputy Prime Minister or even to a Prime Minister. No Minister can delegate his reputation for honesty, for integrity and good conduct. The initial mistake made by the Government and the Deputy Prime Minister was not to allow the Minister to rise. Obviously, there is plenty to hide and the Government is going to use the judicial inquiry as a method of trying to keep it away from the purview of Parliament.

The issue before you, Mr. Speaker, is not just a question of bad judgment. The Hon. Member for Vancouver South (Mr. Fraser) may have exercised bad judgment in the tuna matter but no one in his House ever questioned his honesty or integrity.

An Hon. Member: No?

Mr. Turner (Vancouver Quadra): Not his honesty nor his integrity. I still hold him in high regard. But this is not just a question of judgment, it is a question of ethics, honesty and comportment in the public affairs of this country.

I think I began speaking at 17 minutes after the hour, Mr. Speaker, and I get 20 minutes so I think I have another five minutes.

Mr. Speaker: Absolutely. I apologize. I had noted 11.16 a.m. The Hon. Member is absolutely right, he has another five minutes.

Mr. Turner (Vancouver Quadra): Mr. Speaker, this is not merely a question of bad judgment. This goes right to corruption. This is a mingling of the public and private interests. The question Parliament is entitled to ask, and the question Canadians are already asking, is why did the Prime Minister tolerate this for so long? He must have made an independent investigation of where the Minister stood and what were his dealings. If he did not, he was negligent. If he did make these investigations, did he expect he was going to be able to ride this out? Where does the Prime Minister stand? Did he not ask for an inquiry? This issue has contaminated his Government. It has brought his Government into disrepute. It is just another item in a series of events and ministerial conduct which shakes the people's confidence and trust in the Prime Minister and the Government he leads.

We do not know what went on in Korea or China over the weekend. Obviously the Prime Minister's commissars said to him: "Look. This is out of control. We want to clean this up before you come home. It has already pushed you off the front pages and we want you to come home as a hero". That is a joke. They want him to come home a hero from the Chinese and Japanese trip. The Prime Minister is on the Great Wall of

China and his Deputy Prime Minister and his Minister of Regional Industrial Expansion are grovelling in the mud trying to defend the scandal here in Canada.

Mr. Gauthier: He is on the Wall and they are stonewalling.

Mr. Turner (Vancouver Quadra): Why did the Prime Minister react? It was not because he had a sudden attack of morality. He must have received the polls. He must have been on the phone to Allan Gregg who is more responsible and more powerful than any Minister on the front benches. He probably told him: "Get out of this thing before you come home". The Government tried to ride it out. It put the Deputy Prime Minister in charge and tried to ride it out. I am now convinced that unless a lack of proper conduct is discovered by the public or by Parliament, unethical as it may be, it will be tolerated by the Prime Minister. The morality of the matter is irrelevant. The polls are very relevant. The shedding of his image on his foreign trip is very relevant.

This issue here is the morality of Government and our confidence and trust in our democratic institutions. Freedom is a very fragile thing. Cynicism can eat away at it. Cynicism and lack of proper conduct in public office can erode it. That is what has been happening. The Prime Minister hopes to come home clean. He is contriving not to have to face the music when he steps into this Chamber in a few days. I do not believe it is going to work. Even the resignation of his Minister will not rescue the lost ethical standards of the Government.

The issue goes right to the heart of the Government and right to the Prime Minister himself. Why is this type of conduct tolerated? Why was the Minister not asked to resign immediately? Why did the Government try to ride it out? Why were the Ministers not forthcoming, particularly the Minister in question? Why was the Conservative majority on two committees of Parliament used to close down and clamp an investigation? The Hon. Member for St. John's East (Mr. McGrath) is here. We support his reform. Why was the committee system not used for what it should be used?

I know Members of Parliament on the Government side cannot be feeling good this morning. This is not a good day for the country, nor is it a good day for Parliament. It is not a good day with respect to the way we run our affairs. However, despite it all, despite the largest majority in Canadian history, the truth is out. The Minister has resigned. It has been a great victory for Parliament.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is a very unfortunate debate to have to take place in the House of Commons now in May of 1986, or at any time. I want to say at the outset, having heard what the Minister said this morning, that in my judgment, rarely, if ever, has a Minister so failed to make a distinction between his private interests and his public responsibilities as in the case of this Minister. Rarely, in my judgment, has a resignation been more appropriate. This resignation, however, ought not to have happened today, but two weeks ago at the earliest. In that interim, I want to say now, the Minister violated not simply the guidelines in terms of the issue of appearances, but the substance of the guidelines, and I will come to that in a moment.

Before doing so, I want to say that the performance of the Government for the past two weeks has been totally lamentable. Whatever the Minister knew before April 29, he did know on April 29 that his wife had obtained a $2.6 million loan with no interest charged in the first year and with incredible terms after that. He knew that that loan was made with people intimately connected with his own Department and that he was doing continuing business as a Minister with the same individuals. Any Minister with a sense of responsibility ought to have on that very day submitted his resignation.

I also want to say that what we have heard in the interim is a stonewalling from the Deputy Prime Minister (Mr. Nielsen). Day after day the man who assumed responsibility for the guidelines, instead of ensuring that his Cabinet lived up to them and that the dignity of Parliament was respected, gave us stonewalling. We got more than that. It was suggested that Members of the Opposition who raised questions were not interested in jobs in Quebec. It was also suggested that we did not want new investment in Cape Breton Island. There were all types of spurious, erroneous, irrelevant and unjust arguments made by the Government in defence of its very unjust case. That is what Members of the Government were up to.

• (1140)

Some Hon. Members: Hear, hear!

Mr. Broadbent: I also want to say that the Prime Minister (Mr. Mulroney), who is away, cannot be absolved of responsibility. I am assuming that he did not hear the news before the rest of us heard it. I will even assume that he did not hear of Mrs. Stevens' loan before Mr. Stevens himself heard of it. However, as Prime Minister, before his departure for Japan, Korea and China when he heard of the nature of the loan to the wife of this Minister who had ongoing responsibilities with people and individuals intimately involved in his personal financial affairs, a Prime Minister who has a sense of probity, ought to have said right at that moment: "Mr. Stevens, I need your resignation, and I need it now". That is what he ought to have done.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The following is something which I wish to emphasize. If that had been done two weeks ago, then Mr. Stevens' credibility as a Minister might well have been preserved, and as has already been pointed out by the Leader of the Official Opposition (Mr. Turner), if the Government had acted at the proper time, the credibility of Mr. Stevens down the road might have been preserved.

As has also been pointed out by the Leader of the Official Opposition, we on this side of the House have not said at all that there was any dishonesty involved or any criminal wrongdoing. We are not aware of any, nor have we suggested

that there was any. What we are saying, and what we have been saying, is that there has been a conflict of interest. However, the Government's refusal to face up to its moral responsibilities has not only damaged Parliament, since that is also what is involved in all this, but it has perhaps damaged beyond repair the personal reputation of the Minister in terms of his being able to move back into another portfolio.

The case I wanted to make before we heard of the Minister's decision this morning is that the Government and the Minister have failed to meet the existing guidelines. The Minister has done so in a way which ought to have been obvious to anyone. It was something which was obvious to the people of Canada. Everywhere one travelled in the past two weeks it was not necessary to bring up the issue. I am sure this is something which members of the Government knew very well. Wherever one went people were saying: "What is going on? When is Mr. Stevens going to do the right thing?"

I wish to put a couple of points on the record since Members on both sides of the House know that this type of matter is extremely unpleasant. It is not something with which Members of Parliament like to deal. I am sure there may be one or two individuals in the House who enjoy this type of thing. I even see some smirks on the faces of Members opposite. However, I wish to say to the Government House Leader that some of us do not enjoy—

Mr. Hnatyshyn: What smirks?

Mr. Broadbent: I saw a smile, and the implication was that perhaps some people—

Mr. Hnatyshyn: Take it easy.

Mr. Broadbent: I wish to say to the Minister that there are a great many people who would rather be discussing other matters than the matter of conflict of interest in the House of Commons. If the Government had done the right thing, we would not be discussing it now.

Mr. Hnatyshyn: You're disgusting, that's what you are.

Mr. Broadbent: We will hear what the Minister has to say in a few minutes. I wish to say that the point we want to make on this matter has been a point embedded, in our view, in the parliamentary system since democracy evolved in parliamentary democracies, but more recently in different Governments. I wish to quote from the guidelines laid down by a previous Conservative Prime Minister, the present Secretary of State for External Affairs (Mr. Clark) when he headed the Government of Canada. In those guidelines he stated:

> Ministers must perform and appear to perform their official responsibilities and arrange their private affairs in a manner that will conserve and enhance public confidence and trust in Government and that will prevent conflicts of interest from arising.

That was the general principle enunciated by the former Prime Minister in terms of his guidelines.

I would now like to quote from the principles of the guidelines outlined by the Right Hon. Pierre Elliot Trudeau when he headed the Government in 1980. I quote from the then Government House Leader who stated:

> Ministers should also bear in mind their individual responsibility to prevent conflicts of interest, including those that might conceivably arise or appear to arise out of dealings in property or investments which are owned or managed in whole or in part, by their spouses or dependent children.

So although there was not a specific provision for spouses in the 1980 guidelines, as there was in the guidelines of the Clark Government, there was a very specific principle laid down to the effect that the financial activities of spouses were seen to be covered, even if the technical detail of a trust for spouses was not.

I now come to the task force set up by the former Government which was jointly chaired by Michael Starr and Mitchell Sharp. The point they make in their recommendations is: "These guidelines do not directly apply to spouses". This is what the Government ultimately accepted. They recommend:

> It goes without saying that Ministers must not transfer their assets to their spouses or dependent children with a view to avoiding the requirements of these guidelines. Ministers should also bear in mind their individual responsibility to prevent conflicts of interest, including those that might conceivably arise or appear to arise out of dealings in property or investments which are owned or managed in whole or in part, by their spouses or dependent children.

Finally, I wish to quote from the words of the Prime Minister himself as set out in the letter he sent to all Ministers accompanying the present set of guidelines. It was the Prime Minister himself who stated:

> However, I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children.

I wish to say that if the last point coming from the Prime Minister himself to his Ministers accompanying the set of guidelines had been acted upon by the present Minister, we would not be having this debate today.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker, we have had a blatant violation of all these principles by the Minister and others who are accountable to the House of Commons, and the arguments presented by the Government in support of Mr. Stevens since the beginning of this affair are deplorably weak.

These arguments are based exclusively on Mr. Stevens' statement that he had put his assets in a blind trust, at the appropriate time and in the appropriate manner.

The Minister carefully avoided answering charges that he failed to conform to other requirements drawn up by the Prime Minister (Mr. Mulroney).

Mr. Speaker, the Prime Minister had a responsibility to ask for the Minister's resignation before he left for Japan. Since then, I may point out that the Deputy Prime Minister (Mr. Nielsen) has shown incredible insensitivity. He has shirked his

responsibilities. Whether the Minister was aware or not of the loan obtained by his wife at the time she obtained it, he should have resigned immediately. He should have resigned on the very day he heard about the loan—that is, on April 29—because he was personally implicated in decisions involving millions of dollars regarding businesses and individuals with close links to the person who obtained the loan, which is indeed the case, Mr. Speaker.

[*English*]

Among others there are three different categories of facts which should have led one to have believed that the Minister was in a conflict of interest situation. First, there is his own appointments to the Board of Directors of the CDIC. These appointments include people intimately, personally, and financially associated with the Minister in the past. In terms of their own business interests and their new responsibilities, they now have, in our judgment, a direct conflict of interest.

Second, Mrs. Stevens, as we have learned in recent days, was continually active on behalf of the family business in attempting to make special deals, or to make particular deals with a number of brokerage houses in Toronto, the same brokerage houses which had been selected by the Minister to do work for his Department.

The third item is what I really want to talk about in terms of making my case. It is that we have had a violation, not simply of the appearance of the conflict of interest principle, but the reality of it rests with the $2.6 million loan which Noreen Stevens made on highly advantageous terms from Mr. Anton Czapka whose business connections with the Minister's Department remain very close to this day. One could make this argument at a number of levels. First, there is the appearance of wrongdoing. In 1974, the Minister himself said the following:

• (1150)

It's not enough to be technically correct—you have to appear not to be covering up.

One could make a very good case for the guidelines, to which I have already referred, having been violated in terms of appearance. But I wish to make what I think is the stronger case, that we are not simply talking about the appearance of the violation of the guidelines, we are talking about the reality. Why do I say that? I would ask Hon. Members of the House to follow along with me while I list what I think are self-evident truths and steps which ordinary Canadians would automatically assume to be proper consequences.

We know that the Minister's so-called blind trust originally included shares in York Centre, his own family business. When he originally set up the blind trust, the family business, by definition, went into that trust. We know that Mrs. Stevens received this $2.6 million loan interest-free for one year. In fact, she does not have to make another payment until the end of the second year.

Mr. Turner (Vancouver Quadra): She can renegotiate it.

Mr. Broadbent: And she can renegotiate it. We know that she received this loan from one Anton Czapka in order to bail out the family company. We also know that Mr. Czapka and his son hold key positions with companies dealing directly with the Minister's Department.

Quite apart from whether or not the Minister's original company shares that were put into the blind trust are still there, something which we do not know, we do know that the Minister has a direct financial interest in his wife's financial well-being. There is no question about that in terms of one's normal understanding and in terms of family law in the Province of Ontario where they both reside.

We also know that the Minister and his wife want to keep their business. Particularly, they will have that in mind when the first payment comes due a year from now and when they may have an interest in renegotiating the terms of the loan.

Next, we know that it would be clearly in the best interests of the Minister to have Mr. Czapka in a good frame of mind when the renegotiation or the first payment comes up. We know that the Minister has to make decisions in his Department involving auto parts companies almost every week, decisions that could be quite directly beneficial to Mr. Czapka and could be very conducive to keeping Mr. Czapka in a positive frame of mind.

I want to make the next point because no one is talking about honesty here. We know that this kind of a position could distort an honest person's judgement. It could distort the judgement of an honest person who happens to be a Minister of the Crown. That is what a confict of interest is all about.

If we follow the sequence of steps, we know that the Minister, having a direct interest in the financial outcome of a series of decisions, is in a position of conflict of interest—not in appearance but in reality. Therefore, he ought to have resigned the day he heard of that loan. Instead, he was responsible for two weeks of parliamentary time that could have been used for other important matters.

I would like to conclude my comments by making some suggestions. First, I wish to give tribute to some of my colleagues who have brought the issue before two committees of the House and have joined with other opposition Members in a sincere effort to get the Committee on Privileges and Elections to look into this issue. They were denied that access by Conservative back-bench Members who sat on the committee.

I am now proposing, quite apart from the announcement made by the Minister earlier, that the suggestion made by the Hon. Member for Nickel Belt (Mr. Rodriguez) that the Committee on Privileges and Elections now be given a mandate to have a fresh look at the conflict of interest guidelines ought to be pursued.

I would like to suggest that the committee also look at the guidelines of the former Prime Minister, the Secretary of State for External Affairs. Those guidelines were tougher in 1979,

particularly with reference to spouses. It seems to me that those of us who accept the equality argument that there ought to be equal division of assets between spouses, something which is long overdue in this country, have to accept the corollary of that, which is that a marriage is in part an economic unit and therefore any effective guidelines for Ministers must have detailed specific reference to their spouses.

I also suggest that the committee look at the need for tougher regulations pertinent to blind trusts. For example, if a Minister puts shares in a trust, he or she ought to assume that those shares are still there and that the Minister has a financial interest in what happens to them unless informed that they have been sold. That kind of requirement exists in the United States where there are tougher trust guidelines.

The final suggestion I make is that the suggestion of the Sharp-Starr task force that there ought to be a person independent of the Prime Minister responsible for enforcement of conflict of interest guidelines be looked at with a great deal of care by the committee. It seems to us to have a lot of merit.

In conclusion, this has been a messy, unpleasant business involving the resignation of a Minister of the Crown. I suppose the only good news that has come out of all this is that the Parliament of Canada does an effective job from time to time.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I cannot help but commence my remarks today with something on which I wish to touch later on. I think the speeches we have heard up to now were prepared in advance of the announcement made by my colleague, the Hon. former Minister of Regional Industrial Expansion. Unfortunately, in my humble estimation, the speeches did not reflect that and were made to be delivered in any event, still full of all the weaknesses and deficiencies with respect to this issue that prevailed in the Opposition approach during the course of this debate.

Some Hon. Members: Blame everybody else.

Mr. Hnatyshyn: Hon. Members are saying that I blame everybody else. Unfortunately, I think that that is precisely what the Opposition has been doing over the course of the last two weeks.

In preparing for today's debate, I took time to reflect on the events of the past few days and the terms of the motion put by the Right Hon. Leader of the Opposition (Mr. Turner) this morning. I doubt that any Member could participate in this debate without stopping to consider the importance of this institution and our role in it. Without wanting to over-simplify the matter or to run the risk of seeming trite, I believe that we have to remind ourselves from time to time of the central principles of public service and the public good which must govern our deliberations in this place.

The charges, innuendo and political manoeuvrings which have dominated the House and its committees in the past two weeks have added what I consider to be a particularly unedifying chapter to parliamentary history. In a sense this is understandable because the strategies employed have centred on short-term issues, the inevitable by-product of the political process.

• (1200)

The House of Commons is a place of strong feelings, focused issues, harsh critiques, and fleeting concerns. This means that all too often it becomes a cathedral of the here and now. Debate on significant issues becomes reduced to black and white assertions of dogma which serve neither to provide new insights nor to contribute to national reconciliation. However, I do not believe that this is an inescapable pattern. Moreover, I think the Canadian public has the right to expect better of us. Indeed, Canadians have a right not only to expect the very best of each of us but have a responsibility to accept nothing less.

Keeping those responsibilities in mind, the actions of Members in the past few days bear most lamentable testimony to the public trust vested in Parliament. It would be presumptuous of me to attempt to speak for all Members, but I believe my experiences since first coming to this place as a political assistant in the 1950s, and subsequently, have left me with a clear perspective on service in the House. A large part of my political experience was gained while in opposition. I understand what it means to have to spend one's day looking for issues which will capture media attention.

[*Translation*]

I understand it may be necessary to find topics that are easily condensed into 20-second items for the national news. I also realize it is easier to sell sensational news than substance. However, I am sure that in the final instance, the public will judge not only the Government's mistakes and achievements but also the Opposition's actions and its proposals for intelligent alternatives. This last item is essential if we are to maintain a healthy parliamentary system. Without debates on substance, Parliament will be useless.

[*English*]

Looking back to the sense of renewal, optimism, and national purpose which prevailed at the outset of the Diefenbaker mandate, and indeed that of subsequent administrations, I am struck with the sense of purpose and vision that each new administration brings to this place. That vision cannot be sustained for long in the face of obstructive and unrelenting negative opposition. When in this manner Parliament allows the transitory issues of the day to divert it from its original mandate, it fails all Canadians—

Mr. Nunziata: Look at yourself in the mirror.

Mr. Cassidy: Look in the mirror.

Mr. Speaker: Order, please. Hon. Members listened attentively to the speeches of the first two Leaders. It seems to me that the same courtesy is appropriate.

Mr. Hnatyshyn: Mr. Speaker, I regret very much that the Opposition, on an issue which it brought to the House, refuses to allow members on the government side to be heard. It speaks of the message which I am trying to get across, and I think the Canadian people understand that very clearly.

Mr. Penner: Are they giving points for hypocrisy today?

Mr. Hnatyshyn: I would have thought opposition Members might understand that there is sense in listening to debate. I disagree very strenuously with the Opposition positions that have been put forward. However, I displayed courtesy by listening to the Leader of the Opposition (Mr. Turner) and to the Leader of the New Democratic Party (Mr. Broadbent). I did not spend my time sitting in the House caterwauling and trying to shout down their positions with which I disagree. That is something about which I might want to speak in the House of Commons, but Canadians do not want irresponsible opposition with Members standing and shouting down people who are trying to speak out in legitimate debates. I think Parliament has reached just such a crossroad. Over the course of the past few days the House has engaged—

Mr. Keeper: Why don't you speak to the issue?

Mr. Kempling: Why don't you shut your mouth, or I will come over and shut it for you.

Mr. Speaker: Order, please.

Mr. Gauthier: Did you hear that? Physical threats now.

Mr. Marchi: Civility!

Mr. Speaker: Order, please. The Hon. Member is entitled to make his speech without interjections on either side, please.

Mr. Hnatyshyn: Mr. Speaker, I think the Opposition has conducted this assault on the character and conduct of a Member of the House of Commons, a Member of the Ministry, without spelling out any specific charges—

Mr. Broadbent: Oh, come on!

Mr. Hnatyshyn: —without providing any evidence of a breach of the established Code of Conduct, without outlining any specific recommendations for improvements to that Code, without concern for the rules of the House or its committees, and without concern for the long-term implications its actions hold for that Member of this institution.

The motion which we are now debating today serves as a perfect example of those tactics. It condemns without showing cause. It provides no suggested course of action. It does not permit the House to vote and thus reach a conclusion. It furthers the objectives of those who seek to wound through innuendo.

If I may, I should like to take a few moments to expand on each of these themes. The history of Parliament is not one of a tepid debating society. Quite the contrary, this institution has long been a place where the clash of passions, personalities, and ideas have led to vigorous debate and harsh criticism. There can be no doubt that this House, which was developed from the model of the Parliament at Westminster, has not had an entirely calm and passionless past. We all understand that the width of the centre aisle in the Mother of Parliaments was that of two sword lengths because at one time it prevented real bloodshed. Parliament has grown to be the central democratic institution of our nation by being the forum for the combat of the mind. It replaced the much less constructive forms of combat which preceded it. When we agree to join this combat, we must do so on the understanding that there are certain rules of conduct which govern it so that it is fair to all sides. Over the past hundreds of years these rules have been refined and improved upon to ensure that reasoned debate and argument takes place rather than open warfare, and that the Government of the day is properly held to account.

[*Translation*]

Many years ago, this House adopted the practice of refraining from attacks on the behaviour of a Member of this House without first establishing precise and detailed charges regarding the behaviour in question.

[*English*]

For two weeks now we have seen an anomalous situation develop where innuendo and supposition have formed the basis of just such an attack, yet no charge has been laid.

Mr. Broadbent: What were the innuendoes?

Mr. Hnatyshyn: I think all Hon. Members would agree that there is value in adhering very closely to our practices, for it is this very body of practices which helps to keep this institution operating, particularly in times of stress.

I heard the Hon. Leader of the New Democratic Party ask about innuendoes. During his remarks he indicated that there was absolutely no allegation of wrongdoing. He complained that somehow there was some type of appearance of wrongdoing, but he did not suggest that there was any wrongdoing on the part of the Hon. Minister. He is now telling me that he is carrying on in this debate without laying any specific charges of wrongdoing.

Democracy is often a fragile and delicate flowering of what is best in the nation from which it springs. However, no democratic people ever have but one view of what ought to be done. We must therefore develop the means to arrive at compromises between conflicting interests. If we begin to tear down those practices which make democracy possible, then we risk serious consequences.

If the House reflects upon the last two weeks and considers the consequences of destroying, or at least conveniently ignoring long established practices, I think many Members will conclude, as have I, that this is not the appropriate way to proceed.

The motion before us for debate today does not tend to reasoned consideration. Like the many unsubstantiated allegations which have appeared in newspapers over the last two weeks, this motion is nothing but supposition based upon innuendo. This debate should have provided the ideal opportunity, yet the Opposition did not attempt to lay a charge or to seek an inquiry to determine the facts, nor indeed to make any constructive suggestion at all. We all know that the Prime Minister (Mr. Mulroney) promulgated a Code of Conduct for public office holders on September 9, 1985. Moreover we also know that he wrote at the same time to the Right Hon. Leader of the Opposition asking for his suggestions and co-operation in extending that Code. The Prime Minister has yet to receive a reply to that letter.

• (1210)

I hold the view that standards of conduct must be generally agreed and supported in order to ensure that they are fairly applied to everyone. In the circumstances I believe that some statement of substantive position from the Leader of the Opposition on the matter of the Code of Conduct is long overdue.

I have listened with great interest to find out where the Leader of the Opposition stood with respect to the Code of Conduct. His position, if I may just put it in one sentence, is that there is no such thing as a Code of Conduct that is enforceable. I take it that is also the position of the Liberal Party.

Mr. Broadbent: You even make babies cry.

Mr. Hnatyshyn: I take the support I am getting from the galleries as cries of support and a cry of condemnation for the Opposition.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I believe we are entitled to find out from the Leader of the Opposition where he stands on a code of ethics. He has been absolutely silent on his position—

An Hon. Member: It's better than yours anyway.

Mr. Hnatyshyn: I do not say this in a condemnatory, way but there was an opportunity here which could have elevated the debate for the Leader of the Opposition in his first motion in this trimester and enabled him to set down some constructive suggestions on the resolution of a particular situation, but we have had nary a word. If the code is not to his satisfaction, let him make his position absolutely clear.

We live in a society that not only permits but encourages individuals to hold diverse views. We foster freedom of speech and association because we believe that the validity of various ideas and opinions must be tested in the crucible of the public forum. This willingness to accept the existence of conflicting and contradictory points of view is one of the primary strengths of our democratic system.

It is, however, imperative that we recognize that our willingness to entertain an infinite variety of opinions on a given subject does not translate into a willingness to allow an individual to conduct himself or herself in whatever manner he or she happens to feel is appropriate. In a very basic sense,, that is why we have developed a set of laws, a jurisprudence, to which individuals may refer to measure the appropriateness of their behaviour.

This view is encapsulated in the principle that the rule of law is preferable to the rule of man. But how to structure the law so as to achieve the legitimate ends of society while not unduly infringing upon the rights of the individual is a question with which we as legislators are forced to grapple every day. There is no formula that is, *a priori*, right or wrong. The final product, the law, will hopefully reflect the balance that we are trying to achieve. However, once that law is adopted we have, for better or for worse, provided a set of rules which establishes a standard of behaviour for everyone.

I have made these rather basic observations about the difference between subjective opinion and objective standards of conduct because this is a distinction that is critical to the matter under debate today. Subjective opinion, no matter whether or not it is well founded, should not and cannot take the place of codified objective standards of conduct.

On September 9, 1985, when the Prime Minister tabled the conflict of interest and post employment code for public office holders he established just such an objective standard of conduct. That Code provides in some detail a set of compliance measures. It requires that all Ministers of the Crown follow those measures and, in so doing, comply with the code.

[*Translation*]

To the best of my knowledge, every one of my Cabinet colleagues and myself have followed the very letter of the conflict of interest guidelines. That is how things should be and that is how they must be.

[*English*]

But, Mr. Speaker, I would ask you to reflect on just how fundamentally unfair it is to establish an objective set of rules and then to claim that in addition there is a further subjective set of standards which also apply. No one can be expected to meet those new standards for the simple reason that one can ever know for certain and in advance precisely what they are.

Notwithstanding the sound and fury generated by the Opposition in the past two weeks, there has been no suggestion that the Code has not been complied with. The Opposition chooses to make accusations of non-compliance with standards, such as they are, which are known only to them. Today's motion seeks to condemn the Government for "failing to provide full and satisfactory information on the blatant conflict of interest situation involving the Minister". Yet that motion, in itself, presumes what it seeks to condemn. It provides no basis for the allegation of conflict of interest. In fact, on a strict reading of the motion the question of whether there was a conflict of interest is not even open to debate. In

this sense, the approach taken here is similar to that taken by the Opposition throughout this debate, pose a loaded question and then proceed to make the facts fit the premise.

The Opposition alleges failure to provide full and satisfactory information, yet provides no yardstick against which to measure the phrase "full and satisfactory". Are we to presume that this is to mean what the Leader of the Opposition (Mr. Turner) says it means or what the Leader of the New Democratic Party (Mr. Broadbent) says it means or what the Press Gallery says it happens to mean? The approach taken is reminiscent to that taken in Lewis Carroll's—

Mr. Althouse: Charles Dickens, a Christmas Carol?

Mr. Hnatyshyn: —when he referred to Humpty-Dumpty. He said:

> When I use a word it means just what I choose it to mean—neither more nor less.

However, in the case before us, not only has the Leader of the Opposition established his own definitions for the words "full and satisfactory", but he refuses to tell us what they are.

The Opposition complains of non-compliance with its standards only after the conduct about which it complains had taken place. There is a principle at law, Mr. Speaker, that conduct cannot be sanctioned retroactively. Yet that is precisely what the Opposition is attempting to do in this case. You may agree or disagree with the provisions and appropriateness of the Code of Conduct, just as you may agree or disagree with any other codified standard of behaviour, but surely even if you disagree, it is unfair in the extreme to pillory someone for meeting those standards. In such circumstances, instead of attacking the individual, the Opposition's energy might better have been directed toward suggesting improvements to the Code. Regrettably, and to the Opposition's discredit, it has not yet seen fit to do so.

[*Translation*]

It is absolutely unfair to proceed the way they have been proceeding, because they gave their tacit consent to the Code. Now they think they can get some political mileage out of it, they have decided to add a new, imaginary chapter to the code.

Ministers are obliged to conform to the rules as they exist today. As for the imaginary rules of the Opposition parties, we have been waiting for them since February 9, 1985.

[*English*]

I might also say that if a charge is going to be advanced, one should always keep in mind that the reputations of public figures are hard won but easily lost. While the fact of parliamentary immunity makes it very easy to allege misconduct, such an allegation ought not to be made lightly.

I am sure that we are all aware of examples where the stigma of wrongful accusation endures long after it has been proven groundless. That is why it is appropriate that such charges be made only on substantive motions where the Member carrying the motion has the burden of proof and the House is provided with an opportunity to decide the question. The motion before us today has neither of those two fundamental prerequisites.

In reflecting upon the events of the last week, I have become concerned that this Parliament has been diverted from the essential issues facing the nation. Unfortunately, although this diversion has occurred, it will not result in a constructive outcome. That time could have been spent considering issues as varied as the Tokyo Summit, efforts to improve economic returns to farmers, the nuclear disaster at Chernobyl, the ongoing scourge of terrorism, or any number of other important issues. It might even have been spent considering what changes, if any, could be made to the conflict of interest code to improve its effectiveness. In doing so, we would have been fulfilling the role for which we were elected. We would have been dealing with the important issues of the day in the context of the fundamental directions charted for this Parliament, that is, national reconciliation, enhancement of social justice and economic renewal.

• (1220)

My colleague the Minister performed an honourable act today in tendering his resignation. I am disappointed that, under the circumstances, the speeches made by the Leaders of the two Opposition Parties did not recognize that fact and were not supportive of the Minister who has taken this very important step.

Mr. Deans: Question.

Mr. Speaker: The Hon. Member seeks to ask a question. The Chair had not called for questions on the first speech, therefore did not call it on the second speech, and therefore intends to move to the next speaker.

Mr. Deans: On a point of order.

Mr. Speaker: On a point of order, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, it is not the Chair's prerogative but, rather, a Member's prerogative to rise and indicate the desire to ask a question. If no Member rose and indicated that desire in the first two speeches, that should not in any way interfere with my right to ask a question.

Mr. Speaker: The point of order is on the Hon. Member's side and I agree with him. What the Chair is trying to point out is that the Chair normally calls the question and answer period and did not earlier. It therefore left the Chair in the position where it would have had to interrupt the Hon. Member's Leader to come back to a question and answer period. The Hon. Member is absolutely correct on the point of order, therefore, if he wishes to continue with his question?

Mr. Deans: Yes, quite frankly I want to ask a question. It is a simple question. Why is the Government House Leader now defending the conflict of interest position of the Minister when

up until now it had been claimed to be the prerogative of the Deputy Prime Minister (Mr. Nielsen) to undertake that kind of action? Where is the Deputy Prime Minister now that we need to hear from him about what happened?

Mr. Hnatyshyn: Mr. Speaker, I find that to be a curious, indeed mischievous question. He knows that in these debates representatives from each Party have an opportunity to speak. He also knows that the Deputy Prime Minister is here during Question Period on a daily basis subject to questions placed by the House Leader for the NDP or anyone else in the House. The mere fact that a particular Member does or does not participate in a particular debate is hardly worthy of observation. I could have easily asked him the question: Why do we have to sit through his Leader's speech? Why didn't he speak for his Party?

Mr. Deans: My question is not as to his presence or absence, my question has to do with the fact that the Deputy Prime Minister indicated for two weeks that he and he alone was asked by the Prime Minister (Mr. Mulroney) to be in charge of and answer to the conflict of interest issue. Now that we have something to deal with, questions which could be answered by the Deputy Prime Minister cannot be asked because he does not deign to show up for the debate.

Mr. Speaker: Order. Such a comment is of course out of order.

Mr. Hnatyshyn: Mr. Speaker, to show the fact that the Hon. Member is not being responsible, he presumes what is going to transpire for the rest of the day. Does he now know who our speakers are? Does he have a list of who is going to speak in this debate? I would like to ask him if he would give me his speakers list, too; I would be very interested.

Mr. Deans: I'll be glad to.

Mr. Speaker: Order. The Hon. Member for York Centre (Mr. Kaplan) on a question, please.

Mr. Kaplan: Mr. Speaker, the opportunity to question the Government House Leader has now come open and I want to take advantage of it to try and get to the bottom of this question of unproven allegations. I do not have sworn statements which constitute evidence admissible in a courtroom. However, how can the Minister go on saying day after day that there are unproven allegations when statements have been made by responsible people in the community such as Anton Czapka and Trevor Eyton, statements which have not been challenged by the Government? There has been financial information about the companies involved. Surely these constitute adequate facts from the point of view of Parliament. How can the Minister say it is not proven that money was borrowed from a bank in Korea, or that it was borrowed through the assistance of Magna International or Brascan? What are the facts which require substantiation in order to put the onus on this Government of clearing the Minister's name? That is what I would like to know. What kind of proof is the Government looking for before it acts to enforce its own conflict of interest guidelines?

Mr. Hnatyshyn: Mr. Speaker, through the words of the Hon. Member for York Centre (Mr. Kaplan) comes proof positive of precisely the point I was making. No one could have articulated the point better than he did just now. I said a lot of statements have been made with respect to what may or may not have transpired concerning dealings, not necessarily by the Minister. However, the fact is that I think the Hon. Member, as a former Solicitor General, understands the necessity of having an element of fairness. He would be the first one to defend that particular proposition. You cannot say on the one hand that there is compliance with the Code of Conduct, and then suggest there is something wrong, that there is a blatant conflict. The allegation in this motion is that there is a blatant conflict of interest, but there is no spelling out of exactly what that conflict of interest is. I can get up and say that the Hon. Member is incompetent. Does that make it a charge subject to debate in this House? Of course not. I would have to list why the Hon. Member is incompetent in the opinion of the House. Nothing of that sort is contained in this motion.

I simply say to the Hon. Member, in fairness, he understands that what is happening here is a repetition of a series of statements quite unrelated to the Code of Conduct; the suggestion is that somehow there are actions which may or may not have been taken. However, there has been no charge specifically that there has been a conflict of interest, and at no time has any Member of the House been prepared to make that charge.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, while in the lobby I thought I heard the Hon. Government House Leader say something to the effect that Parliament has been diverted for awhile from the essential matters facing the nation. Maybe I misheard him but, if that is the case, I would like to ask him what in his opinion is more essential to this nation's business than the integrity of the Government? We in the Opposition are the first ones to say that there are other areas of government activities which could have been probed during the last two weeks. Why has the Government waited so long to call for the inquiry we are getting today? It is two weeks too late. The House could have dealt with other matters in the meantime. It is my opinion that the Government simply waited until public opinion had been cranked up enough that it felt compelled to do something. What is more essential than the integrity of the Government?

Mr. Hnatyshyn: Mr. Speaker, I suppose that was the basis of the remarks I made. I listed the procedural ways in which these items can be discussed in Parliament. The way in which they can be discussed is not through what I would call this rather irresponsible motion we now have in front of us for debate. Allegations are being made without substance in fact. The Opposition continues to use that device throughout the debate. I think what the people of Canada want us to do is debate the important issues facing our country. I would think

the Hon. Member will understand that if the Opposition decides, as they have, that this is all they want to talk about, with a general broad brush approach and without laying a charge, then that is a very unfortunate way in which to conduct the affairs of this House. There are ways in which the matter can be dealt with under the rules, and I listed those in my remarks. I hope the Hon. Member will read them.

Mr. Deputy Speaker: Resuming debate.

Hon. Bob Kaplan (York Centre): Mr. Speaker, while the Government House Leader was speaking I was awaiting the defence the Government was going to make of the alleged conduct of his colleague. I thought that if there was anything one could say to contradict what is on the record, that would have been the time to make it. That would have been the moment to have given us facts we were not aware of, or the facts that would contradict those facts which are so clearly on the public record, facts that virtually every interested Canadian knows. I had expected to hear how the conflict of interest guidelines of the Government could be interpreted to exculpate the Minister, to permit him to do what it is that the record so clearly and without contradiction shows he has done.

• (1230)

Yet, we got nothing in the way of defence from the Government House Leader. Never has a Government stood up with so little to say on its own behalf on such a serious matter. We heard accusations that we in the Opposition are being disorderly, that we in the Opposition are, somehow or other, not using the tools at our disposal to make the claim that the Government's conflict of interest guidelines have been violated.

As the facts came out in the last two weeks, the Government had many, many opportunities to contradict them. An inquiry is being launched today. It may well be that there will be the odd fact brought forward by that inquiry. It may well be that the contradictions which may exist in some people's minds will be clarified. However, the essential facts are there.

When the Government House Leader was in the Opposition he once asked, in speaking about Mr. Trudeau's conflict of interest guidelines: "What does the Government want from us?" He asked if the Government wanted them to have coloured photographs of the Minister with his hand in the till. Events do not happen in such a way as to permit the Opposition to deliver coloured photographs of Ministers with their hands in the till. Nor do they happen in such a way as to allow us to get long, sworn statements of testimony to present to the Government for it to deal with.

Responsible people in Canadian society and responsible journalists have put facts on the record about what this Minister's wife did to try to bail out their troubled business, the York Centre Corporation. Every few days new statements have been made by responsible people. The Government has never chosen to deny these statements. Did the company get a loan from the Hanil Bank, a company which is related to Hyundai? The Government did not challenge that it did. That is right on the company's books. Did the company get a loan with the help of the president of Magna International from Anton Czapka, a former big shareholder and promoter of that company? The Government did not challenge the truth of that. It is true. Did the Minister's wife ask Trevor Eyton of Brascan, a member of the Canada Development Investment Corporation, to try to help her raise money to bail out the company? There was no challenge of those facts.

If those fundamental statements were not true, the Government surely should have stood up and denied them in the past two weeks. The Government's failure to deny them implicates the Government by its acceptance of them. Those are the facts and the Opposition is entitled to have answers based on those facts. The Government is not entitled to shoot them back in our face and say "bring us coloured photographs" or "bring us sworn affidavits". That is not our function and it would place an impossible burden on the working of Parliament.

What have we been getting from the Government in the way of defence of the behaviour of its Minister? We have gotten the most unbelievable series of cheap shots. The Government has asked whether we believe that women are chattels and whether we do not think that spouses of Ministers should be able to have their own lives. That is one of the cheap shots which was taken to try to deflect attention from the charges against the Minister. We were asked whether we were against investment in Quebec or Cape Breton. Those are the kinds of answers the Government gave when we raised our concerns.

Another defence was that the former Government made the Magna deal. The Government said that it should not be accused of conflict of interest because the former Liberal Government signed the Memorandum of Understanding. I categorize that as another cheap shot, not only because of the good arguments made by my Leader showing that the Memorandum of Agreement did not settle the terms on which the Magna loan would be based but because there was another Memorandum of Agreement signed by the present Government so that it could claim the credit for all of the subsequent arrangements made with Magna. The Government cannot have it both ways, and I consider that to be a cheap shot.

At the end of last week the Government accused the media of conspiring to prevent the actual facts from being known. If there is any responsibility for not bringing out facts in defence of the Government it falls upon the Government. Day after day, instead of bringing out facts in its defence, it has engaged in cheap shots. Another cheap shot taken by the Government House Leader today is that it is up to us to change the rules of conflict of interest, having been given the opportunity to do so. The present rules are sufficient for the purposes of what this Minister has done, which we consider to be a conflict of interest. The rules are clear and would work, but only if the Government would make them work. We cannot make them work, but I would like to explain how we tried.

Our House Leader asked in the House if, under the rules, we could call witnesses to the Bar of the House of Commons to

ask them the questions which the Government was telling us we needed to ask. The Government, with a majority of Members, refused to allow us to use that rule. We tried to take the matter to two committees to try to get to the bottom of it. The Opposition did what it could to bring out the facts in the House in a way which would meet the phoney tests which the Government was setting before it would admit responsibility for defending the Minister. It did not work. The door was closed to us. Yet, day after day in Question Period, as we tried to get answers, we were told that it was up to us to lay a charge.

What about laying a charge, Mr. Speaker? Conflict of Interest is not a matter which falls under the Criminal Code, if that is what the Government meant when it spoke about laying a charge. The guidelines are not a matter of the criminal law. It is not up to the police to investigate them. They are not a matter on which one would swear an information. It is not an order in council. The conflict of interest guidelines are not derived from any delegated law-making powers which the Government has under any statute of Canada. The conflict of interest guidelines are not a matter of privilege. I do not believe that Members of the House can stand up and claim that their privileges are violated when the Government refuses to live up to and apply the conflict of interest guidelines.

Those guidelines are an administrative policy voluntarily accepted by the Prime Minister of Canada (Mr. Mulroney). He can change them, he can reinterpret them, or he can throw them in the garbage can, and that is exactly what has been done. The conflict of interest guidelines which he introduced with so much fanfare have been thrown into the garbage can by the Government and the Government has no intention of enforcing them.

When the conflict of interest guidelines were first introduced by the Government last September the Prime Minister made some very proud statements about the responsibilities which he and the Government would assume for their enforcement. They did not say that it would be up to the Opposition to lay charges, or that it would be up to the police, or that somehow or other coloured photographs would be needed before the Government would get serious about them. In his letter to his colleagues the Prime Minister said:

> In carrying out that responsibility the Government is directly responsible to Parliament and through Parliament to the Canadian people.
>
> You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else. Nor will you find anything which will relieve me and my colleagues of the necessity of exercising judgment.

• (1240)

That is what the Prime Minister said in September. However, in April, when all of these facts about the behaviour of the Minister of Regional Industrial Expansion (Mr. Stevens) and his wife were on the record, the Minister said in a press conference on April 30:

> All I can do is tell you that there are rules that Parliament has established, that the government established in regard to this kind of activity. We laid them out. I wrote to all Members of Parliament. I laid them out publicly and—

The Prime Minister adds:

> —the Deputy Registrar General is charged with their application.

I charge the Prime Minister with a total distortion and abandonment of the conflict of interest guidelines. They were his baby when he brought them out. We could look to him to enforce those guidelines. Suddenly, the Assistant Deputy Registrar General is charged with their application. What authority has he to patrol and enforce these guidelines? He can only ask the Minister if he is still in compliance with the guidelines and if his statement remains true.

The Assistant Deputy Registrar General asked that question.

Mr. Mantha: How do you know?

Mr. Kaplan: According to the Prime Minister and to those of us who asked him. Did he go beyond that to ask if the facts appearing in the newspapers were true? Did he ask the Minister if he had any explanation as to why his wife was doing these things? The Assistant Deputy Registrar General had no responsibility to do that, yet the Government tried to pin it on the Assistant Deputy Registrar General.

I want to examine one sentence of the Prime Minister's letter to his Ministers and use it as an illustration of how ineffective it is to put the responsibility on the form filed with the Assistant Deputy Registrar General. In the days when the Prime Minister wanted us to believe that there would be conflict of interest guidelines that would be enforced, he said:

> —I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children.

A Minister cannot simply file a form in order to comply with this. In such cases, a Minister must say something to his or her spouse and dependent children. Let us take a hypothetical example of the Secretary of State for External Affairs (Mr. Clark), whose wife is an active lawyer in a busy practice in Toronto. If the Prime Minister's statement is to be taken seriously, the Secretary of State would have to ask her not to act for foreign governments or for customers of CIDA, or for people who are coming to his Department for favours. He must state that the Prime Minister has asked him to try to prevent conflicts of interest in relation to the behaviour of his spouse. What else could that statement possibly mean?

Yet, in the matter we are discussing today, without any denial by the Government, a Minister's wife is approaching firms, through which billions of dollars worth of business may or may not be channelled in the distribution to the public of the shares of the Canada Development Corporation, to try to raise approximately $3 million for her husband's troubled business. What could be a clearer violation of that sentence in the guidelines than the behaviour which I just described?

If the Government had anything to say in its defence, surely the time to do it was when these allegations were made by responsible people in the media. Instead, Parliament was stifled and the Government adopted a cynical strategy—a media strategy—of saying as little as possible on the record.

I hold the Prime Minister accountable for that because he started it. As he was leaving the country he said that the Deputy Registrar General was responsible. Later in that interview he talked about the presumption of innocence, as if we were talking about the Criminal Code rather than conflict of interest guidelines which were his responsibility to administer. Those conflict of interest guidelines are not the responsibility of the Opposition or the Assistant Deputy Registrar General, but the responsibility of the Prime Minister. The Prime Minister had the nerve to say that there is a presumption of innocence.

The Prime Minister has a blind spot about morality which prevented him from taking the necessary steps at the beginning of this matter. The Prime Minister should have taken immediate action, as was the case in the situation of the Minister of Communications (Mr. Masse), who stepped aside, either on his own or at the suggestion of the Government, until he was cleared of certain allegations. In this case, no effort was made to challenge allegations. The Government has lived with those allegations. I do not believe that an inquiry will change the fundamental facts which have been put to the Government frequently and not challenged. An inquiry will not change the obvious interpretations of the provisions of the conflict of interest guidelines which we say are violated by the behaviour of the Minister's wife.

I have dealt with the responsibility of the Prime Minister for letting this situation get out of hand. I also want to look at the responsibility of the Deputy Prime Minister (Mr. Nielsen) during the mandate of the Government. Time after time, he has defended the indefensible and then backed away from his position. For instance, he defended the former Minister of National Defence. He said that his behaviour was perfectly acceptable, that there was nothing wrong with his behaviour. The former Minister of National Defence then had to resign.

The Deputy Prime Minister said there was nothing wrong with the behaviour of the former Minister of Fisheries and challenged the Opposition to make a charge. He suddenly changed his tune and we saw the former Minister of Fisheries depart.

During the Hatfield matter, we repeatedly stated our belief that the former Solicitor General was wrong and had violated the conflict of interest guidelines by trying to help or give the appearance of trying to help a friend. He was defended by the Deputy Prime Minister until the day he had to leave that portfolio.

The Deputy Prime Minister claimed there was nothing wrong with the former Minister of the Environment's trip to Europe, and if Members wanted to make a charge they could do so. Suddenly, the former Minister of the Environment was gone.

The Deputy Prime Minister defended his own behaviour in bugging the Liberal caucus many years ago. He said there was nothing the matter with that and there were many good arguments in favour of it. He challenged Members to make a charge if they wish to do so. Suddenly, we received a form of apology, indicating that that type of behaviour is considered reprehensible by the Government and would not be repeated.

I do not believe that the Deputy Prime Minister can continue to perform that function. The Deputy Prime Minister and Minister of National Defence is discredited by the way he has acted as the Government's trustee of proper behaviour of Ministers. He cannot continue to perform that job with any credibility.

Let me conclude with a reflection that came to me over the weekend. I believe it is a realization that has come to all Members as they went to their ridings over the weekend. What do Canadians think about this behaviour that has been revealed and not denied by the Minister? Canadians think that politicians are involved in politics only for what they can gain and that their purpose in serving public office is to try to benefit themselves. Businesses are also under a cloud as a result of the manner in which the Government has handled this matter. Canadians out there are thinking that if a business gets ahead, if it is doing anything which involves the Government, there is some element of influence peddling behind it. Both those propositions are wrong. It is up to the Government to restore standards in which Canadians will have confidence. This is not the Philippines, nor is it Korea. Yet the attitude the Government takes towards conflict of interest guidelines gives the Canadian people the feeling there is just no difference. It is appalling and I welcome the opportunity in today's debate to try to make that clear to Canadians and to force the Government to assume its responsibilities in this matter.

• (1250)

Mr. Blenkarn: Mr. Speaker, I have a comment first and then a question. When a Member of Parliament says he obtained no benefit, when he makes that flat declaration, it would seem to me it is the obligation of his colleagues to accept his word at face value. Otherwise, we tear ourselves apart as Members of Parliament, we tear this place apart, we hurt the representative system and we call into disrepute Members of Parliament generally. If we are going to have Members of Parliament involved in key economic portfolios, we have to have Members of Parliament in those positions who have been there before, who have borrowed large sums of money from banks and know what the "street" is all about.

Mr. Nunziata: Boloney!

Mr. Blenkarn: It would seem the only kinds of persons we should ever have in those portfolios, with the kind of attitude expressed by the opposition, would be people who have no business experience, or have made no outright effort in the

business world. However, my question does not deal with that subject. My question deals with the question of women.

Is it the viewpoint of the opposition that wives of Members of Parliament are suddenly second-class citizens—

Mr. Nunziata: Don't be sexist.

Mr. Blenkarn: —that they cannot operate on their own and take business decisions on their own because somehow they conceivably might be in conflict? In this particular case, a well-respected lawyer who has practiced law in the Province of Ontario for over 25 years, who is involved in business deals, running fairly large public corporations in the marketplace, and who is involved with brokers and with financial transactions, is all of a sudden, because she happens to be a wife, in conflict of interest. I wonder to what extent wives of Members of Parliament are suddenly second-class citizens in the eyes of the opposition?

Mr. Nunziata: That is a sexist question.

Mr. Kaplan: Mr. Speaker, the Hon. Member began by saying we had to accept the Minister's word when he said: "I received no benefit". I thought when I heard that answer that it was a pretty cute answer. It was not a denial of the statement that his corporation received a loan interest-free for the first year and with no principal repayable until the end. If the Minister had stood up and said: "We did not get the loan. It does not have the first year interest-free. The principal has to be paid back during the term", that is the kind of answer which would have been responsive. But when he said: "I received no benefit", I thought it was simply a cute way of putting a good line on the record which did not deny any of the fundamental facts we were saying constituted the basis of the conflict of interest. That is why we dealt with that statement by the Minister as we did. If he had not received that loan, if it was not interest-free in the first year, or if the payment of principal was not deferred, I think he would have said that. That is why I think the facts are clear enough for us to make the statement and take the position we have.

To come to the question of how much is a wife independent when her husband is a Minister—and it is a spouse I am talking about—there are female Ministers and the same rule applies to their spouses. It does not have to be a Minister. There is no law which says a person has to take the responsibility of being a Minister of the Crown. It is up to them. But when they do, certain responsibilities flow through them to their families.

What is my authority for that? It is the Prime Minister of Canada. He is the one who said: "Ministers have a responsibility to prevent conflict of interest including those that arise out of the activities of their spouses". That is his statement. If a Minister or a candidate to be a Minister does not want to put this kind of constraint on his wife, if he feels it is unfair, if he discusses it with her and she is unwilling to do so, then he does not have to be a Minister.

The Government was elected with 211 Members, a lot of them better qualified to be Ministers than those who sit in the present Cabinet. There is no shortage of people to become Ministers of the Crown. Mrs. Stevens is a lawyer in Toronto with a good reputation, who is entitled to practice her profession, as is Ms. McTeer, as are many others whom I do not know, who are doing their own thing. However, as far as the Prime Minister's conflict of interest guidelines are concerned, the wives have to accept a certain responsibility for their husband's career in public life. Otherwise, these conflict of interest guidelines are thrown in the garbage. And I can see by the interpretation put on them by the Hon. Member who just spoke that they have been thrown in the garbage.

Mr. Nunziata: Mr. Speaker, I think it is abundantly clear that what is at issue is the moral fabric of the Government. However, I would like to make a few comments with respect to how the Government has dealt with this particular issue.

You will know, Mr. Speaker, that the Government, through the Deputy Prime Minister (Mr. Nielsen), over the last two weeks has attempted to defend the former Minister of Regional Industrial Expansion. What was its defence? It was that the Minister received no benefit and that the conflict of interest guidelines were complied with. We do not need conflict of interest guidelines to tell us the difference between right and wrong. Canadians understand this particular issue. They do not have to refer to a Code of Conduct, or to the Prime Minister's guidelines to tell them it was wrong for the wife of the industry Minister to go out and seek financial support from individuals and companies which were doing business with the Government through her husband. The fact that she was able to obtain an interest-free loan for the first year of $2.6 million would suggest very strongly that the conduct was wrong.

I would like the Hon. Member for York Centre (Mr. Kaplan) to comment on the defences which have been put forward by the Deputy Prime Minister and the Government itself over the last two weeks. The Hon. Member pointed out quite rightly a few days back that it was the same Deputy Prime Minister who stood up in this House to defend himself over the course of a number of parliamentary days, who stood up to defend the former Solicitor General, who stood up to defend the former Minister of Fisheries and Oceans, and who stood up to defend the former Minister of Communications. The fact that all those Ministers ended up resigning would leave one to seriously question the conduct of the Deputy Prime Minister. I would like the Hon. Member for York Centre to comment on the actions of the Deputy Prime Minister over the last number of weeks, and whether his conduct has in any way served this Parliament or the integrity of the Government and this institution.

Mr. Kaplan: Mr. Speaker, I would just like to observe that I think the Deputy Prime Minister has disqualified himself by his behaviour in handling the situation to which my friend has referred. He has disqualified himself from performing the

function which he has been performing in the Government for the Prime Minister. I say that without reflection in any way on his excellent war record.

• (1300)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to begin with a brief comment about the dignity and grace with which the Minister of Regional Industrial Expansion (Mr. Stevens) resigned this morning. I think that nothing in the events thus far has done more credit to him than the manner in which he left his office this morning.

I wish to contrast his manner with the approach taken by the Government House Leader in this debate. If we are to believe the Government House Leader, then we have a Government which won power with vision and leadership and which has been frustrated and destroyed by an irresponsible Opposition. There are some facts which have to be put on the record to show just how ludicrous that suggestion is.

The first is that the Opposition is outnumbered by 211 to 69. It is a massive gap. Within the Government there is a concentration of power because of the number of seats it holds. This is something which in my view is unparalleled in Canadian history.

Second, this is a Government which is dominant in the committees of the House. We have seen in the past week attempts to take this issue before a committee of the House, such as the Standing Committee on Elections, Privileges and Procedure, which have been frustrated by the Conservative majority. This is also true with respect to attempts to take the issue to the Standing Committee on Regional Industrial Expansion. In fact, this is a Government which holds massive power. If it is not exercising its power to give us the vision and leadership which it wishes to give us, then it is the fault of the Government and not the fault of the Opposition.

The debate this morning has centred about the question of the Code of Conduct for Ministers. Again, this is contrary to what the Government House Leader has suggested. In fact, within the code there are a great many subjects covered. One of the subjects which is quite clearly covered is the behaviour of spouses. It is quite clear that the letter of the Prime Minister (Mr. Mulroney) which was written in September is considered to be a full part of that Code of Conduct. It makes it the responsibility of each and every individual Minister to take account that such conflicts of interest do not arise.

Mr. Deputy Speaker: The Hon. Member for Essex—Windsor (Mr. Langdon) will have 15 minutes in which to conclude his speech after Question Period.

It being 1.05 p.m., I do now leave the chair until 2 p.m. this day.

At 1.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL DEFENCE

CONTRACT TO REFIT DESTROYERS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, last Friday the Associate Minister of National Defence (Mr. Andre) attempted to take the maximum credit possible for the award of a $1.2-billion contract to update four Tribal-class destroyers by waiting until after his ten o'clock press conference had finished before providing me with a copy of his remarks. While the Minister's behaviour represents a break with what is considered common parliamentary decency, he achieved little, since one need only know the history of this program to know that all was complete before the present Government set eyes on it.

The former Liberal Government gave this program preliminary approval in 1980 and final approval in principle in 1984. We see again the Conservative Government's failure and inability to put forward anything new. How long will the Government continue to piggyback on former Liberal programs? Why does the Government need two Ministers of National Defence when all they are doing could be done by half a Minister—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

POLICE WEEK

CONDOLENCES TO FAMILY OF OFFICER CLAUDE ST-LAURENT

Mr. Carlo Rossi (Bourassa): Mr. Speaker, during Police Week in this country, already two policemen, one in Quebec City and another in Montreal, have been shot down while on duty.

Mr. Speaker, I think we often forget to appreciate the dedication and importance of the police who are prepared to lay down their lives so that Canadians can enjoy the freedom they have.

To the family of Officer Claude St-Laurent, his wife and his three children, I wish to offer my condolences, both personally and on behalf of my party, and as a former colleague of Officer St-Laurent, I share the grief of his colleagues.

CANADIAN CULTURE

IMPORTANCE OF SMALL LIBRAIRIES TO CULTURAL ACTIVITIES—WORK OF VOLUNTEERS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last Saturday on May 10, the first regional library convention of Abitibi-Témiscamingue was held in Rouyn-Noranda.

The general meeting, attended by more than 300 volunteer workers, was held to celebrate the tenth anniversary of the central lending library and pay tribute to hundreds of volunteers, the majority of whom are women, who are known throughout our region for their dedication to promoting books and reading.

I would like to point out that in 1976, we had only five or six libraries in Abitibi-Témiscamingue. Today, in 1986, we have about 80 libraries throughout the region, in communities with a population of less than 5,000.

In a region where organizing recreational activities is left up to the major municipalities, these several dozen small libraries play a fundamental role in promoting cultural activities locally.

Mr. Speaker, I would like to take this opportunity to offer my sincere congratulations to all administrators and the 900 or so volunteer workers on their dedication to improving our cultural and social environment.

* * *

[*English*]

THE ECONOMY

SUCCESS OF GOVERNMENT POLICIES

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, the economic policies of the Government are working. Progress is being made in rebuilding the Canadian economy. The national unemployment rate has fallen to 9.6 per cent, down more than three percentage points. More than 600,000 jobs have been created.

These benefits are being felt in Atlantic Canada. The Government's regional development policies are bringing benefits to my riding. For example, the Government, through the Minister of State for Forestry (Mr. Merrithew), has announced a $10-million forestry renewal project. A special multimillion-dollar tourism agreement is being prepared. Other policies like the Atlantic Enterprise Program and the Atlantic Opportunities Program have been announced and will bring more benefits to the region.

Some of the first industries in recent decades have been announced for my region. Guysborough, Richmond, and Inverness Counties have received manufacturing facilities. This is success that was not achieved before, and there will be more success stories to talk about in the future.

S.O. 21

TRADE

LUMBER EXPORTS TO UNITED STATES—THREAT OF COUNTERVAILING DUTIES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, making off the record deals that are not in the best interests of Canadians is fast becoming a hallmark of the Government. Today we learned of yet another deal. Today the United States Forest Producers lodged a petition with the United States Commerce Department and the United States International Trade Commission calling for countervailing duties of $53.65 U.S. per thousand board feet to be levied against our $2.8-billion softwood lumber exports to the United States of America.

We New Democrats always believed that President Reagan had made a deal with the United States Senate Finance Committee to get it to agree to a fast track free trade proposal and that the deal was that the administration would support a countervail proposal. Obviously the Canadian Government was aware of this off the record deal and was quite prepared to make our softwood lumber industry the sacrificial lamb in the free trade talks. How can free trade talks continue with this lumber countervailing duty axe hanging over our heads? Why has the Government of Canada apparently abandoned Canadian lumber producers?

* * *

• (1405)

TRADE

IMPORTANCE OF CANADIAN LUMBER EXPORTS TO UNITED STATES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, our upcoming trade talks with the United States are about to begin. I should like to say a few words on the importance of these talks.

In 1985 trade between our two countries totalled more than $150 billion; 79 per cent of our exports goes to the United States and 21 per cent of theirs comes to Canada. Last year we sold more than $100 billion of goods and services to Americans. We are the closest and most important trading partner of the largest and richest market in the world. We must secure our access to that market if Canadian export industries, such as our lumber industry and the B.C. cedar shakes and shingle industry, are to survive.

If these trade talks are to be launched successfully, politicians on both sides of the border must steadfastly resist creeping protectionism in all sectors. It is in this spirit that I am sure the President of the United States will deal with the current recommendations of the International Trade Commission. Let us be positive about this, not negative.

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

CITIZENSHIP

PRIME MINISTER'S LETTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, on April 11 I attended a citizenship ceremony in my constituency, and a message was sent from the Prime Minister's Office which I have confirmed is authentic. I should like to read a sentence of it with which I disagree very strongly. In part the message reads:

> The act of changing one's citizenship is a dramatic and emotional moment; it signifies a carefully considered decision to commit oneself for the future to a new land, and represents a cutting of ties with one's homeland.

I think this statement by the Prime Minister (Mr. Mulroney) shows a fundamental lack of understanding of the meaning of Canadian citizenship and of the broader concept of multiculturalism.

I urge the Prime Minister to reconsider such a misguided message and in future to send something which takes a more positive view of the relationship immigrants in Canada are permitted to have with their homelands as far as the Prime Minister is concerned.

* * *

WAR CRIMINALS

SOVIETS' REACTION TO DESCHÊNES COMMISSION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, it seems as though the Soviets are once again trying to fester the historical wounds which exist between Canada's Ukrainian and Jewish communities. Recently the Soviets responded positively to the request of Justice Deschênes that his commission travel to the Soviet Union to obtain evidence against alleged war criminals in Canada. However, the Soviets were silent on the important safeguards which Justice Deschênes included in his original request. Their silence on this most fundamental issue reinforces my concern over their desire to manipulate these proceedings to serve their own political goals.

Representatives from both eastern European and Jewish community organizations in Canada have repeatedly called for these safeguards in order to protect against Soviet deception. Let us not be fooled by the motives of the Soviets. They want to be perceived as supporting an inquiry, but they are not willing to tolerate an independent and fair treatment of evidence. They want nothing more than to see an open conflict between Canadians of eastern European and Jewish heritage.

Mr. Speaker: Order, please. Sixty seconds.

INDUSTRY

LOSS OF JOBS AT CANADA PACKERS PLANT IN WINNIPEG

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a statement which will now have to be dealt with by the new Minister of Regional Industrial Expansion.

On November 18 I wrote the former Minister to warn him that a grant which he made to establish a hog processing facility in rural Manitoba would have dire implications for the meat packing industry in Winnipeg. Unfortunately that warning has now come true. A full 200 to 300 jobs are now to be lost at the Canada Packers plant in Winnipeg in its hog killing operations. They will be replaced by 70 jobs at the new plant, and these jobs will pay about half what Winnipeg workers earned. Canada Packers is now reconsidering whether to proceed with modernization of its entire Winnipeg operation.

The new Minister must look at this use of public money when a $865,000 government grant results in fewer jobs at lower wages. If not, the Minister would better be named the Minister of Deindustrialization, in charge of moving plants to constituencies of Conservative Members of Parliament.

Mr. Speaker: Order, please. Sixty seconds.

* * *

• (1410)

NATIONAL PAROLE BOARD

MANDATORY SUPERVISION—DELAY IN PASSAGE OF AMENDING BILL

Mr. Alan Redway (York East): Mr. Speaker, Bill C-67, a Bill which gives the National Parole Board the power to refuse to release inmates on mandatory supervision if there are reasonable grounds to believe that they could commit a violent crime, was reported back to this House for third reading after extensive debate in the Justice Committee, three and a half months ago. Almost two months ago, on March 21, a coroner's jury in Toronto investigating the death of a man released on mandatory supervision endorsed the spirit of Bill C-67 and recommended that the Solicitor General of Canada (Mr. Beatty) implement it expeditiously following its proclamation. That was one and a half months ago, and Bill C-67 has still not reached the Order Paper for third reading.

The public wants this legislation, Mr. Speaker. I call on all Members of this House and all Parties in this House to get on with it and to pass the Bill quickly. Don't let it die on the Order Paper in June.

AGRICULTURE

HOLSTEIN CATTLE RESEARCH—USE OF SCIENTIFIC RESEARCH TAX CREDIT

Mr. William C. Winegard (Guelph): Mr. Speaker, I rise today to urge Dreamstreet Holsteins to negotiate with Holstein Canada, the University of Guelph and others to develop a new and sound research proposal in order that the majority of the funds provided under the scientific research tax credit scheme can be used for research of benefit to Canada.

The current proposal does not have the support of the agricultural community and will not have that support until Dreamstreet decides to turn the project into a major comprehensive research effort. In the meantime Revenue Canada should use every means at its disposal to ensure that only research approved by the scientific community is undertaken with taxpayers' dollars.

* * *

GOVERNMENT EXPENDITURES

MARLIN TRAVEL CONTRACT AWARD

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the awarding of a $130 million contract to Marlin Travel Ltd. for government travel will save very little money in the long run. The main effect of the move will be the loss of 90 jobs in Air Canada and CP Air. Some people may be hired by Marlin Travel but most will be out looking for jobs. Those who do find jobs with Marlin Travel will do so at much lower salaries and much reduced benefits, such as medical, dental and pension plans.

Can this kind of reduction in work conditions be considered a saving, Mr. Speaker?

* * *

THE ECONOMY

INTEREST RATE LEVELS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, Bank of Canada interest rates have dropped 3.75 percentage points since the Government took office in September, 1984. The Bank of Canada rate now stands at 8.72 per cent while most banks are charging 10.75 per cent to preferred borrowers. There is a 4.5 point spread between top savings accounts and the cost to preferred corporate customers. The spread is much greater for operating and consumer loans.

One of the high costs to our agriculture communities is interest rates. For the good of the country we must get agriculture loans to below 6 per cent.

IMMIGRATION

ISSUANCE OF MINISTERIAL PERMITS

Mr. Sergio Marchi (York West): Mr. Speaker, while the Government is dragging its feet on the backlog of over 21,000 refugees, and while many Canadians are having a difficult time in successfully sponsoring relatives, we have a Minister of Immigration (Miss MacDonald) who is prepared to issue ministerial permits to a former spy for the Samosa regime in Nicaragua and two former members of the Chilean secret police. In both cases there are serious allegations of disappearances, torture, and other human rights violations to which these individuals have admitted.

I find it shocking and indefensible that such characters should now be seeking sanctuary in Canada with the blessing of this Conservative Government. What are the Minister's priorities? Where is the fairness in the system?

The Minister should facilitate the entry of decent individuals who are prepared to work and to contribute to Canada, rather than offering a haven to undesirables. Her appalling decisions should be reversed immediately.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF SELECT COMMITTEE ON PROCEDURE—HOUSE OF COMMONS, WESTMINSTER

Mr. Speaker: May I advise Members of the presence in our Gallery today of Sir Peter Emery, Chairman of the Select Committee on Procedure, from the House of Commons in Westminster, along with members of his committee.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

THE ADMINISTRATION

INQUIRY WHETHER MINISTER OF REGIONAL INDUSTRIAL EXPANSION WAS FORCED TO RESIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the front benches aren't very crowded today.

In any case, I would like to put a question to the Deputy Prime Minister regarding the statement made this morning by the ex-Minister of Regional Industrial Expansion. For two weeks now, there has been a smell of corruption in the air in this country. Why did it take two weeks to obtain the Minister's resignation, when a Prime Minister who is really concerned about the ethics of the matter would have acted from day one? My question is as follows: Did the Prime

Minister ask for the Minister's resignation or did the Minister offer his resignation?

• (1415)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Right Hon. Leader of the Opposition tries to leave the wrong impression when he speaks of the former Minister's responses. He is aware that a week ago last Thursday the former Minister commenced answering questions. He answered all throughout last week, including two hours in a subcommittee. It was on that basis, reflecting on it over the weekend in all likelihood, that led the former Minister to write to the Prime Minister in terms which are now in the public domain.

PRIME MINISTER'S RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the ex-Minister answered only when he was given the go signal by the Deputy Prime Minister from time to time. My question now relates to the Deputy Prime Minister's responsibility, and even more important, the Prime Minister's responsibility. Would he, and the Prime Minister on his return, be prepared to answer when, for how long, and what they knew about the conflict of interest of the former Minister, and would they be prepared to make that kind of statement to the House?

Hon. Erik Nielsen (Acting Prime Minister): What the right hon. gentleman accuses me of, namely, the former Minister responding only when I gave the go signal, is totally false. If he goes over the record carefully, he knows better than to say that. Here we have the spectacle of the right hon. gentleman and his colleagues in the Opposition saying for over a week that there should be an impartial investigation as to the facts. His remarks and two questions today are a shining example of why such an investigation is not going to be impartial in this atmosphere.

CONFLICT OF INTEREST INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I heard an interjection from the government benches and it was reflected in the ex-Minister's statement this morning. Does the Government not admit there was a conflict of interest? If not, why the resignation?

Hon. Erik Nielsen (Acting Prime Minister): The answer is obvious, Sir. After the Minister's responses for two weeks, here and in committee, there was still an apparent confusion as to facts—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —to put the best light on it. They ridicule even now the response of the Minister himself—

Some Hon. Members: You!

Mr. Nielsen: —when he asked, in his letter to the Prime Minister, for an impartial person to be appointed to investigate the facts.

Mr. Deans: I'll do it.

Mr. Nielsen: Surely that is the proper course to pursue. That impartiality is obviously not here by virtue of the intemperate charges of corruption by the Right Hon. Leader of the Opposition and the conduct of his own members in committee.

Mr. Speaker: Order, please.

* * *

[*Translation*]

CROWN CORPORATIONS

PROPOSED SALE OF CANADAIR—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the same Minister. I would like to know whether the Deputy Prime Minister could inform the House whether, now that an inquiry has been proposed, the Government is willing to stop the sale or consideration of the sale of Canadair, in order to find out whether the Minister's conflict of interest has in any way affected the public interest and the sale of Canadair in the best interests of Canadians.

• (1420)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): No, Mr. Speaker. As the former Minister and I have explained for well over a week now, that matter is in the hands, not of the Government at the moment, but of a divestiture committee of the corporation itself—

Mr. Orlikow: Appointed by that Minister.

Mr. Nielsen: —which in turn will be reporting and which in turn is being guided by a task force on privatization chaired by the President of the Treasury Board.

SALE OF DE HAVILLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, will the inquiry which is to be set up to look into this conflict of interest be able to look also at the sale of de Havilland to see why that company was sold for such a ridiculously low price and whether there is any ulterior explanation for that?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the former Minister, Members in both opposition Parties, and

the media have requested an impartial investigation into the facts. That is what is going to happen—

Mr. Kaplan: Also for de Havilland?

Mr. Nielsen: —and surely that is, in all fairness and reasonableness, what opposition Members want.

Mr. Turner (Vancouver Quadra): What about Parliament?

Mr. Nielsen: I have answered the question with respect to Parliament. That impartiality, which is absent in the Right Hon. Leader of the Opposition and his colleagues by virtue of the conduct of his own caucus Members, ensures that there will be no such impartiality in this place.

Mr. Gauthier: With 211 MPs? Come on.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister and is based on the assumption that he has recently talked to the Prime Minister. In the House on May 2 the Deputy Prime Minister said:

—compliance by the Ministry with the Code of Conduct. That is the beginning and end of his responsibility. He has done that. I am satisfied, as is the Prime Minister, that that has occurred.

In other words, he was satisfied that compliance had occurred. In his letter of resignation to the Prime Minister the Minister repeats that he is innocent, says he has complied with the code and, in addition, with the provisions in the letter sent to him on September 9 by the Prime Minister. He is still contending that he is innocent of any violation.

Has the Deputy Prime Minister consulted with the Prime Minister? If so, does the Prime Minister still believe that the Minister has not violated the code with regard to conflict, or the letter of September 9?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Prime Minister will obviously stand by his responses made in this House and elsewhere with respect to this matter, as do I. I am sure that neither one of us will prejudge, as the hon. gentleman would have me do, the result of an impartial investigation into the facts. Surely that is what he wants and surely that is what is in the best interest now with regard to all the circumstances.

Mr. Broadbent: Mr. Speaker, if there is one person who has prejudged the case it is the Deputy Prime Minister who made only one phone call on this whole matter.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): I want to be very clear on what the Minister is saying. I understand him to be reiterating the Government's position, namely, that the former Minister has violated neither the code pertinent to conflict of interest guidelines nor the letter sent to him by the Prime Minister on September 9. Is that the Government's position?

Hon. Erik Nielsen (Acting Prime Minister): When the hon. gentleman accuses me of having made one phone call, he states something which is totally false. He should know that and should use words with more caution than to fling about accusations of that nature. I made a good deal more than one telephone call and had a good deal more than one discussion.

Mr. Broadbent: Answer the question.

Mr. Nielsen: I stand by what I have said in this House during the last two weeks.

Mr. Broadbent: Mr. Speaker, it will be interesting for the whole country to learn that the Deputy Prime Minister stands by what he has said because the whole country has, of course, appropriately reached a different conclusion.

CONDUCT OF INQUIRY

Hon. Edward Broadbent (Oshawa): When will the Deputy Prime Minister be in a position to tell us who will be conducting this inquiry and what the terms of reference of the inquiry will be?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that must obviously be done without any delay. It is a matter which is under current consideration by the Prime Minister and his advisers. I can assure the hon. gentleman that there will be no delay in bringing about an impartial investigation as to the facts in these circumstances.

[*Translation*]

NATURE OF INQUIRY MENTIONED IN STATEMENT BY MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to put a question to the Deputy Prime Minister and try to clarify the nature of the proposed inquiry that was mentioned in the Minister's statement this morning. Earlier, the Deputy Prime Minister seemed to be saying that the Opposition had asked several times last week for an independent inquiry. Perhaps I may refresh his memory and say that the Opposition was specific in its request, and my question is therefore: Will the inquiry be held as requested by the Opposition parties last week, namely, before a committee of this House? This option was turned down twice by the Conservative majority last week, before two different committees. Where will the inquiry be held? In Parliament or somewhere else, hidden away from the public eye?

• (1425)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I will ignore the intemperate accusations in the question, on this occasion. The impartial investigation which is being considered will be governed by terms of reference broad enough to encompass all of the accusations, allegations—unfounded or whatever—

Mr. Turner (Vancouver Quadra): Or founded.

Mr. Nielsen: —that have come from opposition Members and, I might add, from the media.

[*Translation*]

EXAMINATION OF ACTIVITIES OF MEMBERS OF PARLIAMENT—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, since the guidelines and the Code have no legal clout, and since Canadians have to rely on the honour of those who hold these positions, will the Prime Minister agree that only Parliament or one of its committees may examine the behaviour and actions of one of its Members, and not an outside agency?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I have already stated in response to questions by his Leader that, in my judgment, there can be no impartiality in the investigation of the facts in these circumstances if for no other reason—

Mr. Tobin: You have a majority.

Mr. Nielsen: —than that we have an overwhelming majority in the House and in its committees. Given a favourable report, I can just see them calling it a whitewash because of our majority. Surely we must seek a degree of impartiality in this investigation of the facts that will be conducted impeccably.

INVESTIGATION OF ALLEGATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister has acknowledged the concern of millions of Canadians in accepting the resignation of the Minister of Regional Industrial Expansion and also in agreeing to set up an inquiry into the very serious allegations which have been made regarding conflict of interest, beginning some 11 or 12 days ago. Will the Deputy Prime Minister say what he did over the course of that time in order to carry out any investigations, since he now alleges that he did more than simply make a call to the Assistant Deputy Registrar General? Is he also not aware of the very serious disquietude among Canadians about his actions in this affair in stonewalling for two weeks rather than taking action—

Mr. Speaker: Order.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that accusation by the hon. gentleman is totally false and again is evidence that impartiality is not going to be found in Parliament in ascertaining the facts in these circumstances. The Minister himself was here all last week answering questions. That did not satisfy the Opposition. Nor were they satisfied in committee. Nor, in the view of the Government, has public opinion been satisfied through the media and editorial writings. Therefore, it seems to me that honourable gentlemen and honourable ladies opposite would be welcoming—

Mr. Speaker: Order, please. A supplementary question.

DEPUTY PRIME MINISTER'S DUTIES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Deputy Prime Minister should be aware that public opinion was not satisfied a week and a half ago. It is not something that just occurred this weekend.

The Prime Minister assigned the Deputy Prime Minister responsibility for the conflict of interest code. Does the Deputy Prime Minister believe that he has performed his official duties in such a manner that public confidence and trust in the integrity, objectivity and impartiality of the Government have been conserved and enhanced? Has the Minister's stonewalling impaired public trust and the integrity of Government?

• (1430)

Mr. Speaker: Order, please.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is a statement of opinion by the hon. gentleman which I do not share and it is further indication to me that he would, along with his colleagues, welcome an impartial investigation of the facts.

ACCEPTANCE OF MINISTER'S RESIGNATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Acting Prime Minister. Does he now understand that the issue has become a question of the moral leadership of his Government, in particular, his Prime Minister? In light of the "Dear Sinc" letter the Prime Minister sent out today in which he lauds the work of the former Minister of Regional Industrial Expansion—

Some Hon. Members: Order.

Ms. Copps: —does he not realize that he is sending the signal to all Canadians that it is perfectly all right for a Cabinet Minister's family to use his influence to gain loans for the family?

Mr. Hnatyshyn: Order.

Ms. Copps: The only thing that went wrong was the public outcry.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, no, I do not believe that, and anyone who is at all familiar with the dedication and selfless manner in which the former Minister went about his tasks to achieve economic renewal in this country would not say that sort of unworthy thing about him.

One thing the Hon. Member's question does indicate to me is that she is coming to her own conclusions, and I would

suggest not impartially, about something which would be better left to the impartiality of an investigation of the facts.

[*Translation*]

MINISTER OF REGIONAL INDUSTRIAL EXPANSION—CONFLICTS OF INTEREST—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): As a Member, Mr. Speaker, it is I who should have moral leadership, not somebody appointed by the Prime Minister.

I would like to ask him whether he is prepared today to tell the people what happened in the case of the former Minister of Regional Industrial Expansion, whether there was a conflict of interest when his wife used his connections as Minister to obtain a loan for the family business. Is that a conflict of interest, yes or no?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Well, Mr. Speaker, I choose to believe that most Canadians will endorse the course of an impartial investigation—

Mr. Turner (Vancouver Quadra): Oh, no.

Mr. Frith: They are not going to do that.

Mr. Nielsen: —as to the facts. They certainly, in my judgment, do not endorse the conduct of the Hon. Member asking the question, of leaping over chairs and tables in committee to harass the Minister.

MINISTER'S JUDGMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Acting Prime Minister. The Government continues to say it will investigate the facts with regard to the conflict of interest. I wonder if the Acting Prime Minister would also take the trouble to investigate the judgment used by the Minister when it came to compliance with the conflict of interest regulations, which read that Ministers must prevent—

Some Hon. Members: Order.

Mr. Keeper: —real, potential or apparent conflict of interest.

Mr. Speaker: Order, please. The question is now becoming long.

Hon. Erik Nielsen (Acting Prime Minister): I would have thought that Hon. Members opposite would have anticipated as a natural matter of course that any impartial investigation would be conducted very much in the context of the conflict of interest code for public office holders, not just in one or two provisions, but in all of the provisions of the code.

CONDUCT OF MINISTER'S SPOUSE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I wonder if the Acting Prime Minister is then saying that this investigation will not only investigate the facts but will also investigate the judgment used by the Minister? And will it cover the conduct under this code of the spouse involved?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the conduct of an impartial investigation would naturally include the conflict of interest code for public office holders and would naturally include the Prime Minister's letter of September 9, 1985, to Ministers.

REASON FOR GOVERNMENT DECISION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on May 8 I asked the Acting Prime Minister to start the same investigation which has been requested by the former Minister, and I referred to page 4 of the Prime Minister's letter to Members of Parliament, which reads:

> Obviously, from time to time, circumstances may arise that call for an impartial person to conduct an investigation as to fact.

The Acting Prime Minister said in response that he saw no reason for such an investigation. Could the Acting Prime Minister tell us what has transpired since May 8 to cause him to agree to an investigation which he said before was completely unnecessary?

An Hon. Member: Right on.

Hon. Erik Nielsen (Acting Prime Minister): That is very simple, Sir.

Mr. Guilbault (Saint-Jacques): Damage control operation.

Mr. Nielsen: I answered that question earlier today when it was put by the Hon. Member's Leader. The answer is that after assessing the week's events, and the fact that the Minister had been responding throughout the week and in committee, and in assessing the obvious dissatisfaction of members of the Opposition and of the media with those explanations, that brought about the action which was taken by the Minister.

PRIME MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, two weeks of this Chamber's valuable time has been lost—

Some Hon. Members: Oh, oh!

Mr. Baker: —because the Prime Minister and the Acting Prime Minister failed to act. Why did the Prime Minister and the Acting Prime Minister fail to act? Granted, the Prime Minister was in China, but China invented gunpowder. Surely he could have mustered another bang.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Bang, bang!

Mr. Riis: Don't touch it, Erik.

Mr. Broadbent: Handle this one with care.

Mr. Turner (Vancouver Quadra): Some days are worse than others, Erik.

Mr. Beatty: Did you look behind you when you said that, John?

Mr. Ouellet: Come on.

Mr. Benjamin: Time's up.

Mr. Speaker: Order, please. If the Hon. Minister wishes to answer that?

Hon. Erik Nielsen (Acting Prime Minister): I would like to respond to the question, Mr. Speaker, if I could be heard. I see the right hon. gentleman chortling with glee in his reaction to that question, but the question itself, surely, Sir, is the strongest possible indication of the need for an impartial investigation into the facts.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN LUMBER EXPORTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of International Trade. As we predicted, after Senate free trade approval, at noon today U.S. lumber producers launched a new thrust to cut back Canadian lumber exports. Will the Government tell the United States that this new attack makes a mockery of the freer trade talks? Will it tell the United States that this destroys any good faith beginning in these free trade talks?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in reply to the hon. gentleman I think the simple and short answer is that it is my understanding that no announcement will be made today by the U.S. lumber producers launching an attack, as the Hon. Member calls it, on our lumber industry.

Mr. Blackburn (Brant): How about tomorrow?

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to put to the Minister as a question—are there finally going to be commitments on the part of the Government to get tough on this issue now, as it should have done long ago, and will it say to the United States that if there are such attacks made to get countervail, there will be no proceeding with free trade talks at this time?

Mr. Clark (Yellowhead): Did the CLC write that?

• (1440)

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I think the record of the Government stands to show that we have taken a very firm position in the lumber issue and that, indeed, we have protected the interests of our lumber producers.

If I may say so, the very threat of this type of action points out the reason why we need this type of trade agreement with the United States. I do not know why the Party of the Hon. Member wants to thwart that type of action by the Government to protect our lumber producers.

* * *

HEALTH

COQUITLAM AND VANCOUVER WATER SUPPLIES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Given the conflicting reports which have been circulating on the contamination of the Coquitlam water supply reservoir regarding abnormally high levels of radiation, will the Minister tell the House what actions his Department has taken to assure that the Greater Vancouver Regional District receives adequate assistance to guarantee accurate testing of all water sources in the area and, in particular, in the Coquitlam reservoir?

Ms. Jewett: That's a dead story.

Mr. St. Germain: It's not dead in B.C.?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Chairman—Mr. Prime—Mr. Speaker—

Mr. Turner (Vancouver Quadra): This is not caucus!

Mr. Epp (Provencher): —I wish to say to the Hon. Member that there have been two tests done on the Coquitlam—the Leader of the Opposition laughs about these types of matters. Does he not take them as serious? Has he gone to levels which even he cannot describe?

An Hon. Member: You're pretty raw!

Mr. Speaker: Order, please.

Mr. Ouellet: This is a planted question, that is why we object.

Mr. Speaker: Order, please. Does the Hon. Minister want to finish his response, briefly?

Mr. Epp (Provencher): Mr. Speaker, tests have been done on the Coquitlam water supply.

I wish to remind the Hon. Member that the levels which we use as acceptable were very, very low and very much on the side of prudence. We have done two tests. I think we can indicate that the first test was right at the level of some concern. The second test indicated that it is below that level.

So the water radiation is safe. However, we are conducting further tests and we will keep the Hon. Member informed.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—EMPLOYMENT OF MICHAEL DEAVER AS LOBBYIST

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Secretary of State for External Affairs. Many Canadians are becoming increasingly concerned about the embroilment of the Canadian Government in the impending investigations and, in fact, in the scandal associated with Mr. Michael Deaver who is a former counsel in the White House. I think that part of the problem has been confusing and contradictory information. Will the Secretary of State for External Affairs supply information to Parliament—not down south—regarding the report released today from the General Accounting Office which confirms that Mr. Fred Doucet of the Prime Minister's Office was the gentleman in question who raised the question of the employment of Mr. Deaver by the Canadian Government—

Mr. Speaker: Order, please. That is a bit long, I think. Is that the Hon. Member's question?

Mr. Axworthy: Mr. Speaker, I was asking a question. I would like to continue.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Was it Mr. Doucet of the Prime Minister's Office who raised the question with Mr. Deaver concerning his potential employment with the Canadian Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know who raised that question; but I know when it was raised. It was raised after Mr. Deaver left the White House.

Mr. Broadbent: How do you know that if you don't know who raised it?

LETTER ISSUED BY CANADIAN AMBASSADOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, that is right. We now have another example of a clear answer.

When the Canadian Ambassador to Washington referred to the fact that a senior official of the Government raised the question of employment prior to Mr. Deaver leaving the White House, was that senior official Mr. Doucet of the Prime Minister's Office?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, most things the Hon. Member does are inadvertent, so I assume that his twisting of the facts is inadvertent. The letter issued by Ambassador Gotlieb indicated that a Canadian official made a comment in a light-hearted way to Mr. Deaver. That official was Doctor Doucet.

Mr. Axworthy: That is what we wanted to know.

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SEARCH AND RESCUE

ENDING OF ONTARIO SEARCH—REQUEST FOR INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister either in his capacity as Deputy Prime Minister or as Minister of National Defence. Will the Minister order an investigation into the search and rescue efforts which took place last November in seeking two people who apparently lived for a number of days after rescue efforts had been abandoned?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, there has been a preliminary investigation conducted already. It is being carried on in some depth in an effort to try to answer these questions.

CO-ORDINATION OF OPERATIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Deputy Prime Minister or the Associate Minister of National Defence not only table in the House the results of that investigation, but will they also look into the co-ordinated efforts of Search and Rescue between the various component parts of such an effort? Will they table in the House the clear method used by the various groups which take part, who was in charge, and who makes the decisions as to if, as, and when an effort should be abandoned?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Hon. Member has asked a great many questions. I am quite prepared to answer them in the appropriate forum on an appropriate occasion. The Hon. Member could write or come to committee when we are discussing Estimates and talk about the matter. However, he is asking me to table something on the assumption that there is some sort of document which will contain all of the information. I am not sure that that type of document is available in the form that he would like. There is no desire on our part to hold back any of the information which the Hon. Member seeks.

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ENVIRONMENTAL AFFAIRS

REPORTED INFLOW OF DIOXIN TO NIAGARA RIVER

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of the Environment. There was a report this

weekend that dioxin is flowing directly into the Niagara River and Lake Ontario from a storm sewer in Buffalo, New York. Will the Minister advise the House what he and the Government intend to do to avert a potential disaster, one potentially greater than that at Chernobyl in Russia? What will he do to save the drinking water of approximately 20 per cent of the people of Canada?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the information about the presence of dioxin in the Niagara River was, in fact, released by my Department under my authority. The information adds urgency in the sense that we in the Government feel that something dramatic needs to be done to deal with the discharge of about one tonne a day of toxic chemicals into the Niagara River. Some experts say that it is as high as nine tonnes per day. Because of the urgency I will be going to Washington this afternoon. We will be there all day tomorrow and possibly the next day to deal with high-level officials in the United States administration to complete, I hope, arrangements being made between Canada and the United States for a major action plan to clean up the Niagara River.

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THE ADMINISTRATION

CONFLICT OF INTEREST—REQUEST FOR COMMITTEE INVESTIGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. In the Prime Minister's letter of September 9, 1985, in which he wrote to Members of Parliament, he stated:

> You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else.

In view of the fact that that was said, will the Deputy Prime Minister not agree with me that the only appropriate measure is to have a committee of the House investigate the situation in order to fulfil the mandate which the Prime Minister gave to Members of Parliament on September 9, 1985?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, as I have explained several times today, the answer is that that would not be in the best interests of this institution itself. All the Hon. Member has to do is look at his own colleagues and their conduct to see that there can be no impartiality in the investigation which must be conducted as to facts. What the Hon. Member fails to do is to read on in that same paragraph of that letter where reference is made to the fact that there may be circumstances which might require the appointment of an impartial person to conduct an investigation as to the facts. That is exactly where we are now in those—

Mr. Speaker: Order, please.

[*Translation*]

RESPONSIBILITY FOR INQUIRY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): According to the Deputy Prime Minister, Mr. Speaker, one could use the same logic and shut down the whole Parliament!

Since he said in the same speech that these measures would not in any way free the Government from being answerable to the House, I would ask him how he can tell us today that another agent, not a parliamentary committee, should look into this matter. Were we told the truth on September 9, 1985? Yes or no?

• (1450)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I suggest that the proper course to follow is the course that the former Minister requested, consistent with the paragraph in the Prime Minister's letter from which the Hon. Member is quoting and, I think, consistent with the demands of the opposition Members and the media. I do not think there is any better course that can be followed in these circumstances than to identify a means of conducting an impartial investigation as to the facts.

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HUMAN RIGHTS

SOUTH KOREA—PRIME MINISTER'S VISIT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who will know of the ruthless suppression of the mildest form of political dissent occurring in South Korea, as well as the police beatings and torture. Is the Prime Minister, who is in South Korea today, not only going to raise these gross human rights violations with President Chun but will he also explicitly urge the reinstatement of the civil and political rights of South Korea's Opposition Leader, Kim Dae-Jung?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister will be using the occasion of his conversations in South Korea to bring to the attention of South Korean authorities our very deep concerns about civil rights abuses and civil rights situations in that country. He will be available to report on the nature of those conversations upon his return.

TREATMENT OF OPPOSITION LEADER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, since the Minister did not answer about the Opposition Leader, perhaps he does not know about the denial of his civil and political rights. Can the Minister tell the House whether the Prime Minister will in fact meet with the Leader

of the New Korea Democratic Party, Kim Dae-Jung, while he is in South Korea?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, while I would not compete with the right hon. incumbent Leader of the Opposition for any claim to experience of terrible treatment of Leaders of the Opposition, I will—

Mr. Turner (Vancouver Quadra): Careful, Joe.

Mr. Clark (Yellowhead): Because in my caucus, there was never a rat pack gone rabid.

Mr. Axworthy: You just lost your job.

Mr. Clark (Yellowhead): I will certainly bring the Hon. Member's representations to the attention of the Prime Minister and he will be available to report on questions he has raised and responses to those questions, upon his return.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

MEDICAL PROJECT IN CHINA—NEWSPAPER REPORTS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is also addressed to the Secretary of State for External Affairs. I am concerned about reports of public funds from CIDA being used to pay for recent air fares for Canadian officials and their wives to witness a cheque presentation in Peking. Could the Minister clarify this situation and explain if this is actually what happened?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, those news reports constitute a serious injustice to both CIDA and officials of the Civic Hospital of Ottawa. The Ottawa Civic Hospital has been involved for some long time in a project totalling something like $1.6 million designed to help train, in Canada, those people who would train the mentally handicapped in China. Those officials are in China to help advance that project. That project and their plans were put in place long before the Prime Minister's visit was arranged. CIDA has not paid for the travel of any spouses.

In the circumstances, since the Ottawa Civic Hospital is also proposing to launch a $4 million fund raising campaign to help another project in China, I would respectfully suggest that those newspapers that have contributed to this maligning of reputations should be the first to contribute to the fund raising campaign.

Some Hon. Members: Hear hear!

THE ADMINISTRATION

RESIGNATION OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister. What is at issue is the moral fabric of this particular Government.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Mr. Speaker, the Minister did the right thing for the wrong reasons. The Government refuses to admit conflict of interest. It even refuses to admit an appearance of a conflict of interest.

Mr. Speaker: Question, please.

Mr. Nunziata: Would the Deputy Prime Minister not agree that the resignation was the result of public opinion rather than the result of the Government's sense of morality and decency?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, no, I am not prepared to agree with that, but I can tell the hon. gentleman that I and other members of this Government can stack our moral fabric against that of the hon. gentleman any day of the week.

Mr. Benjamin: That's not saying much.

REQUEST THAT MINISTERS APPEAR AS WITNESSES

Mr. John Nunziata (York South—Weston): Mr. Speaker, I did not do any bugging. The Deputy Prime Minister has said that the investigation the Government is planning is going to be an impartial one. In view of that, will the Deputy Prime Minister, the former Minister, and the Prime Minister, appear before the investigator under oath to enable the Opposition to get to the whole truth of this matter?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, it is obvious from the hon. gentleman's conduct in committee last week that he will never be convinced, even with a totally and utterly impartial investigation, of the facts.

* * *

INDUSTRY

CLOSURE OF THUNDER BAY WAFER BOARD PLANT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of State for Forestry. The Minister has received a telegram from the Canadian Paperworkers' Union asking him to take action, together with the Ontario Government, to seek a reopening of the Great Lakes wafer board mill in Thunder Bay. What action has the Minister taken to get 150 men back to work at this mill in Thunder Bay

since my friend, the Hon. Member for Thunder Bay—Atikokan, asked him about this same matter on April 30?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I am rather surprised that the Hon. Member put two questions the day the plant was actually going to close, or the day after it closed. I will certainly deal with my colleagues, the Minister of Labour and the Acting Minister of Regional Industrial Expansion, and I will take that as a representation.

REQUEST FOR FEDERAL-PROVINCIAL ACTION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister promised action on April 30. I would like to have his commitment this afternoon that he will get together with representatives of the provincial Government, the Premier of which has promised to take action, and do whatever is necessary to ensure that this mill, which is perhaps under new ownership since Great Lakes is moving out, will go back into production.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, the Hon. Member knows full well that we cannot force a company to reopen a plant which does not pay or is not economical. I indicated that we would investigate the matter and that is exactly what we are doing.

Mr. Frith: Mr. Speaker—

Mr. Speaker: Order, please. You cannot start. It is three o'clock.

Mr. Frith: It's one minute to three. One question.

Mr. Speaker: My watch says three o'clock. One question only?

Mr. Frith: Just one.

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CROWN CORPORATIONS

PRIVATIZATION—REQUEST FOR INVESTIGATION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Deputy Prime Minister. Is the Government prepared to instruct whomever is appointed to head the inquiry to investigate and review the tangled web of corporate self-dealing with respect to the disposal of Crown corporations under the CDIC umbrella? The Canadian public no longer have faith in the Government's ability or the ability of its appointees to look after their interests.

• (1500)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I tried to assure Hon. Members of the House, in response to an earlier question by a member of the Opposition, that the impartial investigation would have the broadest possible terms of reference to include even intemperate remarks such as his last intervention.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—GOVERNMENT'S FAILURE TO PROVIDE INFORMATION—ALLEGED CONFLICT OF INTEREST

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House condemns the Minister of Regional Industrial Expansion and the Government for failing to provide full and satisfactory information on the blatant conflict of interest situation involving that Minister.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, before the luncheon adjournment I had just concluded talking about the contrast between the statement of the Government House Leader and that of the previous Minister when he offered his resignation. At this stage I want to stress that what is at stake for the House is the question of integrity, integrity which can be helped by codes of conduct, integrity which can be aided by letters from Prime Ministers giving us some sense of direction, and integrity which ultimately rests on individual Members and individual Ministers to respect and to carry forward themselves.

That sense of integrity which is crucial to the House cannot be underestimated. It is crucial not just for our sense of collegiality as a Parliament, but much more important, it is also crucial because the country itself needs to have some faith in the integrity of its Government and its politicians. Without that sense of integrity, ultimately there is growth of a cynical lack of belief in Parliament, in democracy, and in the whole governmental system which exists in Canada.

Perhaps as crucial a cost as that is the inability of political leaders and economic leaders to co-operate and interact because of the constant fear that questions of integrity will be raised about them and their dealings when they meet, for instance, to discuss economic planning or to talk about future directions for the country. There must be a sense of personal integrity at the core of this institution.

It has seemed to us that there are three cases which have interlocked themselves and destroyed that sense of integrity in respect of the Minister who resigned today. I recite these facts not with a sense of glee or a sense of pleasure but simply to put on the record why the integrity of the House and its future was very much at stake.

The first case was that of Hyundai, a Korean manufacturer of low-cost cars which received a tremendous favour from the Minister—the cancellation of a commitment under his control to purchase a certain level of Canadian content within the country. The variations in levels mentioned have ranged from $300 million to slightly lower figures. In any event, it was a

tremendous favour on the part of that company. It took place at the same time as the Minister's company was in receipt of loans from a Korean bank, a principal shareholder of which was that very Hyundai motor car company. That kind of highly questionable situation cannot be permitted to persist. It cannot be ignored. It cannot be examined by a Deputy Prime Minister and exonerated, with the people of the country being able to continue with a sense of integrity in this place.

Second, we had the case of Magna corporation, an extremely large, dynamic, and effective Canadian-owned company. Quite rightly, that company received large numbers of grants from the Department of Regional Industrial Expansion. However, it received those grants, which one has to consider were under the discretion of the Minister, in many cases at the same time as the spouse of the Minister was receiving help from the head of the Magna corporation to receive a $2.6 million interest-free loan which was not to go to her company. This business of women's liberation and a woman being able to carry her own career is not at issue here. The money was received by their company, with the benefits very much going back to the Minister himself.

Finally, we had a situation, which frankly has been developing for some time, involving one corporate empire within the country. The Brascan group had succeeded in setting up a very considerable privileged position for itself in respect of divestments in the country through dominating four of seven positions on the CDIC divestment committee. Moreover, it had used that position, through the debate which took place in respect of the contents of the CDC privatization Bill, to obtain advantages in the details of that Bill for the potential of Brascan and the remainder of that empire to control and direct CDC itself. Again it was a favour and a privilege. At the same time this was taking place, the spouse of the Minister who resigned today was approaching the company to request a $5 million loan.

That combination of mutual favouritism, which is all that we can call it, was simply so blatant as it became revealed to the people of the country that it was impossible for the Minister to continue. I give him credit for belatedly but finally reaching that conclusion. Let there be no mistake. This is not a fictional creation of the press and the Opposition. It is a set of facts which, put together, create an ironclad case which the Minister either had to answer in detail or resign, as he finally did this morning.

• (1510)

This whole case has done several things as well, Mr. Speaker. It has raised serious questions about the Code of Conduct dealing with conflict of interest which the Government has in place. It became clear to my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy) and myself as we talked with the Assistant Deputy Registrar General that the code did not include within it anything explicit enough concerning the question of conflict of interest where spouses are concerned. It became clear as well that there was absolutely no specification in the code that a blind trust should be made something effective. It was also clear that the Assistant Deputy Registrar General had no authority himself to carry out investigations or any resources to do so. Moreover, the neutrality of the Assistant Deputy Registrar General was not sufficiently protected because of his ability to communicate as he did to the Deputy Prime Minister (Mr. Nielsen) with respect to opposition Members who approached him about this question. These are all points which quite clearly must be improved in the handling of conflict of interest in the future.

A second broad point that has emerged has to do with the Government's handling of this crisis. We have had stonewalling on the part of the Deputy Prime Minister and today caterwauling on the part of the House Leader. Neither has been appropriate. Stonewalling and the attempt to reject systematically legitimate questions which our constituents asked us to raise is not appropriate behaviour on the part of the Government. Nor is the kind of complaining, caterwauling objections to our attempt to be a responsible Opposition appropriate behaviour on the part of the Government House Leader (Mr. Hnatyshyn).

Despite this stonewalling, despite this caterwauling today, Parliament has nevertheless served its purpose, and we have once more seen the reason that we must have an effective Opposition, given its chance through the structure of the House, to make its case effectively.

This Opposition kept raising questions. This Opposition kept calling, despite the stonewalling, for inquiries. It kept fighting despite constant refusal from the Minister of a resignation that would respect the integrity of this place. It kept its commitment to the integrity which Parliament should represent. In doing so I think it served, in this case, the higher purpose, and I am proud to have been part of it.

Mr. Deputy Speaker: Are there questions or comments? If not, debate.

Hon. James A. McGrath (St. John's East): Mr. Speaker, for over a week now this House has been consumed with one issue. That issue has not been the problems affecting the food industry in Canada, and they are monumental, or problems arising out of the high level discussions taking place in Japan with the industrial Group of Seven, or Canada's acceptance to the so-called G-5, or trade talks with the Chinese. Nor has the issue been the seeking of new industrial development in China and new industrial capital in China and Korea. As important as these issues are, Parliament has been consumed with one single issue, that of conflict of interest guidelines and how a Minister has adhered to these guidelines.

In saying that, I am not suggesting for a moment that this is not an important issue. Obviously, events of the day speak to the importance of the issue. Because it is the subject of this debate and was the subject of the Question Period, and the fact that the Minister resigned, should that make it the one consuming issue that takes all other issues off the agenda? I

have some doubts about that, Mr. Speaker. I have grave doubts about it.

I have some doubt as well about the relevancy of this debate today. As a matter of fact I have been asking myself as I have sat here watching the events unfold today whether all of this was redundant. If the purpose of the motion put down by the Leader of the Opposition (Mr. Turner) was to continue the Opposition's pressure on the Government and the former Minister of Regional Economic Expansion with a view to bringing about his resignation, then the statement of the former Minister at eleven o'clock today made that whole procedure redundant because the Minister has in fact resigned.

I am sure we could have rearranged our business to conduct ourselves in a way that we could address some of the other issues that have been neglected over the past week. Again, if the purpose of the pressure was to determine whether there was a serious breach of the conflict of interest guidelines, and if that was one of the objectives of bringing about this debate today, then I say the objective has been achieved, not only by the resignation of the Minister but by the very dignified manner of his resignation. He stood in his place in this House at eleven o'clock before we commenced the debate, the subject matter of which concerned his alleged conduct and whether he had violated the guidelines, and announced his resignation to the House. At the same time he called upon the Government to initiate an inquiry so that his name might be cleared. We have the Minister's resignation. We have the inquiry. What then, Sir, is the nature of this exercise? Why are we continuing to pursue this debate?

I have heard some questions raised critically with respect to the new rules of the House and whether they were able to meet the occasion of the day, whether they were able to rise to the challenges presented to us by the House in this issue. I suggest to you, Sir, and to the House that the new rules, and especially the new committee system, which is less than five weeks old, is able to cope with any situation that arises from time to time. We are still in the supply period. The Estimates are still before the standing committees of the House. The Right Hon. Leader of the Opposition, under the new rules, has the discretion to designate and hold up the Estimates of any one Department beyond the end of the supply period. All these things are there for the Opposition to use.

• (1520)

I presume that the Estimates of the Department of Consumer and Corporate Affairs are before the Standing Committee on Consumer and Corporate Affairs. Surely there was the vehicle whereby the conflict of interest guidelines could be directly addressed by examination of the Minister of that Department in his capacity as Registrar General, or of the department official known as the Assistant Deputy Registrar General. Surely it could have been pursued there, and it still can. There is no end to the opportunities the new committee system affords the House. That makes it very difficult for the House to justify having its agenda consist of one single issue for up to two weeks.

I heard the suggestion that the Opposition Parties tried to get this matter before two committees, the Standing Committee on Regional Industrial Expansion where the former Minister was defending his Estimates, or the Standing Committee on Elections, Privileges and Procedure. I do not know what went on in the first committee, but I know what went on after the chairman adjourned the hearing because I saw it on television. The entire country saw the spectacle of Members of this House chasing a Minister out of the room, pursuing him with questions after the meeting had concluded. There was not one of us who saw that on television who was not embarrassed. I have never seen anything like it in my time here.

I have not had a chance to read the proceedings of that particular committee. I do not know whether the rulings of the chairman were pertinent and relevant to the rulings made by Your Honour in the House. Indeed, committees are independent in that regard. However, without having been present or examining the record I know the conduct in the Standing Committee on Elections, Privileges and Procedure was, in my view, proper and correct.

Under the rules of the House that committee has a very narrow mandate. It can only examine the rules and Standing Orders of the House. Any other matters have to be referred to it by the House. Rightly so. Obviously, you cannot have a committee of the House initiating privilege procedures. Only the House can deal with privilege. It can deal with it in any way it deems fit. One of the ways it normally deals with privilege, if the Chair rules there is a *prima facie* case, is to refer it to the committee. Were it to be any other way we could not really conduct ourselves in a proper and orderly manner in this place. Privilege is a sacred part of this place where it affects the rights each of us have as Members of this House.

Insofar as the Code of Conduct is concerned, the difficulty is that it is not a statute of this House. Consequently, it cannot properly be before a parliamentary committee other than when examining the custodian of the Code, in this case the Deputy Registrar General, or the Registrar General himself in the person of the Minister of Consumer and Corporate Affairs (Mr. Côté).

The Leader of the Opposition said in his speech today, and I do not quarrel with the statement, that the burden of proof is on the Minister to conduct himself in a manner above reproach. That is the burden carried by every Member of this House who is called upon to be a Minister of the Crown. However, I also say to you, Sir, that there is a responsibility which goes beyond those who are called upon to be Members of Cabinet. There is a burden upon each and every one of us to conduct ourselves in this House in a manner which will not bring disgrace upon us or embarrassment on the country. I suggest to you that there have been times over the last few days, both during Question Period and in committees of the House, when some of us have hung our heads in shame over

the language, the exchanges in the House, and attacks on the Chair by innuendo. Surely, Sir, that has to change.

Mr. Tobin: Both sides?

Mr. McGrath: Yes, I have no hesitation in saying both sides. However, with all of the good will in the world in bringing in changes to the rules of this House, under a Government which was in my view magnanimous in what it was prepared to give up, those changes will not work unless there is a concomitant change of attitude on the part of all of us as Members. Without that change, without due regard for the responsibilities we have as Members of this place, then I am afraid we will just go from crisis to crisis on the floor of the House and the business of the nation will be swept to one side.

Important issues have been neglected this past week or 10 days as a consequence of the House being consumed by this issue. I do not mean this in any way critical of the Opposition, but under our rules the Opposition sets the agenda for Question Period. In doing so, due regard must be made for the other great issues of the day. After all, Question Period is the principal vehicle of accountability for us as parliamentarians, at least until we can develop a committee system which will take some of the issues away from Question Period and thereby make that a very important vehicle for accountability.

This is not a happy day for us. It is never a pleasant experience when any Member of this place is forced through circumstances to submit his or her resignation from the Cabinet. I commend those Members who made reference to the very dignified and responsible manner in which the former Minister conducted himself when he came to this place at eleven o'clock this morning to announce his resignation.

I hope, Sir, that we will give the new system a fair try. In doing so, I hope we as Members of Parliament will always conduct ourselves in such a way as to not bring embarrassment to the people of Canada, but bring honour on ourselves as Members of Parliament.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments?

Mr. Tobin: Mr. Speaker, I was very interested to hear the Hon. Member participate in this debate. I believe he has earned the right to have Members pause and listen carefully when he speaks. That is so because of his work as chairman of the committee on reform and for the report he presented along with other members of the committee from all Parties. He is also entitled to that because of the work he has done following the presentation of the report to promote reform in this House.

Having said that, I reject the notion that no work has been done in the House over the last two weeks. I would not want the public to have that impression. We passed four Bills this past week, Bills C-96, C-107, C-108 and C-109. We have begun work on the Income Tax Act. House committees have continued to work. I think the public watching should understand that, while it is true media coverage, public comment and Question Period have been consumed with this issue, the work of the House has not stopped, and neither has the work of the legislative committees which resulted from the reform package, or the work of the standing committees with their new regulations which resulted from the reform package. None of that has stopped. The Member is right to be concerned that the spirit of reform, to the extent to which it exists among various players on all sides of the House, not be victim of the acrimony which grows out of this kind of conflictual matter.

• (1530)

I want to remind the Member that there was a time when this House was hijacked for two weeks. It was not consumed with a single issue, but hijacked. The bells were rung for two weeks. At that time no Bills were passed and no committees met. The bells rang for two weeks. Although it is not relevant, it was that side of the House that rang the bells. The public should bear that in mind.

Does the Member not agree that the basic premise for the function and operation of any Government has to be, not only the notion that the Government is honest and above board, but the perception that it is honest and above board? Would he not agree that the overwhelming media and public preoccupation with this issue over the last two weeks might have been avoided if we had in place in this environment a means to investigate immediately and cause to come to conclusion serious allegations of wrong-doing, rather than having as the only weapon open to the Opposition, the continued harassment of the Government and demands that something be done?

Mr. McGrath: Mr. Speaker, I naturally want to respond to the rather extended comments made by the Member. The 10-minute period is given to the House for short comments and questions, but I will respond to his remarks.

In the course of his comments he interpreted what I said out of context. I was saying that the Opposition sets the agenda of the principal vehicle of accountability which we have in this House, that being Question Period. Question Period is the only chance we have in this House to deal with the issues as they develop, questions which used to be defined as "matters of urgent and of national importance" which cannot be dealt with in the ordinary manner in which we deal with legislation. That is precisely what I was saying.

The fact is that the work of the House continues beyond Question Period. That is one of the problems we have, because the only thing which is widely reported upon is the 45 minutes taken up by Question Period. I hope that that will be corrected. I hope that the House will soon be seized with a House order to allow the media to go into the standing committees of the House where a lot of the real work is done. I hope that as a consequence of cameras being allowed into the standing committees of the House decorum in the standing committees will improve.

Mr. Cassidy: Mr. Speaker, I appreciate the comments of the Hon. Member and I want to raise a couple of questions. He suggested that the Opposition was wrong to have devoted so much time in the House during the past weeks to this particular issue. Perhaps he is not aware of the frustrations we felt when questions about the conflict of interest situation were ruled out of order in the Standing Committee on Regional Industrial Expansion and in the Standing Committee on Elections, Privileges and Procedure which, as he said, has a limited mandate. We were forced back into the House of Commons.

I know that when the Member's Party was in opposition it, too, found that the only way to shake a majority Government was to focus on one issue. I contend that the issue of the integrity of an important Minister goes to the heart of what the Government is all about. If the integrity of a major Minister or of the Cabinet as a whole is in question, it is not worth ta!king about other issues for which the Government is responsible.

If the Hon. Member believes that there must be another way by which these issues can be resolved, I am not in disagreement with him. Can he make some constructive suggestions as to how that can be done in a way in which the Opposition could avoid using Question Period as its only recourse and putting this question so firmly on the agenda that the Minister finally had no choice but to do what he should have done 10 days ago, that is, resign?

Mr. McGrath: I thank the Hon. Member for that constructive intervention. I believe that there are ways of dealing with issues without consuming the entire Question Period, especially during the supply period. I have already referred to the fact that the matter could have been raised, and can still be raised— although I question the propriety of it now after what has happened today—at the new Standing Committee on Consumer and Corporate Affairs which has the responsibility of examining the Estimates of the Registrar General and before which the Assistant Deputy Registrar General can be called. It can be raised in the Committee on Government Operations where the Estimates of the Prime Minister's Office are examined. It can be raised in any number of ways. At the end of the supply period, the Leader of the Opposition (Mr. Turner) can, under a new procedure, designate any one Department to have its Estimates examined for two weeks beyond the deadline of May 31.

The new committee system is barely a month old. I believe that when it starts functioning and we are able to develop a degree of collegiality as a consequence of the tenured membership which we hopefully now enjoy, it will lead to a development of expertise and that that collegiality will perhaps allow for more objectivity within the standing committees. I think that process would be furthered by the admission of all media, including electronic media. Quite frankly, it does seem to be functioning now but, by the same token, I do not think all of the avenues were thoroughly exhausted.

Mr. Cassidy: Mr. Speaker, I appreciate the Hon. Member's comments with respect to the use of the Estimates process. Is he not aware that the Estimates process is severely circumscribed? Only two hours have been allocated for the consideration of about a billion dollars worth of spending in this Ministry's Estimates. The schedule had been agreed to by the committee before this issue flared up two weeks ago. If that was all the consideration possible within that committee, Opposition Parties would have had perhaps an hour of questioning to try to talk, not only about the Ministry's general responsibilities but about this specific and very serious issue. I do not believe that less than one hour of questioning is adequate, even if the chairman of that committee permitted all questioning to focus on the issue of conflict of interest.

Does the Hon. Member think that is adequate? Is there not need for some other means of dealing with these matters if they are to be taken out of the House?

Mr. McGrath: No, Mr. Speaker, it would appear that two hours would not be adequate to deal with a matter as important as this. I refer my hon. friend to the new Standing Order 96(2) which sets out the permanent mandate of the standing committees. It is certainly within the framework of that mandate for the appropriate standing committee to continue with an examination of this issue after the time set aside for the examination of Estimates. That is the objective behind the new system. I believe and hope that it will work.

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BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS' BUSINESS ON ALLOTTED DAY

The Acting Speaker (Mr. Danis): Earlier today the Government House Leader (Mr. Hnatyshyn) designated tomorrow, Tuesday, May 13, as an allotted day. Pursuant to Standing Order 38, therefore, the hour for Private Members' Business will be suspended.

Accordingly, in conformity with the statement made by the Acting Speaker (Mr. Paproski) last Friday, I am instructing the Table Officers that the item on Private Members' Business standing in the name of the Hon. Member for Davenport (Mr. Caccia) be dropped to the bottom of the order of precedence.

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[*Translation*]

SUPPLY

ALLOTTED DAY, S.O. 82—GOVERNMENT'S FAILURE TO PROVIDE INFORMATION—ALLEGED CONFLICT OF INTEREST

Right Hon. John N. Turner (Leader of the Opposition) moved:

That this House condemns the Minister of Regional Industrial Expansion and the Government for failing to provide full and satisfactory information on the blatant conflict of interest situation involving that Minister.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would also like to take a few minutes to speak to the motion before the House today, a motion moved by the Leader of the Official Opposition (Mr. Turner) and which reads as follows:

That this House condemns the Minister of Regional Industrial Expansion and the Government for failing to provide full and satisfactory information on the blatant conflict of interest situation involving that Minister.

Mr. Speaker, I would like to comment on what was said a few minutes ago by the Hon. Member for St. John's East (Mr. McGrath) who openly accused the Opposition of talking too much about the Minister of Regional Industrial Expansion (Mr. Stevens) and the conflict of interest matter during the last two weeks, while neglecting other major, national concerns that would otherwise have been discussed in the House.

Mr. Speaker, I would like to draw the attention of my hon. colleague from St. John's East to the fact that during the past week, an impressive number of bills were debated in the House, including Bill C-96, an Act to amend federal-provincial fiscal arrangements; Bill C-107 which was adopted at all three stages and concerns the United Nations Convention on Foreign Arbitral Awards. Bill C-108, an Act relating to commercial arbitration, was also adopted at all three stages on May 7. Bill C-109 to amend the Income Tax Act was introduced in the House on May 6. Furthermore, during the last few days we have considered Bill C-45, which proposes unionizing the employees of the House of Commons, and even Bill C-92, which deals with petroleum interests on the frontier lands, was debated in this House.

• (1540)

Well, Mr. Speaker, contrary to the claims made by my hon. colleague from St. John's East, the Opposition has not tried to make the national issues discussed in this House take a back seat to the errors committed by the Minister of Regional Industrial Expansion. I agree, however, that during Oral Question Period, much of our time was taken up with trying to make the Government shed some light on this affair.

Referring to the attitude shown a moment ago by the Hon. Member for St. John's East, I would suggest he cannot censure any of the Opposition Members sitting on a House committee because last week on TV he claims he saw Members running after the Minister. I would remind him that he should have attended that committee meeting, for he would have seen a Minister systematically refusing to answer any question put to him, he would have seen the chairman of that committee in cahoots with the Minister to prevent any question from being directed to the Minister concerning his ability to continue holding his portfolio as a result of the fact that, at least in appearance, the Minister was directly involved in a conflict of interest situation, and he would have seen the committee Conservative majority endorse the ruling of the chairman who was thus gagging Members of the Opposition.

Mr. Speaker, the Government has already gone too far here in the House by refusing to answer our questions on conflicts of interest. Mr. Speaker, you should have been present at this committee meeting to see, not a Minister refusing to answer our questions, but the chairman of the committee, supported by all Conservative Members of the committee, deny us any opportunity even to direct questions. No wonder then that day after day the Opposition used practically all the available time during Oral Question Periods to force the Government into a corner with respect to this whole affair. It was the only avenue open to us. There was no other procedure, no other way for us to ask this Government to answer to the public and respond to our inquiries. Again I stress the fact that these two committee sittings were a sheer waste of time because the Government simply would not answer our questions.

In conclusion, my last remark in response to the speech of the Hon. Member for St. John's East is that the Conservative Members are hardly in a position to lecture the Liberal Party of Canada. I vividly recall being in this House on a certain evening during the constitutional debate when the Deputy Speaker, who was then occupying your position, was physically threatened by a few Conservative Members who marched right up to the Speaker's chair, fists in the air and shouting to prevent the question from being put on an issue which had been debated in the House for weeks on end. Therefore neither I nor any of my colleagues on this side of the House can be censured by Conservative Members who went as far as threatening the Speaker during a debate in this House.

If I may, Mr. Speaker, I should like to get back to current events which prompted the Leader of the Official Opposition to introduce the motion under consideration.

At the beginning of the sitting this morning, the Minister of Regional Industrial Expansion made an intervention in the House during which he offered his resignation. I would like to say, Mr. Speaker, that it was a case of too little and too late. I say that it is too late because, as the Hon. Member for St. John's East said earlier, if it had occurred much earlier, such as two weeks ago, many other issues could have been discussed in this House in the meantime. If an inquiry had been launched at the very beginning, other Members of Parliament would have had the opportunity to discuss many other issues of national interest.

Did anything special happen last weekend for the Government to reverse its stand so completely this morning that it would ask the Minister to resign and decide to hold an inquiry? Last Friday, during the Oral Question Period, I and the Hon. Member for Hamilton Mountain (Mr. Deans) questioned the Deputy Prime Minister (Mr. Nielsen), who answered this:

The compliance that is required is the compliance by all Ministers of the Crown with the Code of Conduct. I am required to ensure that there has been that compliance, and I have done that.

For the fifteenth time in two weeks, the Deputy Prime Minister replied that, in his opinion, the Minister of Regional Industrial Expansion had complied with the guidelines and the code of conduct.

What has happened since last Friday for the Minister to resign and for the Deputy Prime Minister to agree with the Opposition and say that he has asked the Prime Minister for an inquiry? I shall tell you what has happened. The fact is that, during the weekend, the Government had the time to reflect and to consult people who know about public opinion, such as the pollsters, and to realize that its image was dangerously compromised by the scandal which was developing while the questions which were being asked remained unanswered. I think that the Government gave in to public opinion because, in the short history of this Government, which came to power only one year and a half ago and which will probably not be able to last much longer, we have become used to see the Government withdraw in the face of public opinion.

Let me recall for instance the attack launched by the Government on senior citizens when it proposed to de-index their pensions. Only after three weeks or one month of public furore did the Government decide to backtrack.

Mr. Speaker, clearly the letter of the guidelines appears to have been violated—if it has not been in fact, because we have not as yet been given an opportunity to go to the bottom of the matter. Because not only do the guidelines forbid the Minister to get involved in a conflict of interest, but they direct him to make sure that neither his or her spouse, nor his or her children will even appear to be in a conflict of interest situation. And it is clear that, as it seems, the Minister's wife did things that would not be acceptable under the guidelines contained in the Code of Conduct.

Mr. Speaker, I would now like to deal with the following fact: the guidelines are not legally binding in Canada, and in that sense they are unique. In a number of countries, as in the United States, there is some sort of legal code prohibiting under penal sanctions people in public office from getting into conflict of interest situations. Such is not the case here. In Canada, those guidelines are but a code of ethics, that is a promise, a commitment by people in public office not to violate either the letter or the spirit of that code.

Mr. Speaker, I submit that there is a price to be paid by a Minister of the Crown in a country where the code of ethics is not legally binding. And that price in my view is that, as soon as the conduct of someone in public office is being questioned because of any action, the public is entitled to expect immediate, complete and forthright explanations. And this in my view is what we should expect from the implementation of those guidelines.

If someone in public office is in a sense protected because the code of ethics is not legally binding, he is thus protected against charges that might be levied against him. He is sure not to be subpoenaed. In view of the fact that these guidelines have no legal value, the holder of a public office and all those for that matter who assume important duties and who are governed by these guidelines should agree to provide forthwith complete explanations.

During the Oral Question Period, Mr. Speaker, the Deputy Prime Minister assured us that an impartial investigation of the conflict of interest in which the Minister is involved would be carried out. However, he hastened to add that he felt the House or a committee of the House, if I understood him right, should not be empowered to rule on the Minister's behaviour, since there remain very few impartial people in the House who could deal with this. Well, my response to this is: Who, besides Hon. Members sitting in this House, could be empowered to rule on the behaviour of one of their peers? Given the fact that the guidelines which the Minister appears to have transgressed have no legal force or form, I suggest that there remains only one group of people able to rule on the behaviour of their peer, that is, the Hon. Members of this House.

If the Deputy Prime Minister should continue to refuse that an investigation be carried out by a committee of the House, he would be maintaining the position which the Government adopted last week, when on two occasions committees made it impossible for Hon. Members not only to give replies, but also to ask questions concerning this matter.

I should like now to direct questions to the Government while considering together with you, Mr. Speaker, some of the mysteries which continue to exist even after the statement made this morning by the Minister of Regional Industrial Expansion. The first mystery is this: What has changed? I have been asking this question since last Friday, and I did again earlier. What has changed over the past two weeks during which we have continually heard the Deputy Prime Minister trying to defend what was indefensible. Does a conflict of interest truly exist or not? The mystery continues. We have here a Minister who is resigning while continuing to claim that he has followed the guidelines. If this is not a mystery, I should like to know what is. If the Minister involved has not really transgressed the guidelines concerning conflicts of interest, why is he resigning? Why is he asking for an investigation?

Another mystery to clear up is this: Has the Prime Minister demanded or not this action by the Minister? On the face of it and if we can believe him, the Minister seems to have asked to be relieved of his duties.

If we can rely on a Canadian Press wire originating from a foreign country which the Prime Minister (Mr. Mulroney) is presently visiting, it seems that it is not the Prime Minister who asked for the Minister's resignation. I find this rather strange, for if we look at the guidelines drafted by the office of the Prime Minister (Mr. Mulroney), if we read the letter he wrote to all Members, Ministers and Senators last September 9, he stated that in the end it is the Prime Minister's responsibility to see to it that all public office holders abide by the guidelines. Therefore my question is this: How come the Prime Minister himself did not ask the Minister—some time ago, two weeks—how come the Prime Minister did not ask for the Minister's resignation?

From the English version I have here I will quote part of the letter the Prime Minister sent to Members, Ministers and Senators last September 9:

• (1550)

[*English*]

We have taken great pains to ensure that the new Code leaves no doubt that the ultimate responsibility for the ethical standards of the federal Government rests with the Cabinet and, more particularly, with me.

This letter is signed by the Prime Minister of Canada (Mr. Mulroney). So it is a great mystery to me that the Prime Minister has not seen fit during the past two weeks to ask the Minister of Regional Industrial Expansion (Mr. Stevens) to resign instead of waiting for the Minister to offer his resignation in a statement this morning. Where is the responsibility of the Prime Minister? Where is he, in fact? We have not seen him for the past two weeks. He has the excuse that he is on official business, but it is certainly a strange coincidence that every time a matter of this type errupts in the House of Commons it so happens that the Prime Minister vanishes from the country—

Some Hon. Members: Oh, oh!

Mr. Guilbault (Saint-Jacques): —and is not here to account for himself. Hon. Members opposite and I know we can go back to other instances where he has been away at a time when he should have been here to make sure first that his Government stands on its feet.

Mr. Turner (Ottawa—Carleton): His job is to go out and sell this country just as we are all doing.

Ms. Copps: Don't sell it out the way you've been doing, or, my God, we'll have nothing left.

Mr. Guilbault (Saint-Jacques): I would like to quote from this letter once again. It reads, and I quote:

In carrying out that responsibility the Government is directly accountable to Parliament and through Parliament to the people of Canada. You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else.

All we are awaiting now is an announcement from the Government that some judge or some outsider has been handed the responsibility of looking into this matter so that once again another promise will be broken. Let us not have another quasi-independent agency, as referred to in this letter, deal with the matter of the conflict of interest instead of a committee of this House so that we can be sure that these guidelines are worth the paper they are written on. At present they are just words being thrown away.

I hope we will be able to witness the responsibility taken by the Prime Minister and the Government towards the people of Canada through this House of Commons by having an inquiry run by Hon. Members of this House so that the public will know that the Government has not shirked its responsibility. I look forward to seeing that.

Mr. Blenkarn: Mr. Speaker, is it the position of the Opposition that it would rather have the Standing Committee on Elections, Privileges and Procedure do the inquiry rather than a judge, for example, of the Supreme Court? I ask that because Hon. Members of the Official Opposition on television the other night acted like banshees in terms of their decorum. They certainly did not do any good to the reputation of Hon. Members of the House generally. It would seem that as a result of their various protestations over the last two weeks something independent is what they required. I just wanted to ensure that the record declare what, in fact, is the position of the Hon. Member.

• (1600)

Mr. Guilbault (Saint-Jacques): First, I do not know whether or not the Hon. Member walked into the House during the course of my speech. My speech was all about the matter the Hon. Member raises.

When the Hon. Member spoke about banshees at the committee meeting, that is another place where he should have been. He would have seen then that all of what he saw on television happened after the meeting and not during it. He would have seen one member of the Cabinet pushing some of our members around. This is how the whole thing erupted.

An Hon. Member: No, no, no.

Mr. Guilbault (Saint-Jacques): The Hon. Member should not say: "No, no, no" because he was not there either. I would like those Hon. Members who wish to discuss this issue and who were there, as I was, to stand up in the House and discuss it.

An Hon. Member: You should be ashamed of yourself!

Mr. Guilbault (Saint-Jacques): I am not ashamed of myself. What we were doing at that time was asking questions in a civilized, *bona fide* fashion. We were being denied by the Tory majority even the right to ask our questions. If that is not correct then I would like any Hon. Member in the House to stand up and say so.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is not with a great deal of pleasure that I rise to participate in this debate. I do not believe that this debate should have been necessary.

I contrast the present situation with the situation involving the resignation of the former Minister of National Defence some months ago. At that time a newspaper account appeared in the Ottawa *Citizen* indicating that the Minister had spent some time in a questionable bar in Lahr, West Germany, during a trip to NATO bases. The article appeared in the morning edition of the newspaper and the Minister offered his resignation, which was accepted by the Prime Minister (Mr. Mulroney), even before Question Period started that day.

With the benefit of hindsight, perhaps one has to ask why we are so prudish about matters relating to sex and so complacent about matters relating to financial conflicts of interest. Why is it in this case that after the initial press accounts, which raised serious questions about the Minister's activities and about the conflicts of interest in which his spouse had entangled him, the Government stonewalled our questions for a period of almost two weeks until the Minister offered and had his resignation accepted today? Even today he says that he wants to clear his name and that he wants an investigation. As far as I am concerned, I am satisfied that there will be some form of investigation. I believe that this matter should properly be handled within the House itself by the Standing Committee on Elections, Privileges and Procedure. That was the case with the reference of the matters involving the former Member for Verdun and of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). These matters went before the Standing Committee on Elections, Privileges and Procedure. It seems to me appropriate that that should have been the place for this matter to have been referred.

Along with many members of the House, I deplore the behaviour of certain members of the Liberal caucus after the meeting the other night of the Standing Committee on Regional Industrial Expansion. I was there at that committee meeting and I was not part of the shenanigans which took place afterward. Hon. Members have spoken of the frustration we felt at that meeting. I certainly felt frustration, since all of the questions relating to the integrity of the Minister were consistently ruled out of order by the Chairman of the committee. We found that despite the new rules, our ability to use the new committee structure in order to get at a matter which was of grave public concern was, in fact, frustrated as a result of the interpretation of the rules by the Chairman.

I have said that the affair concerning the former Minister of National Defence was dissimilar to this situation. However, it was similar in one way, that is, the Government of the day and the Prime Minister knew about the problem for some three weeks before action was taken. What is different is that in the first case action was taken as soon as the matter became public, which indicated that the Government was at least publicity shy. In this particular case the Government has known for as long as all of us have known. It did nothing until it finally became clear that it had no choice but to act or else we would be devoting the entire next month and a half to this matter in Question Period. The Hon. Member for St. John's East (Mr. McGrath) said: "Why do that?" He has asked why we should devote so much time in Question Period to this particular issue. As I said in my intervention, it is because this issue goes right to the heart of the integrity, not just of one Minister but of the entire Government. After the Government, through the Deputy Prime Minister (Mr. Nielsen), began to stand up for the Minister's compliance to the Code of Conduct it became a question of the integrity of the entire Government.

I wish to remind Hon. Members that again and again the guidelines which were circulated to Ministers in 1975, which are a follow-up of similar provisions which have prevailed since 1963, indicate that there is an obligation which goes far beyond just simply complying with some narrow letter of the law. One section of the principles in the guidelines states that Ministers have an obligation to act in a manner that would bear the closest public scrutiny, an obligation which is not fully discharged by simply acting within the law. Another section states that Ministers shall perform their official duties and so arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced. Through the course of the last week and a half we saw one revelation after another about ways in which the Minister's network of interests in his business career and in his private life was interfacing and interfering with his ability to act impartially and without potential or real conflicts of interest in his work as the Minister for Regional Industrial Expansion.

As soon as this matter was raised, as soon as serious allegations were made and as soon as it was clear that they were not just the passing fancy of some sleazy journalist in a third rate newspaper—and they definitely were not that—the Minister should have indicated at that time that he was resigning his seat and asking that the matter be investigated. To do so now indicates that the Minister has been forced into it or that he has been made to take this particular action by the Prime Minister. In other words, it is not voluntary. It is not seeking to uphold the highest standards; it is only because he has been forced to take this action and because he has no alternative.

I would remind the House as well of the facts about which we are speaking.

[*Translation*]

I wish to remind all Hon. Members of the letter dated September 9, 1985, which the Prime Minister sent to all his Cabinet Ministers exempting their spouses from the Code provisions. It stated in part:

"However," said the Prime Minister, "I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of the activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children."

Now, Mr. Speaker, the conflict of interest situation in which Mr. Stevens is involved did not begin when Mrs. Stevens tried to borrow money from the President of Magna International, and eventually from Mr. Anton Czapka, an associate and former co-founder of this major company which has received so many millions of dollars in federal grants and subsidies.

The conflict of interest situation began when the Minister established his blind trust in October 1984, for the administration of his assets in the York Centre Corporation, because at the time, the Minister ignored the fact that his wife continued to act as vice-president of Cardiff Investments, a York Centre

branch responsible for the real estate arm of the York Centre Corporation. Following the reception of the Prime Minister's letter dated September 9, the Minister chose again to ignore the fact that his wife was vice-president of this branch, that her company was in fact responsible for the administration of his very significant assets placed in a blind trust.

For all practical purposes, Mr. Speaker, he had failed to entrust his assets to an independent administration.

[*English*]

It is clear that when we come to look at the adequacy of these conflict of interest guidelines, as I believe we must and must do soon, the question of exactly how to deal with how spouses should be treated will have to be looked at seriously. My Leader pointed out the fact that spouses enjoy community of property with their husbands, or wives as the case may be, because of the marriage property rules which have come into force in Ontario and in other provinces in recent years. Therefore, even if a spouse has a business or a career which is entirely independent from that of his or her spouse who is in Government as a Minister, the fortunes of that spouse indirectly benefit the fortunes of the Minister. However, here we have a case of a conflict which is much more direct. Here we have a Minister who put his interests into a blind trust and then gave his wife effective power to run them. Mrs. Stevens went to the Chairman of Magna International and said: "Hey, can you give me a loan? We are having a tough time". She went knocking on doors on Bay Street, the doors of companies that were consistently doing business with her husband's Ministry, which was involved in the divestiture process, the privatization of Crown corporations, the raising of money for the Government of Canada and other business affairs. She did not blanch at the fact that the Minister had been told to avoid what would, in my view, have been very obvious conflicts of interest in these particular cases.

• (1610)

I am shocked by the reaction we have had in today's debate from the Government House Leader and from the Deputy Prime Minister during the course of Question Period. In particular, the Government House Leader should have known better than to make the speech he made this morning. He tried to say that all of this was trumped up by the Opposition, that it was simply a matter of innuendo, to use his word, a word that he had borrowed from "Velcro-Lips I", that is, the Deputy Prime Minister. He claimed that it was all supposition and that the Opposition had not made a charge. He suggested that the Prime Minister made efforts to consult with the Opposition on conflict of interest guidelines, and repeated the false charge made by the Deputy Prime Minister, which was that this matter had not been disposed of by the House Leaders. It has been, and the matter of conflict of interest guidelines for Members of Parliament has been sent to the Standing Committee on Management and Members' Services.

We were not talking about innuendo. We were talking about allegations made in reputable newspapers after very serious research and on the basis of documentary evidence from the Registry Office of the County of York. I personally spoke with Mr. Frank Stronach, the President and Chairman of Magna International, and I asked him to confirm that Mrs. Stevens came looking for a loan. He said yes and he said that he referred her on to Mr. Czapka. He confirmed the story which appeared in *The Globe and Mail* a week ago Tuesday.

We are not talking about innuendo, we are talking about facts. If the Minister had felt that these facts were in error, he could have taken action through the courts. He has not chosen to do so because these facts will hold water.

The Government House Leader suggested that we were talking about a contrast between subjective opinion and objective standards of conduct. We have objective standards of conduct but they have to be interpreted subjectively. That is why there is such reference to highest possible standards of conduct, to maintaining integrity and objectivity on the part of Government and to maintaining all of those things which are part of the principles of the conflict of interest guidelines laid down by the Government on September 9 of last year.

One of the reasons I and my Party believe that this matter should be referred, as the Mackasey affair was referred, to the Standing Committee on Elections, Privileges and Procedure is the fact that we are looking at a matter of political judgement. I have a great fear that the Government will adopt a terribly narrow view when it sends this matter to its outside investigator. I am afraid it will adopt such a narrow view that the major issues and the major import of the allegations raised in the House will be ignored by whoever carries out the inquiry.

The Government House Leader suggested that the Opposition has never proved non-compliance. Among other things, non-compliance is in part a matter of judgement, and compliance or non-compliance is a matter of access to documents which, by the rules laid down by the Government, are secret.

We are talking about a Code of Conduct which was not adopted by the House of Commons but was laid down independently by the Government in a letter, a series of publications and an Order in Council from Cabinet, and which only represented one side of the House. I suggest as well that it is not up to us to prove this allegation. The burden of proof, when serious allegations are made, in fact returns to the Government and to Ministers who are charged with conflict of interest.

The Minister could have sought to appear before a committee to clear his name and put forward the facts which, in his opinion, would have proven that he was not in violation of the standards of conduct that were laid down. He chose not to do so and instead he has now asked that there be an investigation as to the facts respecting these allegations.

The Prime Minister's letter indicates that there will be an impartial investigation of the facts regarding those allegations. My Party is very concerned about the tone of that and about the Prime Minister's suggestion that we have an investigation to clear the Minister's name. I regret the fact that the Deputy

Prime Minister does not agree with me, but I think we have to take the view at this point that these allegations are to be proven. It has not been proven either that the Minister complied or that he did not comply with the conflict of interest guidelines.

In resigning, the Minister has recognized, alas so late, that he made serious errors or that there were perceived to be serious errors made by him and his wife with regard to these particular guidelines. However, this investigation will not have credibility if it is carried out in private. It will not have credibility if the terms of reference are determined unilaterally without consultation with opposition Parties. It will not have credibility if the terms of reference are too narrow. It will not have credibility if the report is to be kept private and never made public or if portions of the report are censored before being published.

The investigation will not be credible if it only reports to the Prime Minister. There has to be a means by which it can be considered by Parliament, and I would recommend that the report go to the Standing Committee on Elections, Privileges and Procedure so that it can be considered there and so that a committee of the House can have a chance to do the job that the Hon. Member for St. John's East has suggested that committees should be doing.

I would like an assurance that Members of Parliament will be able to make submissions before this committee. I would also like an assurance that Members of Parliament will be able to be privileged when they do so. We do not want the Minister to decide suddenly to have his lawyers try to stop anyone from making allegations before the committee, whether it be a Member of Parliament or a member of the public.

Finally, it has to be made crystal clear in the terms of reference that this committee is not just looking to facts but also to the respect for the spirit of the guidelines, the objectives of Section 4, the rules in Sections 5 and 6 and the long list of principles in Section 7. While I believe the investigation should be carried out first and foremost by a committee of the House, if the Government is using its majority to determine that it should be done outside, it should look at the question of the spirit and principles of those guidelines and not just the narrow letter of the law.

[*Translation*]

Let me remind you, Mr. Speaker, that Section 7, under the heading "Principle" provides that Ministers of the Crown, and I quote,"—shall perform their official duties and arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced". Also, Ministers "—have an obligation to act in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law." And Ministers "—shall not have private interests, other than those permitted pursuant to this Code, that would be affected particularly or significantly by government actions in which they participate."

And elsewhere, Mr. Speaker, as I just quoted in French. It is provided that ministers should also make sure that their spouses avoid all conflicts of interest in dealings in property or in investment transactions. And clearly, Mr. Speaker, this may need clarification in the future. But clearly, it is—

[*English*]

It is crystal clear that the spouses of Ministers should not be running their business affairs when those business affairs have nominally been put into a blind trust.

My final question relates to the role of the Deputy Prime Minister and through him the credibility and integrity of the Government as a whole. I have just read the sections of the code that talk about the need for all Ministers to uphold the integrity, objectivity and impartiality of Government. What we have seen from the Deputy Prime Minister is something quite to the contrary. Since this affair began, he has insisted that there has been full compliance by the Minister. He has repeated that even today. He is a man who sees no evil, hears no evil and presumably, in his view, speaks no evil. He has not understood why it is that millions of Canadians have felt there was a conflict of interest situation. Even 65 members of the riding association of the Conservative Member for Calgary West (Mr. Hawkes) were pressing their Member over the weekend and saying: "For God sake, do something. We cannot stand this kind of situation. You are bringing our Party down". Those rank and file grass roots members in Calgary had a lot more savvy than the 212 Members of Parliament on the Conservative side, particularly the Deputy Prime Minister.

• (1620)

The Deputy Prime Minister did not want an investigation when his official, the Assistant Deputy Registrar General, failed in his duty, as I believe he did at least to report to the Minister that the guidelines were inadequate to cover this particular case, that there was a *prima facie* case which should be investigated, and that somebody should take on the powers of investigation as an official act. When the Deputy Prime Minister became aware of how weak and ineffective that official was—I have met Mr. Boyle and I regret to say that that is the case—the Deputy Prime Minister did not then act. This fact means that he was derelict in his duty in terms of enforcing the Code of Conduct on behalf of the Prime Minister.

The Deputy Prime Minister assured us today that he took action, but he would not agree to indicate what that action had been. I suggest that his responsibility has been to stonewall for the Government. We have seen that again and again and again, where he used misinformation, disinformation and irrelevance, where he changed the subject or did everything possible to stay away from the issue which he, being an intelligent man, knew was the issue on the minds of not only the opposition Parties but also of Canadians from coast to coast.

Therefore, I believe it is time to consider—and the Prime Minister when he returns from his Asian trip should consider

it—asking the Deputy Prime Minister to look elsewhere for employment than to be in the Cabinet. I do not believe that Minister has done his job in upholding the standards of integrity which the people of Canada have the right to expect from the duly elected Government of Canada.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, normally, first-time Members of the House are full of enthusiasm when they are asked to speak in a debate. I think that applies to most of my colleagues who were elected to the House for the first time. This morning at 3 a.m., as I drove the 1,000 kilometers between my riding and Ottawa, I was not terribly anxious to speak to this Opposition motion today. Like many others, I arrived in September 1984, and it may be what some people call idealism—I call it idealism in any case, others call it naïveté—and until now I had always thought that in this House, this select group of elected Members, the representatives of the Canadian people had as much respect for this institution and its Members as I hoped to have and had personally.

One of the basic tenets of Canadian law and Canadian justice is *habeas corpus*, which means that a person is considered innocent until the courts consider or judge that person to be guilty. In real life, a person is presumed innocent until found guilty. In real life, any individual who claims his rights have been breached by another individual can make his case heard, but it must be supported by the facts. It cannot consist merely of allegations, insinuations and all matter of gossip. Mr. Speaker, if a case is based on false insinuations, the case is not only thrown out of court but the judge can also award substantial damages. That, Mr. Speaker, is real life. Unfortunately, this is not real life. Here things are different. Here, contrary to what I thought, we are involved in politics.

I also thought, Mr. Speaker, that the House of Commons was a place where there was serious debate on questions affecting the lives of all Canadians. I must say that here again, I had to adjust my thinking. I had to change my mind.

Mr. Speaker, during the past two weeks, major events were taking place both on the international and national scene. However, these events were practically ignored here in the House. Mr. Speaker, the accident at the nuclear power station in Chernobyl was not discussed at all. On the national scene, we had a Supreme Court decision concerning the use of official languages in Canadian courts. Not a word. There was no mention either of mortgage rates which are now at their lowest level since 1972. And of course, not a word about international terrorism which affects and threatens many Canadians working or travelling abroad.

Instead, Mr. Speaker, our Opposition colleagues could think of only one thing: to smear a man's and a minister's reputation, to have his head at any price.

And all this has happened, not as it does in real life but under cover of parliamentary immunity. These Members levelled charges against a Minister, charges that were biased and contained only the items that make the headlines in the media. People being what they are, and as a former journalist, I know whereof I speak, the charges appear on the first page and the explanations on the last page if at all. For instance, the Canadian Government's splendid contribution to Africa, announced by the Minister for External Relations (Mrs. Vézina), ended up on page 14 or 15 in nearly all the papers.

Mr. Speaker, what about the trip of the Prime Minister (Mr. Mulroney), our ambassador to Japan, which has also been ignored, or practically so?

Mr. Speaker, I have always thought that parliamentary immunity is an essential tool available to Members so they might enjoy greater freedom of expression. But as Duplessis used to say about freedom of expression: To some people, freedom of expression is like alcohol, they cannot take it. The least I can say about the way it has been used in recent weeks is that it has been irresponsible and quite inhuman, I think. For two weeks the Minister of Regional Industrial Expansion (Mr. Stevens) was literally crucified by an Opposition bent on forcing him to resign.

When I opted for public life, Mr. Speaker, I knew that my private life would no longer be quite so private and that, as all Hon. Members, I would have to make sacrifices with respect to me and my family's private life.

Still I was and still am waiting for something, for I am a naïve new Member—green in English, blue in French—I do not know that. I thought my colleagues would display a sense of ethics and respect for their fellow human beings.

Of course, Mr. Speaker, the Parties will always have diverging opinions, and this is why I am a Conservative, someone else a Liberal, and yet another a New Democrat. I dare hope that such diverging opinions are always based on facts, or at least on one's perception of facts, and that the ensuing debates are carried out with respect for the individual and the hope to improve the well-being of Canadians. Indeed Canadian men and women expect their Members to do their work as best they can and be serious about public issues. In my judgment, Mr. Speaker, the debate over the last two weeks does not fall into this category.

What do ordinary Canadians, particularly younger ones, think of the sordid spectacle they witnessed in committee last Wednesday when I was there myself? Mr. Speaker, it was like a circus.It was like a zoo without the fences.

• (1630)

As usual, Mr. Speaker, the Minister had been invited to introduce the Estimates and to explain the programs of his Department. When the Committee decided to invite the Minister, the previous speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy), protested against the fact that the Minister would appear only once because he had many questions to ask him about his Department. What happened?

The Hon. Member for Ottawa Centre did not ask a single question about the estimates of the Minister's Department.

Yet, the rules are simple, Mr. Speaker. If the Hon. Member had questions to ask about the estimates, then was the time to do so. He did not. Instead of debating the issues, we had hysterics from the Hon. Member for Hamilton East (Ms. Copps) and a boxing match starring none other than the Rat Pack's Rocky, the Hon. Member for York South—Weston (Mr. Nunziata).

Ms. Copps: And Mr. Bissonnette, the big guy of six feet seven inches and 175 pounds!

Mr. Hamelin: Mr. Speaker, I can understand perfectly that the Opposition should play the role of a watch-dog. This term is made up of two words. Usually, you imagine that you are dealing with a kind of sheep-dog, nice, but still effective as it will bite at the right time. However, that evening, instead of the two words, we had only the second.

I think that the people in their constituencies must be very proud to be represented in such a dignified manner. According to the people here, it seems that no witness was ever so badly mistreated in a committee. I personally witnessed the verbal assaults of the Opposition Members.

I felt that we had sunk very low. Just imagine how nervous the other witnesses will be in the future, and I am thinking about the ordinary Canadians who are called before our committees, the ordinary people who work with us!

I would like to tell the Canadian public that what we have seen in this case does fortunately not happen as a rule. I especially want to tell young Canadians who might be thinking of entering public life to excuse this shameful episode in Canadian politics.

I would now like to deal more directly with the motion and the guidelines on conflict of interests introduced on September 9, 1985.

I would like to remind this House that, on that date, the Prime Minister wrote both the Liberal and the NDP Opposition Leaders to ask them for suggestions about these guidelines. Yet, Mr. Speaker, even though a similar subject had been referred by my colleague, the President of the Privy Council (Mr. Hnatyshyn), to the Standing Committee on Management and Members' Services, neither Opposition Leader made any concrete suggestion. They probably found the code adequate, but if not, they had an opportunity not only to express their concerns, but also to make suggestions to improve it. As you know, Mr. Speaker, they did not do so and refused to bother with this matter.

The code was therefore implemented as proposed and the Ministers complied with it.

All of a sudden, Mr. Speaker, the Opposition wakes up and cries shame—the code is inadequate! We are always ready to listen to their suggestions, but as yet they have offered none. The people of this country must therefore wonder about those watch-dogs, or whatever, of parliamentary ethics.

This is not the first time such a thing happens. Remember, Mr. Speaker, the wage and price control issue in 1974. The Progressive Conservative Party struck the right note at the time, and still does. Of course the truth may hurt at times, but we took on our responsibilities while respecting the dignity of this institution.

Even today, Opposition parties had an opportunity to initiate a debate on that code of honour. What did they do, Mr. Speaker? They used the forum of an Opposition day to attack the Government without proposing any significant improvement to the system. Instead, they have chosen as they did this morning, despite the Minister's announced resignation, to go on reviling one of the most articulate Members of this House. Let us make no mistake about it: the Opposition parties are attacking one of the brightest parliamentarians in this House, one of the most capable of running a department. Sinclair Stevens is one of the most competent men we have, with the most experience in those areas.

And I with all my greenness, Mr. Speaker, with my lack of experience, I had a chance with a group of businessmen to meet the Minister, to discuss situations, problems. And even though in 80 per cent of cases I failed to secure grants for those businessmen, each time they had this to say at the end of the meeting: We are carried away by that man's gift for analysis, and the quality of his questions.

And I am willing to be checked on that. We had $170 million in investments at the Donahue plant in my area, and despite my representations the Government of Canada failed to participate. The same thing happened with a few other companies, for much smaller amounts. In every case, I appealed to the Minister, I asked for his co-operation, and he accepted to meet my businessmen, to discuss matters with them, and each time I was proud of our Minister, of having him in this Government.

Of course, Mr. Speaker, Ministers should respect the rules as they are. With respect to the Opposition parties' imaginary rules we have been waiting to see them since at least September 9, 1985.

Mr. Speaker, our whole democratic system is based on statutes and legal documents, written black on white. Such are the parameters on which people are judged and assessed. When our society wants to adopt new rules, it proceeds through Parliament which can amend laws and create new ones.

On September 9, Mr. Speaker, the Prime Minister introduced his new guidelines, and Opposition Members failed to play their role as legislators by not submitting any serious proposal. The guidelines are clear, and if Hon. Members wish to suggest amendments, we are prepared to listen to them, as we have been ever since that date.

To conclude, Mr. Speaker, I should like to remind Quebecers that the Department of Regional Industrial Expansion last year spent not less than 42 per cent of its budget in Quebec. It invested 43 per cent of all available money in Quebec businesses to create new jobs for Quebecers. Forty-three per cent! Some of my colleagues know very well, just as I do, that Sinclair Stevens has demonstrated an uncommon interest in Quebec's problems.

I therefore wish, Mr. Speaker, that the impartial investigation hoped for by Hon. Sinclair Stevens will clear up this matter and bring back to us a person extraordinarily competent and understanding whom this Government, Quebec and the whole of Canada need very much.

• (1640)

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Nunziata: Mr. Speaker, I think it is obvious that what is of paramount importance in the minds of Canadians is this Government's sense of justice and morality. The Minister resigned today, notwithstanding the fact that the Official Opposition and others have been calling for the resignation for two weeks. The Deputy Prime Minister (Mr. Nielsen) has continually defended the former Minister. Yet at no time today have I heard from anyone in the Government the admission of any wrongdoing. There is not even the admission of an appearance of conflict of interest. The former Minister said he did not know about the $2.6 million loan which was interest-free for the first year. We are all honourable Members in this House so we have to believe him. However, Canadians do not believe that his wife did not tell him about the loan. The Minister said he received no benefit. If you lend someone $2.6 million interest-free for one year, there is a benefit of over $300,000. The Minister said he did no wrong and that he complied with the guidelines. Does the Hon. Conservative Member who just spoke agree with me when I say that one need not refer to conflict of interest guidelines when one has to determine the difference between right and wrong?

The facts speak for themselves. If anyone has a sense of morality, decency, honesty and integrity, he or she does not have to refer to a set of guidelines. You look at the facts and the facts speak for themselves. Yet throughout, the Deputy Prime Minister and the former Minister said there was full compliance. If that was the case, and if we are totally off base, why has almost every journalist and every editorial writer in the country condemned the actions of the former Minister? Why have Canadians been talking about it every day? Is it that the former Minister, the Deputy Prime Minister and all the Tories, with the exception of two who had the courage to stand up and call for the Minister's resignation, are right? Is he suggesting that every one else is wrong and his Government is right? I ask him to search for an answer to the quagmire in which this Government finds itself rather than continue trying to stonewall on the issue.

[*Translation*]

Mr. Hamelin: Mr. Speaker, I have come to realize over the past few weeks that my hon. colleague, whom I know very little, unfortunately confuses the House with a court of justice. We should recognize that this is not a court of justice. The allegations he has made are unproven; on the other hand, we do not intend to hide the truth either. We are . . . I am glad to see that an impartial group or judge will fully investigate this matter and tell us what really went on. But, dear colleague, this is not a court of justice.

On the other hand, you have referred to newspaper editorials. I should like to emphasize also that your attitude and that of your colleague have been very widely criticized. It was criticized in the newspapers, and that is my point.

If the Hon. Member and I allow our standards of debate and behaviour to slide, I think we will lose all our credibility *vis-à-vis* the Canadian public. You know, if it comes down to drawing knives or using one's fists or fighting, I am sure some of us are probably quite able to hold their own in that respect. But I am not interested in that kind of fighting. Nor am I interested in flinging insults at my hon. friend. Not that I wouldn't want to, but I resist that impulse in order to maintain the standards of our debate. You can make stinging comments, you can be critical and you can act like real watch-dogs. And so you should. You are doing your job, and that is as it should be. Some of your colleagues do this very well, with eloquence and determination, without changing this Chamber into a court of justice and without any desire to destroy both reputations and individuals. I think we have to admire the Minister, who for well over a week has conducted himself with dignity here in the House, while listening to your invective. I am not questioning the substance of the point you have raised. I don't think this is the appropriate place to do so. But I strongly question the form and the tone of this criticism.

I am sure my hon. friend from Saint-Denis (Mr. Prud'homme) would not have indulged in this kind of attack. I am sure of that. However, I think he could have achieved the same results through a far more rational use of his intelligence. Hon. Members, intelligence is a weapon, but there are some Members in the House who lack that weapon. I hope to have interesting discussions with all my colleagues on the principles concerned, and if they want to be critical, let them be consistent.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member's reply. It was a bit long. Questions and comments. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, the Hon. Member for Charlevoix (Mr. Hamelin) has just spoken as though the Minister had not resigned. He praised the Minister and expressed his support, because he is articulate, capable and competent, without mentioning the fact that this is the first Minister of Regional Industrial Expansion to be accused of a conflict of interest since C.D. Howe, a member of the Liberal Government in the 50s who had strong ties with the business world.

So we have to ask ourselves whether the allegations made by the Opposition were really unfounded. Why did the Minister resign? In doing so, he admitted that the facts are there. These are not just allegations, they are facts. There is the fact that Mrs. Stevens is vice-president of a company that is a branch of the company belonging to Mr. Stevens. It is a fact that the head of Magna International publicly acknowledges—to me and the press—that he met with Mrs. Stevens who wanted to borrow money and who eventually did get an interest-free one-year loan. I do not see how the Hon. Member for Charlevoix can fail to see there are very serious allegations which justify the Minister's resignation, much in the same way as the Minister of Communications (Mr. Masse) tendered his resignation as a result of allegations concerning his election campaign. In that case he was eventually cleared and went back to his Department. If the Minister of Regional Industrial Expansion were really concerned about his ministerial responsibilities, he would have resigned at least a week ago.

Mr. Hamelin: First of all, Mr. Speaker, the parallel made by my colleague with a certain C.D. Howe, calling him a businessman with connections . . . As my colleague would have it, apparently, a poet should be appointed Minister of Finance, and a violin player given the Regional Industrial Expansion portfolio.

I for one can say I am quite pleased that we have financiers, businessmen, people with connections with the financial world, of course, who know what a balance sheet is. It is more interesting.

So for starters we agree that poets are better qualified to write poetry, and I might point out that I have several poets and painters in my riding, I admire and like them—

Mr. Cassidy: They must also be honest, mustn't they?

An Hon. Member: In Baie-Saint-Paul!

Mr. Hamelin: Yes, Baie-Saint-Paul is beautiful. Indeed I invite you to come and help the economy of my riding.

That being so, you are making statements and allegations, and turning this House into a court of justice.

Mr. Gauthier: This is a debate!

Mr. Hamelin: I am not making a judgment on the problem itself—

Ms. Copps: That is the problem!

Mr. Hamelin: The Minister decided, too late according to you, to resign this morning. He has done so, but he could have continued to take your accusations and allegations. As the Arab proverb says: "He has so many arrows in his side that they act as a shield against the others."

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have just listened to the Hon. Member for Charlevoix (Mr. Hamelin), who says that it is up to us to say good things in the debate and always to remain gentlemen and gentle women. However, I think that he has missed the point.

I entered politics in the first place mostly to have an opportunity to make some change in the life of Canadian men and women. I grew up in politics because my father was mayor of our city for about 14 years. When he was mayor during my childhood, some of my good friends used to tell me: "Sheila, all politicians are thieves!"

• (1650)

[*English*]

"They're crooks, all politicians are crooks". I was raised believing that politics is an honourable profession and that it is the right and responsibility of every member of this House to uphold the honesty that is politics. I believe that that quest for honesty supercedes political Parties. It supercedes the Party label, whether it be Liberal, Conservative, or New Democratic. I believe that there are Members on all sides of the House who came to Parliament for what they could do for their country. As John Kennedy said: "Ask not what your country can do for you but what you can do for your country".

In this particular case, Mr. Speaker, we have a blatant example of a Minister who, through his spouse, is using the interests of the country to serve his own family business. Throughout this debate today I have not heard a single Member on the government side of the House deny the fact that a $2.6 million interest-free loan was given to a family business in which Mr. Sinclair Stevens is the majority shareholder or the fact that the company, which is in fact a major shareholder in the Hanil Bank, also benefited by decisions of the Government not to go ahead with the establishment of certain factories here in Canada at the same time as it had a $775,000 outstanding loan. The question now—

[*Translation*]

Mr. Speaker, the Minister is not the only one involved, because the Minister has resigned.

Mr. Turner (Ottawa—Carleton): Louder!

Ms. Sheila Copps: The Hon. Member for Ottawa—Carleton (Mr. Turner) tells me to speak louder. I shall do so. I shall speak louder because what is involved no longer affects only the Minister, but also the conduct of the Government and especially that of the Prime Minister who let this business go on for two weeks without having the courage to say anything to the Canadian people.

[*English*]

And then we see the incredible spectacle of the Prime Minister (Mr. Mulroney) sending a letter of exoneration telling the Minister what a wonderful job he did and shedding tears because he is leaving. He has not once had the courage to tell the people of Canada that what the Minister and his family did was wrong. We have seen the spectacle of Dominion Securities Pitfield, and Burns Fry being called into a meeting to bail out the Minister's private business. Those facts have

been put on the table and have not been challenged by either the Minister or the Government.

When we see these things, we know that the Government has lost its sense of what is right and what is wrong. The average Canadian does not need conflict of interest guidelines to understand this. I was home in my riding of Hamilton East on the weekend and I went to a shopping mall. Someone tapped me on the shoulder and said that he was building an addition to his house. He asked whether I thought he could apply for an interest-free loan through the Minister. The Government, through the Deputy Prime Minister (Mr. Nielsen) and the Prime Minister, by refusing to denounce categorically the actions of the Minister's family in using his public office to buttress and swell their own private coffers is absolutely, totally, and categorically wrong.

[*Translation*]

Mr. Speaker, I believe the fundamental question which should be addressed in this House is the following: Why do the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister go on day after day defending the actions of that Minister? Because they do not understand the question of morality in leadership. This does not surprise me, Mr. Speaker, because looking at all those who were behind the doors—

[*English*]

Let us take a look at the team which was behind the scenes trying to cut the throat of Joe Clark during the leadership race in the Conservative Party.

Some Hon. Members: Oh, oh!

Ms. Copps: We see that the players are the Hon. former Minister of Regional Industrial Expansion, the Hon. Minister of National Revenue (Mr. MacKay), and the former Minister of National Defence.

Some Hon. Members: Where's Chrétien?

Mr. Deputy Speaker: Order, please! Order, please.

Some Hon. Members: Look behind you. Where's Chrétien now?

Mr. Deputy Speaker: Order, please! Could we be allowed to hear the speech of the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: The chickens will come home to roost, Mr. Speaker. My mother always taught me that you are judged by the company you keep. We can see that the Prime Minister had to reward those who were behind the scenes during the leadership race when Joe Clark was the Prime Minister of the country and the Leader of the Conservative Party. Those people were Sinc Stevens, Elmer MacKay, and Mr. Coates.

Mr. Deputy Speaker: Order! Would the Hon. Member refer to those Members by their ridings rather than their names, please.

[*Translation*]

Ms. Copps: Mr. Speaker, the issue is very simple. Is the Prime Minister here to show the people of this country some sort of morality? Is he here to tell everybody, not just Canadian men and women, that they do not qualify for those free loans which are available to the former Minister of Regional Industrial Expansion? Will the Prime Minister take his responsibilities and provide information to this House, to all the Members and to all the Ministers of the Crown? As honest men and women here in this House, we do not have the possibility nor the right to use our departmental responsibilities for family purposes that are not tied in with the common good.

[*English*]

That is the question which, unfortunately, the resignation of the Minister does not answer. We have seen quite clearly that the Prime Minister was originally prepared to hide behind the ADRG and is now prepared to hide behind an independent, impartial arbiter. The arbiter is the House of Commons. It is the Parliament of Canada which tells young Canadians that they can aspire to be political leaders and to come into the House of Commons under all political Parties, that they can aspire to politics because it is an honourable profession. Unfortunately, in the last two weeks the Deputy Prime Minister has been aided and abetted by the Prime Minister who was pulling the strings from overseas. He was leading the charge in the attempt to cover up and stonewall on this issue. It was not the Government's sense of morality which forced the resignation of the Minister, but a result of the Opposition sticking to the question and the public becoming wise about the cover-up. It was public opinion that forced the Prime Minister and the Minister of Regional Industrial Expansion (Mr. Stevens) to back down.

• (1700)

It is a crying shame that this resignation has nothing to do with the morality of the Government which has, unfortunately, shown itself to be bankrupt of any sense of the meaning of leadership.

An Hon. Member: The Liberal gazelle.

Ms. Copps: The Member says: "The Liberal gazelle". It is a sad day when the parliamentary process has been subverted by Members on the Government side of the House like the Deputy Prime Minister, the Prime Minister and the Minister of Regional Industrial Expansion who have no intention of answering to the public for the way in which they have been ripping off the system. It is also a very sad day when the arbiter of the public trust is a Deputy Prime Minister who, himself, is a self-confessed—

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. I thought I heard the Member for Hamilton East (Ms. Copps) say that the Ministers to whom she was referring were ripping off the system.

Ms. Copps: That is right.

Mr. Blenkarn: That is an accusation of severe misconduct on the part of Ministers with respect to the financial aspects of the Government. It is an expression that she might want to consider withdrawing because it is an accusation that is certainly far from parliamentary. I think you should rule on it, Sir.

Mr. Deputy Speaker: The interpretation given to the words of the Hon. Member for Hamilton East (Ms. Copps) is one interpretation that can be made. However, I am sure that is not what the Hon. Member meant and that is not the way the Chair understood it.

Mr. King: Ask her what she meant.

Ms. Copps: I am asked what I mean. The major brokerage firms of Canada are called together in a rescue attempt of a private business at the same time as the same Minister is doing business with those brokerage firms to the tune of $20 million on the deals of the CDC, of Canadair, de Havilland, Eldorado and Teleglobe.

The Government has decided to wash its hands of ministerial responsibility and suggests that somehow Mr. Stevens has been wrongfully tried by the Opposition. That is absolute nonsense. We have the responsibility in this parliamentary process to ensure that Ministers of the Crown do not use their ministerial privilege for private and personal gain. Quite clearly, private and personal gain was demonstrated in the loan which was accorded on an interest-free basis to the company in which Mr. Stevens is a majority shareholder. If there is a Member on the government side of the House who denies those facts as they have been put forward in the House, then I urge them to stand up and speak out. Otherwise, the facts speak for themselves.

We are talking about the CDC share offering in which over 23 million shares of Canadian companies were sold at $11.50 each. We are talking about the sale of de Havilland in which the key players in this corporate web involving the Minister were also not only involved in selling the company but involved in assessments of the company's worth.

In the case of Canadair, there is a rather peculiar situation in which Mr. Stevens through the CDIC, hired a particular firm to assess the company at the same time that a representative of that company is sitting on the board of another company which intends to put in a bid to purchase the self-same assets.

We are talking about self-dealing in the extreme. We are talking about a corporate web which was woven by the Minister and the Government as a result of their appointments to the CDIC and their own plan for divestiture. In light of all the questions that have been raised, it seems to me—

[*Translation*]

Let us take for instance the privatization of Canadair. Do we really believe the Government is now ready to give anyone an equal opportunity to buy that company? Not at all, Mr. Speaker, because we know it was the former Minister who appointed the firm chosen to set the price of that corporation, while one of the officers of that assessing firm, the Magna executive, is to apply to purchase that corporation.

And I am thinking about all those questions now which the Prime Minister (Mr. Mulroney) failed to answer, because he even refuses to face the crisis confronting the Government. It is my view that all privatization moves should be cancelled now, in order that we have at least an opportunity to look at them closely in parliamentary committee.

[*English*]

It is clear that the privatization work begun by the Minister has been shown to be a tangled web of self-dealing. The Hon. Member for York Centre (Mr. Kaplan) asked about the sale of de Havilland. Government Members asked what was the relationship to de Havilland. In fact, we know that de Havilland was sold at a fire sale price, and we must ask why. Why is the Government selling Teleglobe? That company is making money for the people of Canada. Why is the Government asking a company, which has an interest in purchasing Canadair, through a director, to do an evaluation of Canadair's worth? This is self-dealing in the extreme and it is clear that the appointments made by the Government to evaluate the privatization process through the CDIC have too many links to too many contacts in terms of the bidding to carry out an objective evaluation.

I suggest that the only way we can deal with all of these questions is to put an immediate cease and desist order in the privatization process and reserve any future move toward the sale of Canadair, Teleglobe and these other companies until we have had a chance to conduct a full parliamentary analysis. For example, why did the Minister change the rules in mid-stream for the CDC share offering? Why did he change the definition of "associate" in such a way as to permit Brascan, one of the companies involved which has a majority representation on the CDIC board, to become the single largest shareholder in CDC?

We are talking about millions, if not billions of dollars in taxpayers' money. At least $20 million alone has gone to two brokerage firms, Burns Fry and Dominion Securities Pitfield, that have been very heavily involved in the privatization process. These questions must be answered and the Prime Minister must state clearly for every Canadian man and woman that what happened is wrong and that no Minister of the Crown has the right to use his spouse to secure loans for a company in which he is a majority shareholder.

It is absolute nonsense for the Deputy Prime Minister to hide behind the notion that somehow we are suggesting that women or spouses are chattel. When Mrs. Stevens went out to secure those loans, she was securing them for a company in which her husband was a majority shareholder, which was in a cash poor position and was literally on the verge of bankruptcy.

She was approaching the same corporations and the same individuals who were in the process of negotiating directly with her husband for loans and grants to the tune of millions of dollars.

Mr. Mantha: What about your husband?

Ms. Copps: I ask the Hon. Member for Nipissing (Mr. Mantha): How about my husband? My husband has never had a loan or grant from the Government. That type of comment is just indicative of the level of sleaziness in this Parliament and the Progressive Conservatives. It is not even worth the energy to respond.

I believe Canadians understand what integrity is. They understand that when the Prime Minister writes a letter suggesting that the Minister has done an exemplary job and should be congratulated, he is sending a message to every Minister of the Crown that they will be congratulated if they stick their fingers in the cookie jar.

Instead, the Prime Minister should have cut his visit short. He should have returned home and laid down the law to his Ministers by telling them that they are here for the good of the public and Canada, not for the good of their own family businesses.

[*Translation*]

And as long as he keeps silent on that issue, Mr. Speaker, he gives every Canadian man and woman the impression that he himself, the Prime Minister, is there to help his friends, the friends who helped him. When he ran for the Conservative Party leadership, who helped him? The same Ministers, that same Minister that he is now supporting in this new Government crisis. Why does the Prime Minister not send a clear and direct message to the Canadian people, and especially to his Ministers, telling them: You are not allowed, either yourself or through your spouses, to benefit from your roles and responsibilities as Ministers of the Crown.

• (1710)

[*English*]

As long as the Prime Minister remains silent on this issue, he is as guilty as the Minister involved. He is showing the Canadian people that he has contempt for the system and is in politics and power for what he can get from the public purse and not for what he can do for his country.

I urge the Prime Minister and all members of the Conservative Party to take seriously the question of what they can do for their country, because as long as they uphold this wall of silence in the face of the clear conflict of interest of the Minister responsible, they are doing a disservice not only to their Party and to this Parliament, but to each and every Canadian who has the right to believe in the integrity of the system.

I believe in the integrity of the system. That is why I am here. I would suggest that government Members take a look at their own consciences and ask themselves why they are here. If they are here for the same reasons as I am, they should denounce the actions of the Minister and his family in this regard.

Mr. Nunziata: Mr. Speaker, I would like to ask my colleague, the Hon. Member for Hamilton East (Ms. Copps), about the conduct of the Acting Prime Minister (Mr. Nielsen). He is a Minister of the Crown who has become known as the master stonewaller. Over the last two weeks, the Acting Prime Minister has tried in vain to build a stone of wall around the former Minister of Regional Industrial Expansion and around the Government. I am sure you are familiar, Mr. Speaker, with the old saying: "You can stonewall some of the people some of the time but you cannot stonewall all of the people all the time". The Acting Prime Minister has tried over the last two weeks to stonewall the people of Canada and he has failed.

What is at issue is the Acting Prime Minister's judgment. The Minister of Regional Industrial Expansion has resigned. We say he resigned because of his conduct. He tried to make excuses. What we are now mostly concerned about is the conduct of the Acting Prime Minister and that of the Prime Minister. The Acting Prime Minister is the same Minister who had the audacity to stand up and defend himself against the "bugging" incident. He said he did nothing wrong. Only as a result of public opinion did he stand up in this House and apologize. The same Acting Prime Minister defended the former Minister of Fisheries and Oceans, only to have that former Minister resign. The same Acting Prime Minister defended the former Solicitor General, who ended up being manoeuvred out of his position by the Prime Minister. The Acting Prime Minister also defended the Minister of the Environment, and the list goes on and on.

My question to my colleague is with respect to the conduct and judgment of the Acting Prime Minister. Does she believe that his conduct has been appropriate? Does she believe that the conduct of the Acting Prime Minister sets an example of high moral standards to which this House and this Parliament must aspire?

Ms. Copps: Mr. Speaker, I think the actions of the Acting Prime Minister certainly do bear some public scrutiny. I believe his intention right from the beginning was to block the free flow of information in the House of Commons by daily stonewalling. He believed, as did the Prime Minister, who no doubt was involved in the political machinations surrounding this fiasco from the beginning, that since the Prime Minister was leaving the country and going on a world tour, making deals in Japan and South Korea and travelling through China, that somehow the opposition Parties would allow this issue to die down. The Acting Prime Minister was sent in, as is usually his role, as a stonewaller, as a government Member who refuses to answer a single question put to him and as a fireman who will put out the fire which has been burning for the last number of days.

The hitch in the works was that the opposition Parties and, in particular, the Liberal Party, believed there was in fact a flagrant abuse of the whole question of morality and ethics in Parliament and we would not be silenced. Had the Liberal Opposition not pursued this issue from the beginning, the Government's strategy and the strategy of the Acting Prime Minister would have worked. We would have seen beautiful photos of the Prime Minister travelling through South Korea, China and Japan. We would have seen him cosying up to his various Ministers and we would not have gotten to the core of this issue which affects the heart and soul of Parliament. I think the judgment displayed by the Acting Prime Minister was a flawed judgment, but it was a calculated flawed judgment. It was not an error in that he thought that perhaps nothing was wrong. He knew something was wrong and he was sent in as a containment officer to sustain damage control on a Government which had gone out of control. I believe the Prime Minister is every bit as responsible. He was here in the House to answer questions two days following the emergence of the story in the *Globe and Mail*, a story which has never been denied by the Government nor by the Prime Minister. But the Prime Minister sent in his hit man, Erik Nielsen, saying: "Mr. Nielsen, you look after things while I am gone and when I come back I expect everything to be quiet".

Mr. Fretz: Mr. Speaker, I rise on a point of order. I respectfully submit that the Hon. Member in her speeches today has continually referred to cabinet Ministers by their names. We know that this is inappropriate and I wonder, Mr. Speaker, if you could bring the Hon. Member to order.

Mr. Deputy Speaker: The Hon. Member for Erie (Mr. Fretz) is perfectly correct.

Ms. Copps: We know that the Acting Prime Minister was assigned the job of chief stonewaller of the Government. The Prime Minister believed that strategy would work. Unfortunately for the Government it did not work. Fortunately for the people of Canada, we showed that honesty wins out in Parliament. I thank God that the Minister involved was put into the position by the Opposition, and by public opinion, whereby he was forced to resign. I am, however, upset that the Prime Minister and the Acting Prime Minister have still not indicated to the people of Canada that the abuse of ministerial privilege was wrong.

I am looking forward to the arrival of the Prime Minister back in the House when he can start answering some fundamental questions about what he really believes morality in government means. I suspect his perception of morality, given the weight he has attached to certain members of his own Party whose primary role in life before this Parliament was to inflict damage on their own former Leader, is far different from that of the ordinary Member of Parliament in the House of Commons.

Mr. Marchi: Mr. Speaker, I would like to ask my colleague, the Hon. Member for Hamilton East (Ms. Copps), a question as to where we go from here. She outlined very articulately that it is not only the Government and the particular Minister who loses in this situation but that the institution of Parliament got battered in the process. I would like to ask the Hon. Member if it is correct to have this whole affair sent off to an "impartial" inquiry, as the Deputy Minister (Mr. Nielsen) suggests, or would this issue not be better placed with Members of Parliament through a parliamentary committee so that this Parliament, this institution, can regain some of the integrity it has lost? If the initial strategy was to take this matter out of the limelight, then I ask, as other Canadians are asking, is it the Government's second strategy, through an impartial inquiry, that we not know the terms of reference, nor the individual who will be leading that investigation? Is this part two of that same strategy? Would the Hon. Member for Hamilton East comment on this sensitive matter?

Ms. Copps: First, Mr. Speaker, it was interesting that the Hon. Member for Charlevoix (Mr. Hamelin) said that we are not a court of law. Parliament is in fact the highest court in the land. It is the court to which every Canadian has an opportunity to send his or her representative. Parliament is where this whole question should be dealt with. It is the reputation of Parliament which has been smeared by this Minister and by the Government's refusal to act on this very sensitive issue. It should be Parliament which has a chance to examine all aspects of the issue, not only the private loans which were obtained by members of the Stevens' family as a result of his position, but certainly the changes in government policy with respect to privatization, the whole question of the sales of Teleglobe, Canadair and de Havilland. All of these issues must be examined through the parliamentary process.

Today, for example, the Acting Prime Minister refused to answer in the House whether he would be prepared to testify under oath before an independent commission. It seems to me that if the Government in its usual fashion is continuing to stonewall parliamentary review of this situation, and if it does turn the matter over to a commission of inquiry then, at the very least, we must demand the full access of subpoena as well as testimony under oath, not only by the Deputy Prime Minister and the Minister involved in the infraction but also by the Prime Minister himself. It seems to me that the fundamental question which Parliament must answer, and which can only be answered when we have had a chance to review all the facts as they have been put before us, is: Why did the Prime Minister not exercise his moral leadership and responsibility by immediately stepping in when information was made available to him, as it was made available to the whole country, that the former Minister was using his position as a Minister of the Crown in an effort to secure loans for his family business through the agent of his wife and that companies in which he had a majority interest were, in fact, benefiting because of his ministerial connections? Why did the Prime Minister refuse to act as soon as that became known? Why did he refuse to say, as he did in the infamous *The New York Times* interview: "Bang. That Minister has got to go"? Why was it only when the Canadian public put a gun to his

head that he finally said: "Bang"? It was not a bang but a whimper.

• (1720)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, one of the things that I have learned around this place is that if one waits long enough, the worm turns and that in fact everything tends to repeat itself.

I sat in the House when the former Minister of Regional Industrial Expansion was a member of the Opposition. I have heard a lot of sanctimonious gobbledegook thrown around here about how the character of the Minister is being slandered, as is that of the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen). I wish to tell Hon. Members that I have been checking back copies of *Hansard* for 1976, 1977 and 1978. I wish to warn members of the Official Opposition that they ought not be too hasty because there comes a time when there is "another" time. One must have a long memory around here.

I remember back in 1974 when the former Minister of Regional Industrial Expansion accused the Liberal Government of paying off its friends through Economic Development Council loans. In particular, he cited a loan to Quebec's Davie Shipbuilding Limited which he said benefited because well-known Liberal Paul Martin, Jr. was President of its owner, Canada Steamship Lines. Talk about a person who can really get in there in the gutter and start throwing it around!

Then, in November of 1976, he accused a former Minister of Health, Marc Lalonde, of conflict of interest for accepting a free trip on a Seagrams' jet to Israel. Some two years later, in December of 1978, he circulated a news-letter written by John Turner, who was practising law in Toronto. The news-letter criticized Jean Chrétien, the then Minister of Finance, for his handling of the country's finances. The ex-Minister said that Turner may have violated conflict of interest guidelines for former office holders.

Then, in May of 1978, the ex-Minister charged that a group of Liberal MPs and Cabinet Ministers had manipulated the Canadian dollar to their own advantage. Unable to prove the accusation, he eventually had to back down and apologize.

So I wish to tell you, Mr. Speaker, that I recognize that these things happen again and again. Those who stand accused today are the ones who were the accusers at a previous time. Let us not get sanctimonious in this place. One has to keep in mind a sense of history when one is dealing with these types of matters.

It is fairly obvious that in our system of Parliament we have tried, and we continually try, to create an atmosphere of transparency in our parliamentary system. In effect, what we try to do is to ensure that the public is aware that we conduct ourselves with the highest possible ethics. Not only do we actually do it but it must appear that we do it. Thus we are consistently aware of providing opportunities for the public to know. That is why we have invoked such measures and passed into law the Election Expenses Act. This was done so that corporations and individuals who contribute more than $100 have to declare it. In fact, one could go to the Chief Electoral Officer and see who has given how much to which Party. This is also why we have the Access to Information Act. The whole purpose of that Act is that the public have the right to know. That is why the Standing Committee on Elections, Privileges and Procedure is looking at doing something about registering lobbyists on the Hill. This is why the area of great concern, the one with which we are dealing today, involving the question of conflict of interest, has been dealt with by previous Governments. However, it seems that it is still too "loosey-goosey". It is still not tight enough. The Clark Government of 1979 established conflict of interest guidelines for cabinet Ministers. In fact, they were very clear, direct and exact. With respect to controlled assets it stated:

> Ministers, their spouses and minor or dependent children may not, after the completion of any arrangements necessary to comply with these Guidelines, purchase, sell or retain any direct interest in any controlled assets including—

The guidelines go on to list them. It was fairly clear that the former Prime Minister wanted that type of control. He wanted to assure the public that there would be not only an actual dissociation but that it would appear to be so.

Then along came the Trudeau Government of 1980. It also changed the guidelines. It issued new guidelines to cabinet Ministers. With respect to spouses and dependent children, Section VII of the guidelines states that they do not directly apply to spouses or dependent children of Ministers. It then goes on to state:

> It goes without saying that Ministers must not transfer their assets to their spouses or dependent children with a view to avoiding the requirements of these guidelines.
>
> Ministers should also bear in mind their individual responsibility to prevent conflicts of interest, including those that might conceivably arise or appear to arise out of dealings in property or investments which are owned or managed in whole or in part, by their spouses or dependent children.

So we have the same principle being reiterated by the Trudeau Government of 1980. The Government then set up the Starr-Sharp Commission to look into the matter. A member of the Government, the then Hon. Member for Etobicoke—Lakeshore, was the director of that commission. It considered conflict of interest for cabinet Ministers. In fact, the Leader of the New Democratic Party wrote to the chairpersons of the Starr-Sharp committee and gave the views of the New Democratic Party. I wish to quote from that letter, which states:

> The 1980 guidelines expressly exempt spouses and dependent children from their purview. This reflects a view that each spouse may wish to pursue her or his own career. Because their careers are "independent", the financial details of only one are now required to be disclosed. This is wrongheaded. Despite separate careers, marriage remains in part an economic union, a partnership of equals.
>
> As has been recognized to varying degrees in family law reform legislation, each spouse may have a pecuniary interest in the economic activities of the other during (and after) a marriage. The conflict of interest provisions should not ignore this interest.

• (1730)

The Leader of our Party clearly put forward the Party's position with respect to conflict of interest and the role of spouses and dependent children. It seems to me that that is very clear.

Along came the Conservative Government of 1984. The Prime Minister set out his conflict of interest guidelines at that time. Along with his conflict of interest guidelines, he sent a covering letter to the Ministers, and the covering letter indicated the following:

I wish it to be understood clearly by all Ministers that they have an individual responsibility to prevent conflicts of interest, including those that might arise out of activities of their spouses or dependent children or the dealings in property or investments which are owned or managed, in whole or in part, by their spouses or dependent children.

There is absolutely no doubt at all that the intent was there and that the onus was placed on the Ministers. There is no doubt that in fact a spouse cannot run a blind trust. It says clearly in this letter that a spouse cannot do so and that the Ministers are indeed responsible.

It seems to me that that principle was reiterated on June 6, 1985, when the Prime Minister responded to a question put by the Opposition. At that time, he said the following:

—I would like to acknowledge that the guidelines are very much in effect and force, and that all Ministers are obliged to respect them in all ways, including appearance. We must seek to avoid even the appearance of a conflict of interest.

It is obvious that the Minister had placed his holdings into a blind trust, but the blind trust turned out to be run by his wife. By no stretch of the imagination can that be called an effective blind trust.

The Prime Minister reiterated the principle again during the same Question Period. He said:

We view the guidelines with the utmost of seriousness. They must be honoured by all Ministers, not only in reality but in appearances to the contrary that might emerge, inadvertently or otherwise.

Now, that is crystal clear. There must not be even an appearance of conflict of interest.

Was there an appearance of conflict of interest in this case? The answer is yes, there was such an appearance. On April 29, 10 days ago, when this entire issue broke, the appearance was quite clear. Those guidelines then do apply in this case.

If the history of this matter which I have just outlined is fairly obvious, I asked myself, why has it taken 10 days for the Minister to announce his resignation? I asked myself if it was because the Government thought it could bluff its way through this whole mess. Second, was it because the Government lacks any sense of ethics? Is the Government paying big bucks and getting bad political advice? Is it the same old gang that harks back to an era in which all politicians did was to deny, deny, deny?

The Deputy Prime Minister comes from an era in which politicians believed that if they could deny something, maybe they could get away with it. Is that why there was such a delay? Does the group that runs this Government run it the way Parliament was being run 20 or 25 years ago? Has that gang forgotten that television has come to the House? The stonewalling that we saw day after day for 10 days on the part of the Deputy Prime Minister was reminiscent of an era of old-style politics.

I think that group has forgotten that millions of Canadians watch Parliament and particularly Question Period on television every day and that today they cannot get away with what they could get away with back in 1976, 1958 or 1960. I believe that by and large, this Government is still led by that kind of mentality.

In this particular case, I think it was the Deputy Prime Minister who was calling the shots. I watched his performance. Time and time again, he answered questions by saying that he was satisfied that there was no apparent conflict. How could he say that in light of the history of this matter? In municipal politics, this kind of stuff could not go on at all.

I spent two years on a municipal council, and if there was anything even close to a situation like this one, one had to declare a conflict of interest and could not participate in a debate or a vote. What seems to be passing for ethical behaviour would be tougher to have passed as such at the municipal level. It seems to me that this level of Government which is supposed to be the senior level of Government ought to take a page out of the book of conflict of interest guidelines which govern municipal politics.

What has the Government suggested that we ought to do? We have made many suggestions here in the House. We suggested that the matter be referred to a committee for study. We asked that the Minister step aside. We suggested a judicial inquiry, but we were denied that ability.

What have we got today? We have the Deputy Prime Minister saying that we are going to have an impartial investigator. The precedent is that while the Prime Minister has the prerogative to appoint Ministers of the Crown and to remove Ministers of the Crown, in fact the actual integrity of Parliament is the responsibility of individual Members of Parliament, and the only place where that matter should be investigated is in the Standing Committee on Elections, Privileges and Procedure. Historically, that is the committee that has looked at these things, beginning with the Murdock case of 1924. The case of Bryce Mackasey was brought before that committee. He was a private Member of the House. The case of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), at the time he was a Minister, went before the Standing Committee on Elections, Privileges and Procedure. The committee is quite capable of investigating these kinds of charges and it seems to me that that is where the buck should stop. We cannot pass our responsibility on to some impartial investigator, who may very well turn out to be a Tory hack, if the usual practice is followed.

It seems to me that Members of Parliament are the ones who should be looking at this question, not some outsider. The committee has the power to subpoena, swear and question

witnesses. In fact, I am quite confident that under the new rules respecting committees, this investigation can be carried out very effectively.

I am loath to think that we could send the matter to committee and have the same sort of thing happen that happened to the banks investigation. Remember the Estey Commission, Mr. Speaker? We have not heard about that for ages now. It seems to have disappeared off the face of the earth. I am afraid that that is exactly what will happen in this particular instance. I believe that the appropriate place for this discussion is in a House of Commons committee of peers. That is where it belongs, and nowhere else.

• (1740)

I should like to point out another problem in this regard. It seems to me that Parliament has really been on trial for the last 10 days. In my opinion, the kind of example which has been held up to the public leaves a lot to be desired. Right at the start the Minister could have said: "It looks that way. The information is out. Whether or not there was conflict of interest before, there is now a conflict. Now I know where my wife got the loan. The situation has now changed, so I will step aside while the matter is investigated". Why could he have not said that? He did not even follow the example of the Minister of Communications (Mr. Masse) who immediately stepped aside once the word got out that there would be an investigation into his election expenses. Everyone on all sides of the House said that it was an example of the way we should behave, that it was living up to the parliamentary principle of ministerial responsibility. That was an example which the ex-Minister as of today failed to follow. Even the former Minister of National Defence moved quickly to remove himself from a situation which could reflect upon the Government.

It seems to me that that is the kind of action which should have been taken. That is the kind of advice the Deputy Prime Minister ought to have been giving the Minister. Unfortunately it was not followed, so for the last 10 days we had the spectacle of Parliament being on trial in the newspapers and by media commentators from one end of the country to the other. As a matter of fact, Members of Parliament have been receiving telegrams. I received telegrams and letters from folk across the country who said that something was wrong and that in fact the matter should be looked into. It was not a matter of whether there was dishonesty; the fact is that there were appearances of dishonesty.

To conclude, I say that Parliament was not even served well today. Not to accept any responsibility, to blame the media, and to blame the Opposition, are not in the best parliamentary tradition, and that is most unfortunate.

[*Translation*]

Mr. Rossi: Mr. Speaker, I should like to ask the Hon. Member for Nickel Belt (Mr. Rodriguez), considering that the Deputy Prime Minister (Mr. Nielsen) used the word "impartial" throughout the Question Period, whether he feels it might be more appropriate for the Hon. Member for York Peel (Mr. Stevens) to be accountable to a committee of this House, so that his colleagues might be more fully informed of what took place. Moreover, I should like to ask the Hon. Member for Nickel Belt why, in his opinion, following two weeks of questions being directed in vain to the Deputy Prime Minister, the Minister resigned this morning after wasting the time of the House for 15 days.

[*English*]

Mr. Rodriguez: Mr. Speaker, I will answer the Hon. Member's second question first. I can only offer my own opinion. I think the Tory polling company, Decima, must have done some polling, and the leadership, with the captain away from the deck, recognized that they could not win this one and that in fact the public was aroused. One backbench Tory Member from Quebec—and I will not mention his name—told me that he was embarrassed by it and that the Minister should step aside. I think the polling showed that right across the country they were not getting away with it. I think they also looked at press clippings over the last 10 days which clearly showed that the Government was being hurt by the whole episode, and that in fact the people out there understood in very simple and clear terms that nobody's wife can call up a bank, a lending institution or anyone who lends money, even a loan shark, and obtain an interest-free loan of $2.6 million. Nobody out there believes that it can happen. In the eyes of many people, that is what they saw, so they judged the situation in very simple and direct terms. I think the Government, with its polling, press clippings and feedback from the back-benches, saw that it could not get away with it.

Now the Tories are into damage control. They are trying to control the damage by setting up an impartial individual to study it. We asked for a judicial inquiry. Who is more impartial than a federal appeal court judge? When we made that request, they said: "No way, José; we won't do that". We went to the Standing Committee on Elections, Privileges and Procedure, which has historically done work in this field. Lo and behold the Tories used every little parliamentary technique they know to say that we did not have a reference from the House and that it was the prerogative of the Prime Minister (Mr. Mulroney) to appoint Ministers and to be responsible for them. They stonewalled there as well.

It seems to me that those are the reasons the Government changed its mind today and that Sinc slinked out of here. The whole business of an impartial inquiry is so much smoke and mirrors, as the Tories are so famous for saying. In fact the House of Commons must be responsible for its ethical behaviour. That is where it belongs; the buck stops at the House of Commons. We cannot pass off our responsibilities to some so-called impartial investigator who may turn out to be some Tory hack.

Mr. Marchi: Mr. Speaker, I rise in my place to make a comment on the heels of the Hon. Member for Nickel Belt (Mr. Rodriguez) because I think his riding, like mine, is largely a working class community. We in the House must

keep in mind what has been transmitted to me over the course of the last two weeks from individuals living in my riding. We have come down a notch or two in terms of the integrity of this institution. People have lost some belief in their elected officials in the national forum. It is one thing to look at individual Ministers and at a Government, and it is another thing to look at the damage which they have brought upon themselves.

Everyone in the House realizes that the Conservative Party hurt itself in terms of the image it professed to have. However, the more long-term problem is the effect on this institution. Very often we hear individuals saying: "You are there on my behalf to further the Parliament of Canada, not necessarily your Party". It should be noted very well that the losers in this debate are not necessarily the Minister or the Government. The real losers are Canadians because their Parliament, their national institution, the institution which they support through their dollars, certainly came under ridicule, and it came under ridicule needlessly. There could have been integrity, moral leadership and conviction to say no to this issue a long time ago. There has been an inability to rise and take the correct and courageous stand. The issue was allowed to drag on until the Minister tendered his resignation today and we were told that an inquiry was forthcoming. That, too, is food for thought as to whether it should be an inquiry. Let us not lose touch with the real losers. It is not a gain of one political Party as opposed to another. It is not the gain or loss of the Prime Minister (Mr. Mulroney)—it is obviously the latter—but the losers in this debate have been Canadians through the diminishing value of this institution which we defend to our constituents each and every day.

• (1750)

Mr. Rodriguez: Mr. Speaker, I recall the time when the Tory Government was elected in September, 1984. Everybody felt there was going to be a change. People hoped the change would be for the better and that we would wipe the slate clean. We got rid of 16 years of Liberal rule. We hoped to embark on a cleaner, leaner Government with a change that is healthy for the system.

The Government has been in power two years and already we have had incidents happening. If Allan MacEachen were sitting over there, would we be at this particular impasse? I ask that in my own mind because I think the matter would have been handled differently from the way it was handled by the Deputy Prime Minister (Mr. Nielsen).

Yes, Mr. Speaker, I do have a working class riding. I am most concerned about the way young people see politicians in politics. This kind of behaviour is not good. As parliamentarians we have lost because of the shilly-shallying on this matter. It should have been dealt with by making a clean break. That is the way it should have been dealt with.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have, over time, witnessed resignations by Ministers before today, both while in government and in opposition, and I have reflected upon these circumstances and the events that led to those individual resignations. There is no question or doubt in my mind that we share in some degree the trauma that strikes the Minister involved, the pall of silence that comes over the House, the depth of feelings at the loss, however temporary, of a Minister of the Crown. That sense, that mood, is not infrequently shared by members of the Opposition, for some members of the Opposition remember well similar circumstances when they were in government. Of course, there will be those who feel a sense of elation at the misfortunes of a colleague sitting opposite, and that, sadly, is inevitable.

Today was a different, a sorely different day. Today the opening speech by the Leader of the Official Opposition (Mr. Turner) was more suited to some other forum than Parliament, in form, delivery and substance.

The Hon. Member for Vancouver Quadra (Mr. Turner) alleges that an inquiry removes the issue from Parliament. Surely, Mr. Speaker, he would be among the first to express strong views if anyone else were accused without benefit of a hearing.

Surely the Leader of the Opposition before his speech today must have reflected on the spectacle of those who sought to run or leap roughshod over the procedural and democratic process of committees whose references of the business of the committee were well known. Clearly this moment of reflection was set aside and in its place the route to the high road was missed or ignored.

There is, as we know, a Code of Conduct which was put forward by the Prime Minister on September 9, 1985. At that time the Prime Minister wrote to the Leaders of the opposition Parties in order to provide them with an opportunity to comment and make suggestions to improve and extend the code to their satisfaction. As we know, nine months later, in the fullness of their opportunity for pregnant thought, they have failed to deliver a response.

Here is what the Prime Minister said in his letter to the Leader of the Liberal Party and to the Leader of the New Democratic Party (Mr. Broadbent):

Dear Mr. Turner:

As I believe it is imperative in a democracy that public office holders have the trust and confidence of the people they serve, I will be tabling in the House today a Conflict of Interest and Post-Employment Code for Public Office Holders. I have also written to the Speakers of the House and the Senate proposing that they explore the question of such a regime for servants of their respective Houses. I have no doubt that you will support me in this suggestion.

As well, while the roles of other public office holders and those of parliamentarians are clearly very different, I believe that the establishment of standards of ethical conduct for Members and Senators is long overdue. Given the differences in role, I would not propose the same regime. However, I know that you share my concerns and hope that you and your colleagues will be ready to work with us to explore the options.

You may recall that in 1974 and 1975, a Green Paper entitled Members of Parliament and Conflict of Interest was referred for review to the House and Senate Committees. In 1978 an Independence of Parliament Act was given first reading. Unfortunately the measures introduced in Parliament were never enacted. Even though the process may be a difficult one, I would propose that we

start again with the goal of coming to the successful conclusion that Canadians deserve from us.

To that end, I propose that our respective House Leaders meet as soon as possible to discuss the appropriate mechanism for preparing recommendations on which Parliament can act.

I look forward to hearing from you.

Yours sincerely,

As we know, no answer has ever been received. One can only assume that their silence, whether it signalled silent approval or a desire—

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

Mr. Deputy Speaker: The Member for Ottawa Centre (Mr. Cassidy) on a point of order.

Mr. Cassidy: Mr. Speaker, I dealt precisely with that issue when it was raised by the Deputy Prime Minister (Mr. Nielsen). I pointed out that this matter was, by agreement with the House Leaders, sent to the Standing Committee on Management and Members' Services—

Mr. Deputy Speaker: Order, please. That is a matter of debate. The Hon. Member for Kootenay West (Mr. Brisco).

Ms. Copps: Tell the truth.

Mr. Brisco: Mr. Speaker, one can only assume that their silence, whether it signalled silent approval or a desire not to deal with the subject, was a preference to wait for a future opportunity to seize some political advantage.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. The Member is misleading this House by stating that the Leaders of the two opposition Parties did not communicate with the Prime Minister.

Mr. Deputy Speaker: Order, please. The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: Mr. Speaker, this is a debate about ministerial impropriety. This Member is raising a question of a letter written by the Prime Minister (Mr. Mulroney) to Members of Parliament having to do with a standard of conduct for Members of Parliament, not for Ministers. I think it should be drawn to the Member's attention that he is talking about something completely different—

Mr. Deputy Speaker: Order, please.

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

Mr. Deputy Speaker: No. There are no further points of order.

[*Translation*]

Order! It is my duty to advise the House that, pursuant to Standing Order 82(12), the proceedings on this Opposition motion have expired.

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed, from Friday, May 9, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee; and on the amendment of Mr. Lewis (p. 13066).

Mr. Deputy Speaker: Pursuant to S.O. 13(5), the House will now proceed to the taking of the deferred division on Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

The question is on the motion of Mr. Lewis:

That the question be now put.

Call in the Members.

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

● (1800)

(*Division No. 256*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Bissonnette
Blenkarn
Brightwell
Brisco
Caldwell
Carney
Chartrand
Clark (Brandon-Souris)
Collins
Cook
Cooper
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
de Cotret
Desjardins
Dick
Domm
Dorin
Duplessis
Ellis
Fennell
Fraleigh
Fretz
Friesen
Gass
Gérin
Greenaway
Hnatyshyn
Horner
James
Jardine
Jepson
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kempling
King
Layton
Lesick
Lewis
MacKay
Mantha
Mayer
Mazankowski
McCrossan
McCuish
McDougall (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Nielsen
Oberle
O'Neil
Pennock
Pietz
Plamondon
Redway
Reimer
Ricard
Scott (Victoria-Haliburton)
Scowen
Siddon
Stewart
Tardif (Charlesbourg)
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vincent
Warner
Wilson (Etobicoke Centre)
Winegard—85.

NAYS

Members

Althouse	Frith	Nicholson (Trinity)
Axworthy	Gauthier	Orlikow
Benjamin	Guilbault (Saint-Jacques)	Ouellet
Berger	Hopkins	Prud'homme
Boudria	Hovdebo	Riis
Cassidy	Isabelle	Rodriguez
Copps	Jewett	Rossi
Deans	Kaplan	Skelly
de Corneille	Keeper	Turner (Vancouver Quadra)—30.
de Jong	Marchi	
Epp (Thunder Bay-Nipigon)		

• (1820)

Mr. Speaker: I declare the motion carried.

Mr. Deans: Mr. Speaker, I rise on a point of order. I believe if you were to ask, there would be a disposition to have the vote just recorded applied to the following question. They would both appear to be the same.

Mr. Speaker: I take it there is a consensus on that matter.

Some Hon. Members: Agreed.

Mr. Speaker: Accordingly, the question is as follows: Mr. Wilson, seconded by Mr. Oberle, moves that Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, according to the agreement, the vote will be recorded in the same way as the last vote.

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

(*Division No. 257*)

YEAS

Members

Andre	Fretz	Minaker
Attewell	Friesen	Mitges
Beatty	Gass	Moore
Bernier	Gérin	Nielsen
Bertrand	Greenaway	Oberle
Bissonnette	Hnatyshyn	O'Neil
Blenkarn	Horner	Pennock
Brightwell	James	Pietz
Brisco	Jardine	Plamondon
Caldwell	Jepson	Redway
Carney	Johnson (Bonavista-Trinity-Conception)	Reimer
Chartrand	Jourdenais	Ricard
Clark (Brandon-Souris)	Kempling	Scott (Victoria-Haliburton)
Collins	King	Scowen
Cook	Layton	Siddon
Cooper	Lesick	Stewart
Cossitt	Lewis	Tardif (Charlesbourg)
Crofton	MacKay	Thacker
Crosby (Halifax West)	Mantha	Towers
Crouse	Mayer	Tupper
Darling	Mazankowski	Turner (Ottawa-Carleton)
de Cotret	McCrossan	Valcourt
Desjardins	McCuish	Vincent
Dick	McDougall (St. Paul's)	Warner
Domm	McGrath	Wilson (Etobicoke Centre)
Dorin	McInnes	Winegard—85.
Duplessis	McKenzie	
Ellis	McKinnon	
Fennell	Merrithew	
Fraleigh		

NAYS

Members

Althouse	Frith	Nicholson (Trinity)
Axworthy	Gauthier	Orlikow
Benjamin	Guilbault (Saint-Jacques)	Ouellet
Berger	Hopkins	Prud'homme
Boudria	Hovdebo	Riis
Cassidy	Isabelle	Rodriguez
Copps	Jewett	Rossi
Deans	Kaplan	Skelly
de Corneille	Keeper	Turner
de Jong	Marchi	(Vancouver Quadra)—30.
Epp (Thunder Bay-Nipigon)		

Mr. Speaker: Accordingly, I declare the motion carried.

Bill read the second time and referred to a legislative committee.

Mr. Speaker: It being 6.25 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Tuesday, May 13, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Governement's response to the following six petitions: Nos. 331-4488 to 331-490 inclusive and 331-492 to 331-494 inclusive.

[*English*]

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to present a petition on behalf of a number of residents of Kamloops, British Columbia, who are still very much concerned about the decision of the Minister of Employment and Immigration (Miss MacDonald) that after December 31, 1985, pension benefits will be deducted from unemployment insurance benefits, thus effectively eliminating the benefit to the worker of the pension package. They therefore call upon the Government to ensure that all retired employees receive unemployment insurance benefits without deduction of pension income.

* * *

MULTICULTURALISM

REFERENCE OF ESTIMATES OF MULTICULTURALISM DIRECTORATE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties. I think you will find a disposition to accept the following motion by unanimous consent. The motion will also be passed by unanimous consent without debate. It reads as follows:

That, notwithstanding the Order made on Thursday, February 27, 1986, the operating expenditures of the Multiculturalism Directorate under Vote 1 of the Main Estimates for the fiscal year ending March 31, 1987, of the Department of the Secretary of State in the amount of $24,846,000 together with the grants made by the said Directorate under Vote 5 of the Main Estimates of the said Department in the amount of $15,282,000, as well as the contributions made by the Directorate under the same Vote in the amount of $3,465,000 be withdrawn from the Standing Committee on Secretary of State and be deemed referred to the Standing Committee on Multiculturalism pursuant to Standing Order 82(15).

Mr. Speaker: Is there unanimous consent for the motion to be introduced?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to indicate to the House that I want to designate tomorrow as an allotted day.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, Question No. 516 will be answered today.

[*Text*]

TEST RANGE, NANOOSE BAY, B.C.

Question No. 516—**Mr. Manly:**

Was an agreement signed between Canada and the United States in respect to allotted sharing of time at the test range at Nanoose Bay in British Columbia and, if so (*a*) in (i) 1981 (ii) 1982 (iii) 1983 (iv) 1984 (v) 1985, what percentage of time did Canada use (*b*) how much of Canada's unused time was taken by the United States (*c*) what compensation has Canada received for unused time?

Mr. Robert S. Wenman (Parliamentary Secretary to Minister of National Defence): Yes. (a) (i) 1981—14.4 per cent, (ii) 1982—18.1 per cent, (iii) 1983—12.4 per cent (iv) 1984—18.8 per cent, (v) 1985—(first three-quarters)—30.3 per cent.

(b) (i) 1981—61.8 per cent, (ii) 1982—67.2 per cent, (iii) 1983—83.8 per cent, (iv) 1984—61.4 per cent, (v) 1985—(first three-quarters)—58.5 per cent.

(c) (i) 1981—$280,152, (ii) 1982—$407,415, (iii) 1983—$433,203, (iv) 1984—$381,559, (v) 1985—(first three-quarters)—$236,739 (subject to audit).

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. FREE TRADE—RESCINDING OF EXISTING COUNTERVAILING DUTIES

Mr. Nelson A. Riis (Kamloops—Shuswap) moved:

That this House urges the Government not to proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used in the future, given the current threat of U.S. countervailing duties in the Softwood Industry—an industry in which free trade now exists.

He said: Mr. Speaker, in the last few weeks we saw the role that Parliament has played in dealing with the former Minister of Regional Industrial Expansion, the Member for York—Peel (Mr. Stevens). As a result of persistent questioning on behalf of Members of the Opposition, we finally saw a move toward justice in this country.

I believe we have another opportunity for the House of Commons to play a significant role in the pending free trade discussions that begin next week. On the eve of these talks, one of our largest and most important industries in Canada is about to enter a crisis situation. The forest industry of Canada is a $26 billion a year industry which employs 300,000 people directly and another 700,000 indirectly. We are talking about one million people in this country who are employed in an industry that earns more foreign exchange for Canada than agriculture, the fishery, mining and the automobile industry combined. It is a major industry of immense proportions which contributed $11 billion to our balance of trade last year.

Currently we are witnessing one of the biggest con jobs ever perpetuated by the Government on the people of Canada. It is a sell-out of the major industry and a sell-out of the regions of Canada for the sake of the industrial heartland. We are witnessing the traditional heartland-hinterland thesis unfold again in our country. The Prime Minister of Canada (Mr. Mulroney) and his cohort, the President of the United States, have either been making deals which will prejudice the forest industry or the Prime Minister has naively believed President Reagan when he says not to be concerned because the forest industry in Canada and the United States will be dealt with to everyone's satisfaction. Anyone who believes that probably believes in tooth fairies as well.

In the last number of hours the coalition of forest industries in the United States has begun the process of launching a petition to the International Trade Commission and the Commerce Department that, if successful, would result in a countervailing duty amounting to $53.65 U.S. per thousand board feet in Canada. Today, wood futures are trading on the Chicago Mercantile Exchange at $184.50 U.S., SPF-1. The tariff on our exports of softwood lumber to the United States would be 29.1 per cent, which would mean the end to vast areas of the forest industry in Canada as we know it today, particularly in British Columbia which is the main source of softwood exports to the United States.

Where do Members opposite stand on this issue, particularly those from lumber producing constituencies? The United States is about to launch a countervailing duty on our lumber exports that will literally close down dozens of mills across the country, the majority of which will be in central British Columbia. We are seeing a catastrophe unfolding. This industry is represented in Atlantic Canada, Quebec, Ontario, parts of the prairie provinces and the West Coast of Canada. The industry is experiencing unemployment levels of 25 per cent to 35 per cent right across Canada. Thank goodness we have an Opposition Day on which we can debate what is taking place in order to show Canadians the con job that is being perpetuated and how this industry is being sold out. This is taking place on the eve of free trade talks next week.

While our negotiators supposedly enter into preliminary discussions toward free trade, the United States forest industry, with the support of the U.S. administration, is moving against an industry in which free trade has existed for half a century. Our industry is able to compete so well in the free market that our producers are able to log and mill our lumber in northern British Columbia and export it as far south as Georgia and outbid them.

Mr. Brisco: Ask why.

Mr. Riis: Somebody says to ask why. One reason is that the companies in Canada have modernized their mills. They have invested heavily in the mills of British Columbia, whether they are in Clearwater, Kamloops, Merritt or Salmon Arm. They have modernized their mills at tremendous expense in order to make them some of the most competitive sawmills in the entire world. This modernization has taken place at a very large cost to the workforce in our country because 20,000 IWA workers in British Columbia alone have lost their jobs. In my constituency, 500 people are no longer employed in the forest industry as a result of the technological change that has occurred through modernization of our sawmills.

Mr. Brisco: Give us the corollary to that.

Mr. Riis: On top of the sacrifice, our forestry workers have developed their expertise to become among the most productive workers in the world. We have modernized our sawmills. Our employees in those mills and in the forests are among the most efficient and competitive in the entire world. We now represent some 34 per cent of the softwood markets in the United States.

Our free enterprise friends in the United States are saying that they cannot compete any longer because their mills are antiquated and their employees and operations are less productive. Since they cannot compete with their counterparts, they say that they will stop this free trade nonsense and impose a countervailing duty of 29.1 per cent on Candian exports of softwood to the United States. The American image of free trade is that it is acceptable as long as the Americans benefit. However, the minute that we are able to compete successfully in their market-place, they no longer will accept that competition.

Do Members opposite really believe the President of the United States when he says they can trust him because he will resolve this issue? Recently, we became aware of a letter sent by the President of the United States to the Senate Finance Committee Chairman, Mr. Robert Packwood, in which he promised: "—to press for an expedited resolution to this problem—" he calls it a problem: "—independent of the comprehensive trading negotiations." Mr. Reagan and his administration will resolve this problem of our competition in their markets, quite independent of what is taking place.

What is the Government of Canada doing about it? Nothing. It is making the forest industry of Canada the sacrificial lamb in the trade talks. That is the industry the Government will toss out and those are the regions of Canada that the Government is abandoning, perhaps in a vision of some benefits to the industrial heartland as a result of free trade. The Government has abandoned the forest producing areas of this country.

The President went on to promise to take unilateral action if the bilateral lumber talks fail. What is the Minister's response? It is to send an envoy at the eleventh hour to the United States to do a little PR work. He will make deals, give concessions, agree to some form of a countervail because the President of the United States made it perfectly clear that he and his administration are going to resolve the problem of our competition in their market-place. The only way that problem can be resolved to the satisfaction of the United States is for our Government to cave in. If one looks at members of the Government, one can see that the knees of their suits are all worn out because they have been down to Washington on their knees so many times. Next we will find that knee pads will be mandatory for Conservative Members of Parliament. That is the kind of negotiations we see going on with respect to this issue. If anyone believes that our forest industry is going to come out of this unscathed—and when I say "unscathed", I mean the price we will have to pay will be tremendous—they are wrong. The President of the Canadian Lumbermen's Association was talking the other day about the loss not of hundreds of jobs, not even of thousands of jobs, but of tens of thousands of jobs in every region of this country. At a time when that industry is experiencing 25 per cent to 35 per cent unemployment, the best we can do at this critical hour, during this moment of crisis, quite frankly, this process of sell-out and con job of the people of Canada, is to send an envoy.

• (1120)

Has the Minister of State for Forestry (Mr. Merrithew) included the provincial Ministers in this decision? Have the provincial Ministers been consulted and involved in what this set of concessions will inevitably be? I notice the Minister of State for Forestry managed to find enough money to pay for five or six people to deal with the wood issue in this coming year. That is what his budget to deal with this crisis will allow.

The industry itself spent $10 million last year trying to work through this matter to a successful resolution. But the Minister of State for Forestry, representing all the regions of Canada, managed to come up with perhaps five or six individuals. We are up against a giant in the United States. We are up against one of the most sophisticated mainline lobby groups in the United States ever encountered by the administration there and our Minister of State for Forestry comes up with five or six people and, to be fair, $500,000 to fight this issue. At the same time he could find $4 million to advertise forestry. The other day we received buttons, seeds and so on as a result of the Government's efforts to raise the consciousness of Canadians about our forest industry.

I ask the Minister of State for Forestry what the point is of raising the consciousness of the people of Canada for forestry if we do not have a forest industry to support? Unless some strong action is taken we are going to see President Reagan cut off the Canadian forest industry. We are going to hear this Government, again in co-operation with the President of the United States say: "I guess this is the price we have to pay for free trade talks".

I am looking forward to the debate today. I will be interested to listen particularly to the Members of Parliament from British Columbia and to Hon. Members from the forest producing areas of this country. I would like to see them stand up and tell us what they are doing about this countervail threat. What have they already done about the threat in the red shake and shingle industry? It has already gone before the ITC. It has already been recommended to the President of the United States to go ahead with the 35 per cent duty charge. What has the Minister done on this particular issue which will again cost hundreds and hundreds of jobs even in just the southern part of British Columbia?

One Hon. Member stood up the other day and in one line of his statement indicated that Mr. Reagan should know what this will do to jobs in British Columbia. But that is not good enough. The Government has been given the responsibility,

surely, to stand up for Canada's number one industry, our forest industry. But all we have seen so far is ample evidence that, again, the Prime Minister (Mr. Mulroney) naively believed the President of the United States when he said: "Listen. I'm making a deal with those senators in the Finance Committee. I want to get these trade talks on to the fast track. To do that I have to buy them off. I've got to appease these people somehow". What he really said was: "Don't worry, those of you from the lumber producing States, particularly in the Pacific northwest, I'll support you in your bid for countervail. Don't worry about it". He said, if necessary, he will take unilateral action if the bilateral talks fail and he will be pressing for a resolution to this problem.

The problem is that we are able to compete in that market. The United States perceives that as a problem in the same way as it perceives the fact that our red shake and shingle industry was able to compete successfully in its market is a problem. The United States realized it was receiving real competition from Canadians and it had to do something about it so it has asked for the imposition of a tariff.

This concerned our Party in terms of what it means for free trade, enhanced trade or improved trade. If it means that once we have a level playing field as we have had in the soft wood industry now for 50 years, if the playing field is levelled and Canadians are doing well in the United States market, and if its response is to come in with a countervail every time we do so, what is in it for Canadians and for Canada? Yet that is the only conclusion we can draw. That is why we say in this motion that free trade talks cannot continue as long as the United States administration plans to have a countervail continuously hanging over our heads.

We are going into free trade talks next week and over our heads hangs an axe. The axe is the threat of the imposition of a 29.1 per cent countervail on soft woods going into the United States from Canada. That is not the kind of good faith in which I think Canadians had envisaged we might enter these talks. This is not the kind of environment, the kind of milieu, the kind of open discussion we were anticipating with our friends to the south.

In closing I want to say we feel, as New Democrats, that the Government has essentially decided to sell out the forest industry of our country. It has decided to sell out our forest industry which is represented in the hinterlands of Canada. It has either entered into a deal knowingly with the President of the United States or it has acted naively thinking that the President will act in the best interests of our forest producers. That is why we feel very strongly and have suggested today in an Opposition Day motion that this issue be debated, that the Minister explain what studies he has and to show evidence of what these countervailing duties which will be imposed on Canada will do. We want to know what kind of studies, what kind of information he has and has he involved the provincial Ministers responsible for our forests. When we think of this critical industry and when we think of the brink to which it has been brought in the last number of days, we must, as parliamentarians, ask ourselves these questions.

As my hon. friend for Skeena has indicated many times the Government of Canada should have taken advantage of the hundreds and hundreds of articulate experts in terms of the forest industry who should have been in the United States lobbying every Senator and every major decision-maker in every conceivable State in the United States. It should be indicated very clearly we are competing in a free market situation. We have no subsidies in our particular industry. We are operating sort of on a toe-to-toe, nose-to-nose basis. The fact is we have invested heavily both in terms of job loss through technological change and modernization of our plants. We are doing very well, thank you. That is the kind of action which should have been taken, not the kind of non-action or the mealy-mouth approach of this Government in terms of protecting Canada's number one industry.

Mr. Caldwell: Mr. Speaker, I think this could prove to be a very interesting day. We may find out where the New Democratic Party actually does stand on enhanced trade. Would the Hon. Member comment on a quote from *The Toronto Star* yesterday by Marion Dewar of the New Democratic Party. She said, and I quote:

> The real alternative for Canada (and for the United States, I might add) is a policy that emphasizes self-reliance and puts an end to the no-win contest. A nation's economy must stop being based on the illusion that it is possible for every nation to export more than it imports. It does not add up.

Does the Hon. Member agree with that comment? Is this the way the NDP is going? Does the Hon. Member think that we should not be in the export market but simply produce for ourselves and place a border around Canada?

• (1130)

Mr. Riis: First, I agree 100 per cent with that statement, Mr. Speaker. Unless there were parts of the statement not read, I did not hear the Hon. Member suggest that she said we should erect trade barriers around Canada. I did not hear the Hon. Member say that she said we should not participate in international trade. What she did say was that we should strive to be more self-reliant, to do what any self-respecting country would do; that is, to take advantage of our own resources, to process our own resources, and not get into a sell-out mentality.

I know that if Marion Dewar were in the House today—and she might be one day—she would be standing in her place saying that the Canadian forest industry is too valuable and too important to use as a trade-off or a sacrificial lamb in free trade talks. That is what she believes and that is what she thinks. Quite frankly, she thinks that there should be more of an effort made for Canadians to become self-reliant in these areas. That is the type of initiative most progressive countries are taking. Of course, hand in hand with that goes some obvious trade initiatives which any major trading country such as Canada would obviously launch.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is worth noting at the outset, with respect to an issue which has been promoted by the Government as being one of the most important international economic initiatives, that the first opportunity for Parliament to debate the topic is on an opposition motion well over one year after the initial proposal was launched. This only underlines the basic philosophy which, unfortunately, is the hallmark of the Government; that is, keep people in the dark. I suppose the Prime Minister (Mr. Mulroney) was raised on too many mushrooms as a young child. He became addicted to the fact that mushrooms are grown in the dark by throwing a lot of manure at them to make sure they flourish. That is the problem we have in this debate.

Perhaps there will be an opportunity today to cut through much of the confusion, many of the contradictions and the deliberate camouflage which has been raised about trade matters. They have only confused many Canadians with respect to what the objectives of the Government are and what the end results will be. What passes for debate is the Prime Minister calling people names. When one does not have a good argument one resorts to name-calling. There has been no specific set of mandates placed before Parliament which can act as the basic parameters for our negotiators. There have been but a series of incredible ironies and contradictions between Ministers and between the parties in the negotiations. The end result is that each time we turn around we are losing a bit of the edge in terms of the trade negotiations.

The passive, convoluted approach which has been taken thus far has placed us in a trade position which puts us on the defensive, as the Minister for International Trade (Mr. Kelleher) has admitted. We have been placed in a position in which we must respond, as opposed to being able to take the initiative. Nowhere is that clearer than in the issue as it relates to lumber.

Three or four weeks ago an interesting debate took place in the Senate Finance Committee of the United States about whether or not the committee would approve a fast track approach. At a late hour, after last minute log rolling took place, the Prime Minister swept down the grand staircase of the Langevin Block, like some apparition out of the time of Marie Antoinette, to announce that it had been a great victory. He said that it was a clean launch, that there were no preconditions and that everything would be wide open. However, as we looked at the fine print we saw that Mr. Reagan had promised the Finance Committee that he would send it a letter about lumber in which he would assure members of the committee that their deep concerns about their constituencies would be properly met.

We asked some questions about that matter the next day and the Prime Minister, as only he can do, rose to the height of his pomposity to say: "Oh no, don't worry. It was a clean launch and there were no problems". We now have a copy of the letter sent by Mr. Reagan to his Senators. Not only does the letter include the words expressed by the initiator of this motion, but Mr. Reagan went even further to say that he wants a solution to the problem before he can recommend comprehensive negotiations to the Senate Finance Committee. He said there is a clear declaration that there will be separate negotiations on lumber and other irritants. That was confirmed last night at a meeting of the External Affairs Committee when Deputy Chief Negotiator, Mr. Ritchie, said that there will be separate negotiations in this area. That statement puts the statements made by the Prime Minister three or four weeks ago into total disrepute. Once again, we are faced with a problem of not being able to accept the word of the Prime Minister because it does not hold for more than 24 hours.

We are now in an incredible situation in which the Government is launching a negotiation on comprehensive free trade at the same time as it is negotiating with the Americans. They are demanding more tariffs, more controls and more limitations on free trade. Yet the Government is telling us that the answer to our problem is in this comprehensive negotiation, except in the problem areas which have been identified by the American Government as being specific irritants. They are pharmaceuticals, intellectual property and lumber. In those areas they want separate negotations. Those separate negotiations are designed to limit trade and to restrict it. They will bring the barriers higher and not lower. Yesterday, the Minister said in the House that that was the very reason we started comprehensive negotiations. Many of these irritants will not be included as part of the negotiations. They will be subject to separate negotiations which must be resolved, according to President Reagan, before he recommends a comprehensive agreement.

Goodness, gracious, what is going on? What type of convoluted intellectual gymnastics is the Government going through that it can persuade itself that it will solve the problem on lumber through comprehensive negotiations while at the same time it agrees, through a special envoy, to get into separate negotiations on that very same subject? It is hard to believe that grown-up, mature men and women holding positions of responsibility in the Government could actually delude themselves into thinking that somehow they have a solution to a problem when they have created an even bigger one.

All we want to do in this debate is find out where the Government stands. Are we back to where the Prime Minister said we were? Are we back to having no preconditions, no separate negotiations, with everything on the table as part of the bilateral comprehensive negotiations? Or is President Reagan right when he says in his letter that he will start separate negotiations and that he will reach a separate deal before he recommends anything back to the committee?

Our Prime Minister and the President are supposed to be good friends. They are supposed to have a little phone which they can pick up everyday and wish each other good morning or good night. Surely, they might decide to get together and at least arrange to have a common position. If they do not have one, something which I suspect is more the case, then we have

already acceded to those American requests for separate discussions.

• (1140)

According to today's headlines, the Canadian Ambassador in Washington said: "We are now recommending special envoys, a eupehemism for special negotiations, but we are not going to tell the Canadian people that". We in the House of Commons will rise and beat our breasts and say that we have made no deals, that there are no preconditions and that it is a clean launch except that there are a few other things about which we have not bothered to tell the Canadian people. The end result of that is what we have seen time after time over the past two years; we give things away.

The Prime Minister has told the Canadian people at least 5,000 times what a wonderful labour negotiator he was. I would sure hate to be one of his clients. What did he give away before we even got started with the negotiations? He gave away the NEP. That went right down the tubes. Then FIRA went away and we got nothing in return. Now we are giving away the pharmaceutical industry and we will get nothing in return. This is before we have even entered into negotiations.

What is the limit of the Government's generosity? Does it consider the United States to be a charity case, that it has to be given all these concessions with nothing in return? Would it not have been somewhat more effective if, in giving away all these bones of contention, the Government had asked for some clear statement of principle and a commitment to no further incursions on the lumber industry?

The Minister for International Trade, the Prime Minister and the Secretary of State for External Affairs (Mr. Clark) have said: "Oh, but we have such a good friend in the U.S. administration. We can trust Mr. Reagan. We don't know if we can trust those guys in Congress but we can trust the administration". However, the President is now siding with all those people, saying very clearly that when it comes to lumber he will negotiate separately, and if he does not get what he wants he will start a countervail action, and if he still does not get what he wants then he will hold as ransom his request for comprehensive agreements until such time as Canadians accede. So much for a friend in camp. Who knows what our enemies would do under those circumstances.

This is not a matter of merely making debating points. As we well know, the softwood lumber industry depends upon its export trade. Not only has the lumber industry expanded and modernized, but the other major factor it has going for it is the exchange rate. Nowhere have the Americans conceded lightly that that is the factor that enables us to provide competition. Therefore, it raises a very clear suspicion that once we get into the so-called comprehensive negotiations the exchange rate will also be on the table and the Americans will start demanding a harmony in exchange rates or compensation for that exchange rate as part of the trade deal. That sends out a very serious warning signal, not only for the lumber industry but for many other exporting industries which have been using that comparative advantage to some very substantial effect.

Again, we have heard nothing from the Government about the importance of the exchange rate as part of the competitiveness of our lumber industry and the advantage it provides. What is the Government going to do about it? Is it going to concede, make deals, have the special envoys get together and negotiate how we may provide for some compensation in that area?

Let me deal with another warning signal having to do with subsidies. We have now seen three or four cases of this come before the International Trade Commission. The subsidies that are applied by the federal or provincial Governments toward regional expansion in disadvantaged industries, whether they be the fishing industry in Atlantic Canada, the softwood lumber industry on the West Coast or transportation subsidies for western grain, are a part of our domestic right to reallocate resources and opportunities across Canada to meet regional inequalities. That has always been clearly stated. The Americans have now said, through a variety of trade suits, that those subsidies are considered to be countervails and unfair trade practices. If that becomes a standard argument that will enter into the comprehensive negotiations, we are in deep trouble as a country. We will then be forced to start bargaining away our freedom of action as a country to decide where and when we want to allocate resources to help the less fortunate regions and those industries that we believe should be our competition loss-leaders and provide comparative advantage in international markets.

Do not kid yourself, Mr. Speaker. These negotiations really are not about tariffs. They are about non-tariff barriers. The primary non-tariff barrier put forward by the Americans is the question of Canadian subsidies. We have seen this in the fishing industry, in the softwood lumber industry and in the grain industry. All those industries that provide a large part of our export dollar are now being challenged on the basis of the subsidies we provide and the supports we give to those industries.

Let me deal with a third area that is part of this resolution and perhaps goes to the very heart of the trade debate. That is the issue of countervailing powers. If memory serves me correctly, the Secretary of State for External Affairs, in answer to a question put to him in the House, agreed that the negotiations that are being launched would be of no purpose whatsoever unless we were to receive major concessions from the Americans to limit their ability to provide countervail action through the ITC and the Commerce Department under the U.S. Trade Bill of 1979. He said that that was the heart of the talks and that if we do not get that special exemption, then what is the point of the talks themselves. I agree with that. There is no point getting into those negotiations if all the harassment that we now endure simply continues. What is the point of giving away the edges if the major problem of access to the market is constantly in danger?

Three weeks ago the United States administration agreed to start comprehensive negotiations, but today it agreed to support a countervail action on lumber, an action which will have devastatilng effects on that industry. How can the Americans start negotiating to reduce countervail powers and then three weeks later clearly signal that they are going to continue to use those countervail powers to protect their own industries in the United States? We should have known this.

Last week, in a television interview, Peter Murphy, the chief U.S. trade negotiator, said it is highly unlikely that they would even consider negotiating countervail powers.

We can look at this from an historic point of view. When the United States negotiated a so-called free-trade agreement with Israel it excluded any limitation on United States countervail action. What the Americans got from the Israelis in return was an agreement to limit subsidies down the road, but the Americans did not concede, give up or surrender any limitation whatsoever on countervail action. That is why we have been making the case that the best way to ensure against unfair countervail action is to strengthen the GATT process under the multilateral system, a system which clearly defines subsidies according to international standards, not standards set by the U.S. industry alone. Yet this Government has gone against that particular stand and argues that if it gets a deal with the Americans first, then it can try to incorporate it in the GATT. Why is the Government giving up what it already has as a more effective protection rather than trying to strengthen it through the multilateral international system? That is the way to deal with the problem of countervail and subsidies, the two major issues at the heart of the trade negotiations.

The Government has gone topsy-turvy. It is going the wrong way. It is heading off in the wrong direction to achieve its goal. As a result, it is contributing to the weakening of the GATT process. It is contributing to the erosion of the international trading system through a clear declaration that it is putting its bucks on the development of a bilateral continental trade agreement that will be discriminatory against other nations. That is the real problem we have with the trade position.

Not only is the Government a poor bargainer and negotiator because it gives away everything and gets nothing in return, but the option it has chosen to secure Canadian markets in the United States and elsewhere is the wrong option. It has surrendered a basic foundation of Canadian trade policy, the utilization of the multilateral system as the most effective means of protecting Canadian interests as opposed to relying on a continental bilateral system. That is the fundamental problem and that is why we are going to be paying a very heavy price in the negotiations.

What we see on the table today is that the Americans feel free to give all kinds of broad endorsements to a comprehensive negotiation as long as they can force this country to get into separate negotiations or make separate concessions on the problems that are the real irritants.

• (1150)

Last summer a Commons-Senate committee was asked by the Government to study the trade issue. It made a report to the House which was endorsed by all members of all Parties. It contained a very clear warning to the Government. It indicated that the irritants must be resolved before we started the comprehensive negotiation, or we would be held up for ransom. That was the recommendation of Conservative Members, New Democratic Members and Liberal Members of that committee. The Government chose to ignore the recommendation of that all-Party group and went ahead on its own sweet way.

What do we have in front of us now? It is a very clear contradiction. The American President, the U.S. administration, and Congress are short-circuiting and are demanding satisfaction on the lumber issue. This puts in jeopardy a major industry in Canada. The Government's panacea, which was to get into the comprehensive negotiation, has been put aside until that is resolved, clearly in the words of the United States President.

Mr. Benjamin: We have been had again.

Mr. Axworthy: That is right. Once more we have allowed ourselves to mistake hard-nosed bargaining for good intentions. As a result, not only the people in the lumber industry will pay the price, so will the entire country.

Mr. Brisco: Mr. Speaker, I have painfully listened to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I should like to make a couple of comments and to direct a couple of questions to him. I think he should be singled out as probably the most anti-U.S. Member of Parliament in the Liberal caucus. I certainly get that impression from his comments, not only today but in the past.

There was the absence of a reference to trees in his last sentence or two, a very substantive part of the debate. I do not think the former Minister is too well informed on trees in any event. He made reference, and unkindly so, to mushrooms. I will leave that one alone. Clearly the bottom line is that he and his Party demonstrates an absence of intestinal fortitude when it comes to the subject of free trade. It is an anti-U.S. syndrome. It is an anti-intestinal fortitude syndrome. He wants everything our way. His negotiating process is 100 per cent our way and zero the U.S. way. There is no accommodation; it is our way or no way.

The Hon. Member expressed rightful concern over countervail. I share that concern, as did the Hon. Member for Kamloops—Shuswap (Mr. Riis) who led off the debate. Contervail should be on the table, and all elements of it should be removed as a starting point. What would he do with the Canadian countervail? What position do we take *vis-à-vis* potato growers? What position do we take with berry farmers? What position do we take with apple growers? What position do we take with the silver, lead, and zinc industry? What position do we take on those issues which have caused the United States to respond, and what position do we take on the

other side of the coin? Do we tell our potato growers and fishermen that we will not support them? Is that what the Hon. Member would do? Would he tell the farming community that we will not support it? I would like to know what position he would take on the other side of the coin.

While he is at it, he might also tell us the last time in the House his Liberal caucus, or any member of his caucus including the forestry spokesman, ever addressed the subject of forestry.

Mr. Axworthy: Mr. Speaker, I would be most happy to respond to that diatribe. The last significant economic treaty which was negotiated and signed between Canada and the United States was done by myself when I was the Minister of Transport. It was done on the basis of proper negotiation and of defending the interest of Canadians. It succeeded in repairing a major problem which had been around for 20 years between the two countries.

It would be useful if the Hon. Member would allow himself from time to time to examine the facts as opposed to dealing simply in his own form of mass hysteria. The fact is that for the many years the Liberals were in Government we were able to negotiate successfully a wide range of trade arrangements and agreements with the United States. Also it may be of interest to note that when we left Government we had a $20 billion surplus with the U.S. which the Tories have fortunately been able to maintain but not build upon; in fact it is now going down.

The Hon. Member claimed that we did not know what we were doing in trade and that we had all the wrong approaches. We resolved a number of trade issues on a bilateral basis because we knew how to negotiate and how to bargain. I was one of the Ministers who got one of those treaties signed, and the Minister of Transport (Mr. Mazankowski) has been unable to do that as yet. The Hon. Member might want to look at the contrast and compare who was and who was not successful.

When it comes to countervail, I ask the Hon. Member to read what I had to say as reported in *Hansard*. The genesis of Canadian trade policy has been the recognition that the best way to protect our interests when dealing with a number of large trading partners which dwarf us in economic terms is to rely upon the multilateral system. We were the authors of that system back in 1948 and one of the architects of the GATT rounds. We have been one of the major promoters.

Part of the system is that definitions are provided within the rules as to what requires subsidy. It has been made very clear that countervail can be exercised when there is a direct export related subsidy, and that subsidies related to economic development or regional equity are perfectly acceptable. If they had only followed the GATT rounds, we would not be in trouble on the lumber issue. We should be strengthening that principle and those kinds of rules, as opposed to getting into a bargaining position with a much bigger partner, which is bludgeoning us to death on this one and for which we will pay a heavy price.

We are talking about protecting Canadian trade because that is what we were elected to do. Perhaps the Hon. Member thinks that he was elected to represent the lumber interests of the United States. Maybe that is what he is talking about; maybe that is his definition. I happen to think that I have been elected to represent the interests of Canada. Of course that means maintaining as good relations as we can with other countries but never forgetting that we were elected to protect the national interests of Canada. I am afraid too many Tory Members have forgotten that because they have taken the example of the Prime Minister whose first political lesson was dancing for a song for Colonel McCormack, and he is still dancing today.

Mr. Lesick: Mr. Speaker, it was very interesting to hear what the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) enunciated this morning. I find it difficult to believe many of the things he said. I do not think he believes most of it himself. It was like the rhetoric between two wrestlers before getting into a match who say many things, but once they get into the ring that is truly what counts.

Negotiations have not started but we are preparing for it. Yet we heard all this rhetoric about the problems and about not accepting the word of the Prime Minister (Mr. Mulroney) when the Prime Minister has given his word and it has been kept. He has assured us that the lumber and wood industry of Canada, in particular of British Columbia and Alberta, will be protected. He has made that statement numerous times, so why should the Hon. Member for Winnipeg—Fort Garry say something completely different and out of context?

• (1200)

Then he talks about the sellout of the NEP. The Hon. Member for Winnipeg—Fort Garry is still under delusions that the NEP was of some value. It was some value only to the Party and it created havoc not only in western Canada but throughout the rest of the country. The pharmaceutical industry is not going to be sold out. We are still in the negotiation stage. This is rhetoric before the fight, just like two wrestlers. We are looking for an assured market. We are struggling and we are going to obtain it. GATT is a process that will take time.

The Hon. Member mentioned that irritants must be removed according to the committee composed of Senators and Members of Parliament of last summer. That is what we are doing now, removing the irritants so that we can get on with the process of free trade. I suggest to the Member, why not consider and offer the positive aspects of what can be done, what is being done and what we are offering, having the best possible people available, with complete consultation right across the country among industry, labour, government and the provinces. We are using a process that has not been used before, and we feel this is the effective way of doing it. I ask

for some positive aspects with which the Hon. Member can feel happy as well as the people of Canada.

Mr. Axworthy: Mr. Speaker, I would first draw to the Hon. Member's attention that unlike he and his colleagues, when we say something we mean it.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I want to draw to the attention of the Hon. Member what has transpired in this House in the last two weeks. There is a clear case that when we say something we mean it, but we are not so sure about the Government. When its members say something, we never know what they mean.

We are deeply concerned about what is taking place. We see statements by the Prime Minister not in any way in accord with the reality of what is going on. We are given those assurances and we are asked to take them at face value, but we then turn around and read a letter from the President of the United States who contradicts them. The Member says "Don't pay attention". Is this the new policy stance that you do not pay attention when the President of the United States puts something in writing that contradicts our own Prime Minister and his position? Are we not supposed to pay attention to that? Are we supposed to say: "Come on. Boys will be boys. They are just kidding". The President has made a commitment to the Senate Finance Committee. We know that he is insisting upon a deal on softwood lumber that will restrict imports, that will restrict the ability of our own industry to maintain its economic viability. That will be the price and the condition which the President will impose in order to get a trade deal. This Member has the gall and the nerve to ask Members to ignore that. God knows, we are in trouble.

The Acting Speaker (Mr. Paproski): Order, please. I regret to inform the Hon. Member that his time has expired.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, if I may very briefly, before I begin my speech, address one or two points made by previous speakers.

First, I would like to make it very clear to this House that as of now no countervailing petition has been filed in the United States against Canada's lumber. Second, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) seems to find it strange that discussions are being held independent of the Canada U.S. trade negotiations which will commence shortly.

The Hon. Member will know that Mr. Yeutter and I met last December long before there had been any agreement to the commencement of Canada U.S. trade discussions. At that time lumber was, as it is now, a serious problem between our two countries. It was agreed then that we would begin discussions to see what we could do to resolve the problems. Those talks have continued and are continuing. We have met monthly: January, February, March and April, and there is another discussion tomorrow.

It is nothing new that we are having discussions independent of Canada-U.S negotiations. These talks were agreed to last December and the agreement to them was made public at a press conference at the time. I was also questioned in the House. There is nothing new or untoward in the continuation of those discussions. Nothing is being given away. What both countries recognize is that there is a problem that must be addressed.

However, Mr. Speaker, I will grant members of the Opposition one point. Without any doubt, countervailing duty actions are a serious threat to our access to the U.S. market. They are a serious threat to Canada's economy. No Member of this House knows that better than I do, for I have had to spend a great deal of my time as Minister for International Trade fighting the various outbreak of protectionist rashes in the United States, and countervail actions are one of the most serious and chronic of them all.

In recent years, the U.S. Commerce Department has carried out countervail investigations on Canadian exports of softwood lumber, tubular steel, Bombardier rail passenger cars, live hogs and pork products, raspberries, and fresh groundfish and fillets. All told there have been six major countervail investigations since 1982 affecting billions of dollars of exports.

I would point out that an investigation, in and of itself, is not a sanction. Of these actions only two, the ones on our live hogs and fresh groundfish, have resulted in the application of actual countervail duties. At the same time each new countervail action, no matter what the outcome, takes its toll. Each one represents a threat to our trade, a threat that restrictive action might be taken, and each one must be fought, which brings on heavy legal expenses. On top of that, each new threat of trade restrictive action does real but immeasurable damage to the investment climate in Canada.

At the moment the U.S. has a large trade deficit. Congressional elections are coming in the fall and Washington abounds with rumours of new complaints aimed at Canadian exports. The loudest rumour is that American lumber producers will file another countervailing duty action against Canadian softwood lumber. If they do, it would be their second filing in three years. They lost the first.

Maybe I should give this resolution the benefit of the doubt. Maybe it shows the dawn of enlightenment. I would like to believe that, misguided though it may be, it at least shows that Members opposite finally recognize the need for a better set of rules for the conduct of our trade and economic relations with the United States. Maybe I am an incurable optimist.

The problem, however, is nonetheless real. The resolution we are debating today on the other hand is not. It is naive and unrealistic. What it would have us do is tell the American administration that if it does not stop its lumber interests from filing a countervail action, Canada will refuse to enter negotiations that might lessen the likelihood of all kinds of trade restrictions, including countervail, between us in the future.

It is clear, Mr. Speaker, that current international rules do not provide the certainty and security of access to the U.S.

market which Canadian producers need to plan and invest. It is also clear that the existing rules can be improved only through international negotiations and that there are two avenues along which negotiations can take place. One is bilateral with our principle trading partner. The other is multilateral under GATT. This Government is pursuing both actions.

As Members opposite are aware, the General Agreement on Tariffs and Trade is the current contractual basis of our trade relations with the United States. It represents a careful balance of rights and obligations. The GATT recognizes that subsidies may have harmful effects on trade and production. It, therefore, permits the application of countervailing duties in situations where subsidized imports are found to be injurious to domestic producers of the same product.

• (1210)

Detailed international rules were negotiated in the Tokyo round of multinational trade negotiations, rules aimed at ensuring that these countervailing measures do not unjustifiably impede international trade. That relief is available to local producers adversely affected by foreign subsidies. The Tokyo round also established an international framework of rights and obligations for countervail actions. Indeed, from Canada's perspective, one of the most important achievements of the Tokyo round was agreement by the United States to incorporate an injury test in its countervailing duty law. As a result, several longstanding countervail findings against Canada were wiped from the records. Both Canada and the United States have equipped themselves to exercise their right under the GATT to apply countervailing duties to protect their domestic industries.

A few moments ago I mentioned that the resolution which we are debating is naive and unrealistic. It ignores the facts. The countervailing duties which are currently being applied by the United States to our exports of live hogs and fresh groundfish are not the result of a political act by either Congress or the administration, but of a quasi-judicial proceeding under the U.S. laws and the rules of GATT. The only immediate recourse is through the U.S. courts, an option which Canadian producers concerned are currently pursuing. The U.S. administration simply does not have the authority to rescind a quasi-legal finding, whether it agrees with it or not. Similarly, I am sure the Opposition in this House agrees that it would be inappropriate, and indeed impossible, for the Canadian Government to reverse a decision by a similar quasi-judicial proceeding in Canada. We still respect the rule of law.

With regard to the threat of yet another U.S. countervailing duty action on softwood lumber, I have conveyed to the U.S. administration at the cabinet level the Canadian Government's strong objection to the initiation of another investigation. I have made it plain that Canada considers there are no grounds for the U.S. Department of Commerce to accept a new countervailing duty petition. The Commerce Department has already determined in 1983 that Canada is a fair trader in softwood lumber and that there are no grounds for countervailing duties. There have been no significant changes since then in government policies and practices in Canada which affect our lumber producers and there have been no changes in American countervail law which would justify a new investigation.

Members of this House can rest assured that this Government is prepared to take all appropriate actions to defend Canadian interests in the event U.S. lumber producers try to countervail again, despite everything. It might be well to point out that the U.S. has no monopoly on countervailing actions. Canada too has equipped itself through the Special Import Measures Act to deal with injurious subsidized imports. We are determined in administering this legislation to ensure that Canadian producers can obtain relief from injury caused by subsidized imports.

The Canadian Import Tribunal is currently investigating whether imports of subsidized beef from the European Common Market are injurious. There have also been indications in the press and elsewhere that the Ontario Corn Producers Association intends to request a countervail investigation against corn imported from the United States. Canadian agricultural producers are acutely aware of the massive subsidies made available to the U.S. farmers by their Government. Should a countervail investigation be launched against American corn it would be the first such case involving imports from that country. Surely the Opposition would not suggest that Canadian producers should be unilaterally denied their right to seek relief from injury while the trade negotiations with the United States are under way.

Finally, Mr. Speaker, let me reiterate for the benefit of the Members opposite that the Government recognizes the threat posed by U.S. countervailing duty actions for Canadian exporters. The Government has launched a major initiative to negotiate a better framework for the conduct of our trade relations with the United States. The U.S. and Canada have the most extensive business relationship in the world. Because that relationship is so large and so broadly based there are bound to be occasional scrapes and abrasions in our business with each other. There have always been and there probably always will be. A key objective of these negotiations will be to negotiate better rules to resolve our disputes. These include rules to ensure that countervailing duty actions do not impede our exports to the United States or theirs to us.

If the members of the Opposition are genuine in their concern for Canadian lumber workers, they will lend their support to this important endeavour. Let me ask them one thing, Mr. Speaker. What would be the result if the House carried this resolution? Would it resolve the softwood lumber issue? I suggest it would not. Would it resolve anything at all, or would it simply be a sterile exercise in partisan futility like an angry hockey fan shaking his fist in the stands? I ask the Members of the Opposition to consider this question seriously for the benefit of Canadians, if not for the cameras.

Some Hon. Members: Hear, hear.

Mr. Tobin: Mr. Speaker, I found the response of the Minister of International Trade (Mr. Kelleher) to this motion to be totally unsatisfactory. The Minister talks about naive presumptions on the part of the Opposition. Yet, during the course of his comments he conveniently forgot that it is none other than the President of the United States who said, with respect to the Canadian softwood lumber problem, in his letter dated May 8, but received only yesterday: "I intend to press for an expedited resolution to this problem independent of the comprehensive negotiations. If this cannot be achieved through bilateral negotiations then I will take such action as may be necessary to resolve this problem consistent with U.S. law".

That is not an idle statement of interest by the President to the U.S. lumber industry. That is not an idle comment that he shares their concerns or empathizes with their frustration or that he understands some of the things they are talking about. That is a clear commitment: "If this cannot be achieved through bilateral negotiations then I will take such action as may be necessary to resolve this problem consistent with U.S. law".

This motion intends to place some resolve in the backbone of the Government. It even assists the Canadian administration because it allows it at least to go to the United States and play the same game south of the border as is being played with our negotiators. If the Government does not have intestinal fortitude, in the Minister's words, and does not have the basic understanding of the tough and rough poker game which is being played, to talk tough at the table, then at least carry to the U.S. administration the feelings of the Canadian Parliament and Members of that Parliament on both sides of the House in all three Parties.

I cannot believe that there are members on the Government side from the Province of British Columbia who are prepared to put a $3 billion industry and tens of thousands of jobs on the line in the hands of a special set of envoys. The last time we used envoys it was on acid rain and we all know the result. The U.S. President admitted that bird droppings do not cause acid rain. He has not yet quite determined what does.

• (1220)

I cannot believe we are prepared to make a separate deal on lumber which will sell our people short in order just to sit at the table of free trade talks which are not guaranteed to be successful. Is this Government determined to lose the vital softwood lumber industry of British Columbia and elsewhere as it symbolically lost the Provinces of P.E.I. and Newfoundland when it put out its free trade propaganda kit? Is that the kind of competent negotiations we are going to see?

Mr. Kelleher: Mr. Speaker, one need only look at the record of this Government to realize that it will never sell Canada short. Never will this Government sell short the lumber interests of British Columbia or any other province. We have been acting like rational people. When there is a problem we sit down and try to resolve it by discussing it with our neighbour and biggest trading partner. Surely there is nothing whatsoever wrong with that. I just do not understand the attitude of Members opposite. They do not want to sit down and discuss a problem like civilized human beings.

I would like to point out again that they do not seem to understand the import of this resolution. It is naive. If we expect for one moment that the Americans will withdraw their right to impose countervailing duties such as those imposed to date, then surely they are going to say in return, if they even considered the question seriously, "are you prepared to withdraw yours"? I ask the Hon. Member and others opposite, are they prepared for the next several years while discussions continue to withdraw our right of imposing countervailing duties against American goods which might be dumped in this country? Who in fact is selling the people of Canada short? It is certainly not Members of this Party. It is Members opposite, not this Government. We will not treat Canadians that way.

Mr. Tobin: Supplementary.

The Acting Speaker (Mr. Paproski): I have five questioners. A very short supplementary, then I will recognize the Hon. Member for Essex—Kent (Mr. Caldwell), the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil), the Hon. Member for Skeena (Mr. Fulton), the Hon. Member for Kamloops—Shuswap (Mr. Riis), and I will try and get the Hon. Member for Essex—Windsor (Mr. Langdon) in. Please use discretion.

Mr. Tobin: Mr. Speaker, the Minister's bombast and rhetoric will not hide the fact he is dragging a red herring across the floor of this House. The Government of Canada is not entering into an agreement to drop our right to impose countervailing duties if the Americans drop their right to do so. What the Government is entering into now is a bilateral negotiation by appointing trade envoys. The U.S. administration said to Canada that the price of a free trade discussion, not an agreement, is a deal on lumber. That is what is happening. The U.S. administration has singled out one particular industry, the softwood lumber industry, and said, we have to have a deal. The way we are going to get that deal is to name envoys. We are going to do a backroom political deal and you are going to pay before the talks start. The Minister knows he sold out the people of British Columbia and elsewhere who are involved in the softwood lumber industry. He has done it in the same way he gave away Newfoundland and P.E.I. on the map of Canada.

Mr. Kelleher: Mr. Speaker, again the Hon. Member has difficulty listening to me, for whatever reason. However, I will not get into that. We are not entering into negotiations with the Americans on lumber. This is a process we agreed to last December, long before the two countries ever agreed to the commencement of trade negotiations between our two countries on a bilateral basis. We have been meeting regularly since last December. Everyone knows that. It has been quite

open. It has been discussed and debated in this House. Indeed, we are having another meeting tomorrow to discuss this issue. I think that is proper and sensible. I have never regarded sitting down and discussing a problem with somebody else as a giveaway or sign of weakness. I think it is a sign of maturity in this Government.

Mr. Caldwell: Mr. Speaker, I would like to ask the Minister the same question I asked the Hon. Member who proposed this motion. It concerns the statement made by the President of the NDP, Marion Dewar, who indicated that a nation's economy must stop being based on the illusion that it is possible for every nation to export more than it imports. It does not add up. Does the Minister agree with that statement? Does it mean that Canada should not worry about exporting lumber and simply use it to build our own homes? As well, what would happen if we simply disregarded exports and simply imported what we needed? Would our economy suffer very much?

Mr. Kelleher: Implicit in that statement is a suggestion that Canada should indeed become fortress Canada. No country in the world can survive that way. Canada exports almost one-third of its GNP. No other country in the world except West Germany exports as much of their GNP as we do. That is why we have a standard of living almost second to none. We are an exporting nation. We have to export more than we import. If we fail to do that it will cost us thousands and thousands of jobs. Perhaps Members opposite do not care about that, but this Government does. We intend to create jobs for Canadians through trade.

Mr. O'Neil: Mr. Speaker, I would like to congratulate the Minister on his remarks and for his initiative on this important issue. It is interesting to see the two socialist Parties, appropriately seated on my left, now supporting the trade agreement with the U.S. In the first part of this debate the NDP and Liberals were against jobs for Canadians resulting from trade with the Americans. They would rather see the people of Nova Scotia and Atlantic Canada unemployed than working in factories which make products to be sold to the U.S. All this because of their dogma. These people would rather see Canadians out of work than selling products to the Americans.

The people of Nova Scotia are very pleased with the initiatives of this Government which is moving to protect the sale of fish products to the U.S., as well as the important forest industry in Nova Scotia where we export so much to the U.S. We in the Conservative Party want to keep Atlantic Canadians working. We prefer to have them employed in factories than sitting home drawing benefits from social programs.

I would like the Minister to comment on whether we have rights under the GATT and why we do not take this issue to the GATT?

Mr. Kelleher: Mr. Speaker, the Hon. Member is quite correct. Canada does have rights under the GATT and we are exploring those rights at this time. If indeed we cannot resolve this problem with our American neighbours and they take some action that we consider harmful to our interests, then of course we would explore very carefully our rights to take action under the GATT.

Mr. Fulton: Mr. Speaker, my question to the Minister concerns the proposal to have envoys discuss the matter of softwood lumber between Canada and the U.S. I would like to know the names of the provincial Ministers responsible for forests from those provinces involved in the agreement to have envoys on this issue. Will the Minister expand on exactly what will be included in the discussions between the Envoys? Does it include any limits on exports or anything related to export price? Will he name the Ministers and the provinces that have been involved in this proposal and exactly the nature of those discussions between the envoys?

• (1230)

The Acting Speaker (Mr. Paproski): The Hon. Minister of International Trade has 30 seconds.

Mr. Kelleher: Mr. Speaker, it is very difficult to expect a politician to say anything in 30 seconds. All I can tell you is that on Monday the provinces were involved in discussions with us on this matter. Last evening I sent telegrams to the various Ministers of Forestry and Trade. We will be discussing this further in Washington tomorrow, when I will be getting back to the Ministers of the relevant provinces. At that time we hope to have some resolution to the mandate and who the envoys might be.

The Acting Speaker (Mr. Paproski): The period for questions and comments is terminated. Debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am very pleased to have an opportunity to participate in this debate. Contrary to what the Minister for International Trade (Mr. Kelleher) would have Canadians believe, the only debates in the House on the issue of lumber and the forest industry since September, 1984, have been started by the New Democratic Party and never by the Government or the Official Opposition.

The fact that the Minister said that no countervail has been filed indicates that he is not completely aware of everything that is going on. In fact, the International Trade Commission and the Commerce Department have agreed that the clock started running yesterday in terms of the countervail action being taken in the United States against Canadian softwood. Technically, the countervail is already in process.

The Minister indicated that he has been in touch with the provinces regarding the appointment of envoys and what will be substantively discussed between the two envoys. However, it seems to fly in the face of what has really gone on in terms of this issue.

We learned today that the forest companies in the United States are proposing a $53.65 U.S. countervail duty per thousand board feet against Canadian SPF. My friend, the Hon. Member for Kamloops—Shuswap (Mr. Riis), pointed

out that today wood is moving at $184.50 on the Chicago Mercantile Exchange. That represents a 29.1 per cent countervail to be taken against Canadian wood. When I toured the country last year I learned from most of the majors in this country that anything remotely above 10 per cent would put most of the mills and most of the softwood production in this country completely out of business. A 29 per cent duty would have a dire effect.

I want to point out exactly what has gone on and what has been said with respect to this issue. When our Prime Minister (Mr. Mulroney) appeared before the Canadian Forestry Association on April 9 in Ottawa, he indicated the following:

> The Reagan Administration has agreed to the concept of a "clean launch" for the talks but some members of Congress from lumber-producing states are trying to link the broader trade discussions to the lumber dispute.

The Prime Minister goes on to say:

> I refuse to accept the proposition advanced by some in the United States that the softwood lumber issue must be resolved in favour of the United States prior to the talks beginning.

Who is the Prime Minister kidding? Either the President of the United States has not been telling our Prime Minister exactly what is going, on or our Prime Minister has not been telling Canadians exactly what has been taking place.

President Reagan's letter to Senator Robert Packwood, Chairman of the Senate Finance Committee, is very blunt and clear. It runs completely contrary to what the Prime Minister has been peddling in the House and across the country. In the President's letter to Senator Packwood, dated May 8, he said:

> I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem which restores for the American lumber industry a fair opportunity to compete.
>
> To this end, I intend to press for an expedited resolution to this problem independent of comprehensive negotiations.

We must gain an understanding of what is being said in the United States. The President has made it very clear that, if necessary, he will take actions quite independent of the comprehensive trade negotiations between Canada and the United States that are to start in the middle of next week.

There was not a clean launch and that is what the people involved in the forest industry in British Columbia have been saying in the last 48 hours. It was a dirty launch because clearly there was linkage.

Furthermore, a 10-10 tie vote in the Senate Finance Committee is about as close to a failure as one can get. According to their system, a tie goes in favour of proceeding with fast track. Furthermore, the reason there was a tie is that the President and the administration had been leaning on various Senators from Hawaii and other areas of the United States to make sure that there would be at least 10 votes.

Let us examine these developments more closely. The President promised that he would provide some kind of mechanism that would satisfy those lumber state Senators and members of Congress who were concerned about Canadian wood. The President has done that by making it clear that he will take unilateral trade action if the bilateral lumber talks fail.

What did our first Minister in Washington, Mr. Roy, have to say yesterday? He is very knowledgeable about this issue and said that this envoy offer has not been officially presented to the United States adminstration, but is not expected to include Canadian concessions to limit exports or raise the export price. That is exactly what I hope he would say. However, it seems that the Government has not really understood this process which has been going on for so long.

Last year I accompanied an all-Party delegation to Washington where we met every member of the House and the Senate who had any kind of protectionist legislation related to the forest industry. All of us returned to Ottawa with the firm understanding that some very strong action would be taken by the United States. There was only one solution to that problem then, but unfortunately we do not have enough time left to take the intelligent option the Government should have used. That option which I presented almost a year ago in the House was to convince those in the United States, who could impress upon Republicans and Democrats, that it is important to maintain the relationship we have on wood because Americans buy Canadian SPF preferentially at a higher price because it is a better product. They also buy it preferentially because our market involvement has tracked the U.S. dollar absolutely parallel for a number of years, to the point where we are at 33 per cent or 34 per cent.

Who is kidding who? Either the Prime Minister knew that there would be this kind of linkage or the President did not tell him. If that is the kind of relationship the Prime Minister has with the President, I am not sure where these so-called trade negotiations will lead this country.

The Senate Finance Committee made it clear that it intends to fully maintain the power of countervail. It has made no indication that any of that will be on the table in relation to this deal.

Let us examine this issue seriously. This is the largest industry in Canada which has had absolute free trade with the United States for half a century. The President of the United States is saying that this big ticket free trade item will have to be dealt with before free trade negotiations begin. He is saying that the Americans will have to bring a countervail against it in order to bring Canadians to their senses.

The Government should have been considering all kinds of information but has not been doing so carefully enough. Sam Gibbons has a Bill before the U.S. Congress which I believe is very likely to be the trigger mechanism in the present process. In an interview last February he said:

> We ought to come to the rule of law instead of putting the ambassador in the terrible position of having to negotiate.

That is in relation to wood. The article goes on to say:

> While Yeutter said the U.S. administration will keep plugging away with "blood, sweat and tears" to resolve what he called the unglamorous lumber

dispute, Gibbons said the matter should be settled through legislation, not negotiations.

It appears that this is what is likely to occur. That is what Sam Gibbons said to me two months ago. Some time in late May or June his Bill, or some omnibus Bill like it, will move to the floor of Congress and will move on through. I think now the deal will likely be that the President of the United States will get the Republicans to fully endorse and put their support behind that kind of omnibus Bill.

• (1240)

I find it preposterous that the Government has done nothing about such an important industry. It continues to say there was a clean launch, but there was not a clean launch. It is very clear now from what the President of the United States is saying that at least in his mind—because he was putting pressure on members of the Senate Finance Committee the day of the 10-10 vote—he knew full well there was no intention of going forward with a clean launch. Now we know there was not.

Let us take a look at the industry which is now at such great risk and examine what the implications are likely to be. It is amazing to find out from discussions I have had with the two Ministers, the Minister of State for Forestry (Mr. Merrithew) and the Minister for International Trade, that there is no study being done even now of the impact or implications of a countervail, or of the changes proposed in the Gibbons Bill, or of any of the independent postures referred to by the President of the United States.

This is the largest industry in Canada which employs directly 300,000 persons and indirectly another 700,000 persons. We have the largest single industry which is worth $26 billion per year. We know it has troubles with insects, forest fires, over cutting, bad provincial replanting programs, and so on, but the fact is the federal Government is supposed to carry the ball on these kinds of issues. The Prime Minister and the Government have clearly dropped the ball on this issue. This is the most important free trade issue Canada has, and our Government is allowing it to slip through its fingers. It continues to make concessions.

This Friday, I understand, the Bill to spend a couple of hundred million dollars on generic drugs will be reintroduced. That is something else the U.S. wants, so it gets it. The last time we had envoys on acid rain, as my friend in the New Democratic Party pointed out, the former Premier of Ontario gave us zip. He gave us absolutely nothing on acid rain. Whatever happened to cleaning up the Niagara River? What has happened on a lot of other bilateral disputes? Nothing.

The Minister has the audacity to rise in this House and say the softwood issue is a serious problem. The reason it has become a problem is that he and his Department, and his colleagues in Cabinet, have done nothing about it. The U.S. pushes the button; the United States says it is a problem and all of a sudden, bing, he stands up in the House and reads another pre-typed speech saying it is a serious problem. When Canadians have a problem with the United States it is very rarely even raised in the United States. No one in the United States Congress ever stands and says this is a terrible problem. I wonder who is writing these speeches for the Minister. Perhaps he simply does not understand what this issue is all about.

I would like to put on the record a few reasons why this is such an important issue and why it is going to continue to be raised, and hopefully we will bring about some action from the Government. Seventy two per cent of our exported softwood goes to the United States, 12 per cent goes to Europe and 6 per cent to Japan. Our net trade surplus last year from softwood was $11 billion. Right now we hold 33 per cent to 34 per cent of the U.S. market. That has traditionally been about the amount of the U.S. market we have held. It has been free for over 40 years. We have had fully free trade between Canada and the United States. Yet on the eve of the so-called "free trade" negotiations" with the United States, our largest freely traded commodity is what is under attack by the Reagan administration. Has anyone not woken up to that yet? I just cannot believe Hon. Members on the Government side think these so-called "free trade" negotiations are going to go anywhere when our largest most consistently freely traded commodity is what is under attack.

We exported $3.3 billion in softwood to the United States last year. The overwhelming majority of that softwood came from British Columbia. It reached the point in some States such as Georgia, which is why there is a political issue being raised in the U.S., where 50 per cent of the wood used is spruce, pine, and fir number one from British Columbia. Again, it is exchange rates which are at the root of this problem and the fact that consumers in the United States, particularly contractors, preferentially purchase our SPF, particularly over southern yellow pine.

I want to deal now, Mr. Speaker, with why what is happening is a carefully calculated execution by the United States. It is not something which has suddenly been popped on us, although I am sure many journalists, when a Bill is finally passed through Congress in the next six weeks, will say: "Good grief, how did this get popped on us? We suddenly have this Gibbons Bill on our backs. How can this happen? Tens of thousands of Canadian workers are going to be put out of work and we have to come up with a dramatic new budget and new ways of dealing with this problem", and all of this kind of gobbledygook.

We have known for a long time that this was a serious political issue in the United States and we have done nothing serious to deal with it. We have had the little tour to Prince George. We have talked about the size of plywood and what kinds of insect repellants we are putting on the ends of two-by-fours, and so on, but we have not got down to the brass tacks of dealing with the United States in a way it expects every other country in the world to deal with it. We have to get our message across.

The present administration of the Conservative Government has simply not done the job. What other country in the world would not have a Minister directly responsible for the largest industry in its country? Only Canada. What kind of Cabinet would agree to only allow a very hard working Minister $500,000 in his budget to deal with this issue? I have talked to the Minister's Department and he only received less than a half a person year to deal with this issue. I do not want to condemn carte blanche how many other Ministers are left in Cabinet, they have been dropping so fast. How many is it now, Mr. Speaker, 38?

Mr. Tobin: Mr. Reisman got $500,000 for his office.

Mr. Fulton: That is right. That is just for office rent. Why would the rest of Cabinet not support someone who understands the industry and really wants to get out there and protect it? Why would the Government not give him any money or an opportunity to have his views brought to the United States where they could actually have some impact?

Let me deal once again with the issue of studies which the Government has not done and steps which should have been taken to deal with this issue. We have seen countervailing action effectively taken against hogs, blocking them from the U.S. market. We have seen that happen to our fish, 5.8 per cent on whole groundfish. We have seen this happen to berries, steel and all kinds of commodities. The Government has not responded, in my view, the way it should. Our workers in the forest sector, and the forest industry, have spent over $10 million lobbying on this issue in Washington while our own Government has done almost nothing. It certainly has not given the right kind of tools to our trade consulates to use in the United States. Why would our Government not do any studies on what kind of effect different options which a large trading neighbour was planning to take against it would have? Why would it not undertake an evaluation so it could determine what kinds of steps it should be taking itself?

I suppose the envoy proposal will go ahead. It's a way of buying a little time. Someone will be appointed and that person will meet with a well known American. They will drink a little champagne and eat some caviar and agree they are good pals. Our envoy will come back and make some kind of proposal in order to buy a week or two weeks of time. But the President of the United States has made it clear to the U.S. Senate Finance Committee, and to Republicans and Democrats in the United States, that there is a timetable on this issue. The countervailing duty process started yesterday.

The Minister says the envoy is going to go to Washington tomorrow. He sent telegrams out to the Forest Ministers last night. That is all very marvellous. But the fact is, if you want to know what is going to happen, Mr. Speaker, this process may go ahead through the existing countervailing process because there have already been changes. Since the administration has accepted it, it may move along fairly quickly. It may be moved forward and they may come up with a countervail. However, if those key people such as Packwood and Gibbons, and others in the United States, do not think going that countervailing route will be significant enough to protect them from the politics about which I am speaking, the grassroots politics—they have large amounts of unemployment in their states, although it is nowhere near as high as what we have or have had in recent years as a result of technological change—the Gibbons Bill will move forward. It is an omnibus bill directed to resource subsidies. It will have direct support from the President, the administration and the Republicans. It already has the support of most of the Democrats. So those are the two scenarios. There is the countervail scenario, or a countervail approach through new legislation, which seems to be the preferred route.

• (1250)

I must say that I was sorry to hear the speech by the Minister for International Trade. I think this issue is far more significant and far more ominous than his speech writer obviously felt last night while he was writing it. I hope that the Minister of State for Forestry will have more to say on the dilemma in which we are now involved.

Even the head of the Canada Lumbermen's Association predicts that 75,000 more jobs will be lost. These are the jobs of buckers, fallers, skidder operators—people who work in the bush. I am not talking about secondary and tertiary industry. We are facing a very dire dilemma. Either the President of the United States has gone back on his word or our Prime Minister has not told all. In either case our forest industry faces a very serious and debilitating situation with a near 30 per cent countervail proposal coming through the Department of Commerce.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Sarnia—Lambton (Mr. James).

Mr. James: Mr. Speaker, I guess I am a little confused as to where the Hon. Member for Skeena (Mr. Fulton) is coming from. He seems to be arguing in many different ways. First, it is as if we had never heard that the U.S. industry has maintained that our stumpage policies were not advantageous. That is not new. It has been going on for years. It is something about which we have fought. To listen to the Hon. Member it is almost as if the Government brought it on. The Hon. Member seems to be tying this matter to the bilateral trade negotiations. Just last night the Deputy Chief Negotiator, Mr. Ritchie, reconfirmed that it is a very separate and distinct negotiating situation. It has nothing to do with the preparation for bilateral negotiations.

The Hon. Member refers to going down to the U.S. and having consultations. Yet he does not seem to want us to consult with the U.S. and negotiate. The Hon. Member cannot have it both ways. Perhaps it is because I am new here and the Hon. Member has been here longer than I that there does not seem to me to be any direction to all this.

The Hon. Member is blaming the current Government for not selling the lumber issue, which is a very important issue. On the other side of his discussion he says we should not be negotiating with the U.S. on settling our trade situation. I think the Hon. Member knows that even in the current situation under GATT there can be countervail even when there are free duties. We have repeatedly said that one of the very important reasons for getting into a negotiated agreement with the U.S. is to settle the countervail situation. That is what the Hon. Member has said is so very important. He has said that the Minister did not say it was important enough. The Minister has repeatedly said that countervail is one of the main concerns we have, and one which we should be settling in a negotiated agreement. Perhaps the Hon. Member will set me straight as to where in the world he is coming from.

Mr. Fulton: Mr. Speaker, first, I would like to deal with the Hon. Member's questions regarding the 1982 countervail situation which the Canadian forest industry was successful in beating back. As the Hon. Member likely knows, in that case there was what is known as a *de minimus* ruling. This means that the amount of subsidy found in the Canadian industry was less than 1 per cent, thus no countervail was forthcoming. What the Hon. Member is likely unaware of is that the rules of the game have dramatically changed since that countervail process took place. In fact, it will now be a much more difficult case for the Canadian industry to deal with as a defendant as effectively as was the case three years ago. I know that people in the Canadian forest industry to whom I have spoken are much more worried about the countervail clock which started running yesterday than they were three years ago.

In relation to the U.S. Senate Finance Committee, I am sure the Hon. Member is aware that it has made it very clear that it is the intention of the committee to fully maintain the powers of countervail in relation to the International Trade Commission. The committee has made it clear that that is quite a separate issue, apart from the bilateral trade negotiations which were supposed to start next week in the United States. I am surprised that the Hon. Member is not aware of these two matters.

In relation to the Government not selling this issue in the United States, I think that will be found to be true by the historians who will take a look at this issue this fall. Once the fall-out comes home to roost here it will be found that that in fact was the largest single oversight of the Government in relation to the whole issue. It was raised with me by senior people at our embassy in Washington. It has been raised with me by senior observers far closer to the issue than I. It has been pointed out that the largest single problem has been that there has never been a lobbying effort, or as many lobbying firms working on Capitol Hill in Washington as there have been working for the Coalition for Fair Lumber Imports in Washington. Tens of millions of dollars have been spent on that effort. Our industry has spent $10 million in Washington to try to deal with this issue. There has not been a two-tiered approach to the issue in the United States. There have not been well-informed trade initiatives and good spokespeople going to the radios, public meetings, et cetera, dealing with state and federal legislators in states such as Georgia where this is a very important issue.

This was pointed out to me by Senator Mack Mattingly at a meeting just six weeks ago when he said: "Look, Fulton, if you were standing up in Prince Rupert and 50 per cent of the wood being used in your constituency was from Georgia and you had lines of fallers, buckers and skidder operators outside your constituency office, what would you be saying about Georgian wood?" I said that I understood that. I told the man that I was not born at six o'clock that morning and that I understand that type of politics. I understand how lobbyists work in the United States.

What we have not become aware of is the fact that lobbyists in the United States are efficient and effective. I am not saying that this is just a problem of this Government. It is something which has gone on for more than a decade in the country. I am not just referring to lobbyists on Capitol Hill. They fan out through ads in magazines, radio and television. They get to legislators. We should have gone to those states and put forward the position that our wood is preferentially purchased and that it is a better wood. The reason for the prices is that we have been tracking the U.S. dollar. These are powerful, accurate and substantiated arguments which we should have put forward. It is exchange rate oriented as opposed to subsidy oriented.

On the other side of the coin, some 75 per cent of our gross trade is with the United States while some 25 per cent of that country's trade is with us. Some two million Americans go to work with their lunch pails every morning and come home every night with a pay ticket which is directed related to the commodity they are making which is sold in Canada. These people are easy to identify. We should have gone to them and we should have said: "Look, here is a freely traded commodity. It is preferentially purchased in your country and there is a lot of hogwash being peddled by Democrats and Republicans on the grassroots politics of the issue". I think the largest single failure has been that we have not gotten that message out as clearly as we should have gotten it out.

Mr. Tobin: Mr. Speaker, when the Minister of International Trade was on his feet he suggested that we won the countervail case in 1983. I think what he was really telling us is that we should not be worried because we won it in 1983 and we will win it again. Personally, I see that the circumstances have dramatically changed. I say this because of the U.S. Commerce Department's interpretation of what compromises an unfair trading practice, by the omnibus bill in the United States today, the trade bill, and in other areas as well, including the president's letter and his implicit support. I am not convinced of the view the Minister seems to be putting forward, that in the final analysis if nothing else works they will make a countervail complaint again and we will win again. That is nothing but a recipe for a very unpleasant surprise for the Minister and the Government.

Mr. Fulton: Mr. Speaker, the Hon. Member is quite correct. The rules of the game have been substantially changed. I do not think we should look in isolation at the countervail clock on wood which started running as of yesterday, without looking at the matter of fish. I say this because the 5.8 per cent which has been taken against whole groundfish is well worth taking a close look at. If it is taken against the whole fish—and the overwhelming majority, some 85 per cent, of provincial and federal subsidies have gone to processing plants—and not against the filets, then it is a matter of politics. There is a large dose of politics coming our way, both in terms of the countervail clock which is running and the Gibbons bill.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. When the debate resumes I will recognize the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE GOVERNOR GENERAL

BAN ON PUBLIC ACCESS TO RESIDENCY GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, every year, the magnificent gardens at the residence of Canada's Governor General attract thousands of visitors from all parts of Canada and from all over the world.

Rideau Hall, a symbolic institution dear to the hearts of Canadian men and women, has seen many people walk through its gates to admire this splendid residence or simply for the pleasure of walking on the Governor General's lawn.

A decision has now been made to restrict access to the public areas of Rideau Hall to groups that have received prior authorization. The only justification given as yet has been the possibility that the safety of the Governor General of Canada might be at risk. If that is the case, I fail to understand why, in 1986, here in Canada, we cannot both protect our head of State and provide access to this lovely expanse of green that belongs to Canadians.

It would be unfortunate if because of fear of some incident, we were to restrict our freedom, our civility and the long tradition we have in this country of encouraging people to move freely—

[*English*]

Mr. Speaker: Order, please. Sixty seconds.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DENIAL OF PUBLIC SERVICE TELEVISION LICENCE IN MANITOBA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have to raise concerns regarding the decision made by the CRTC to deny a licence to a community based non-profit organization in favour of yet another commercial television station in southern Manitoba. This is an important matter because the winner of the fourth English-language service in southern Manitoba is receiving the last available VHF station. The decision means that Manitoba will be the only province west of the Maritimes not to have a public television station.

The board which made the Manitoba public television application includes representatives of two universities, the mayor, the President of Great West Life, representatives of native and multicultural organizations, as well as other private interests. The CRTC states that it supports the concept of wide ethnic and community involvement in proposed programming but could not appreciate the fact that a community based station could not give the same financial guarantees, at least initially. Undoubtedly there were pros and cons for each application but I have to express my concern that so little attention was paid to the public—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ABORTION

ADVERTISEMENT SEEKING STAFF FOR TORONTO ABORTION CLINIC

Mr. Jim Jepson (London East): Mr. Speaker, a harmless classified employment ad in this weekend's *Toronto Star* offered positions for two counsellors and three nurses. The employers wanted warm, caring applicants with a sense of humour. There is nothing unusual about a job offer like this except that this one was from Toronto's second free standing abortion clinic.

Dr. Robert Scott was charged along with Henry Morgentaler for the operation of Toronto's Harbord Street abortion clinic. Although these doctors openly acknowledge their violation of the Criminal Code's abortion provisions, Dr. Scott obviously feels that he has a green light to perform abortions with utter impunity.

S.O. 21

If a criminal offence can be promoted without any response from either the police or legislators, then our country should ask itself why it bothers to have laws at all. The answer to that question is obvious. We have laws to protect those who cannot protect themselves, in this case, defenceless babies in their mothers' wombs. It is time for Parliament to make sure that our laws are enforced.

* * *

MEMBERS OF PARLIAMENT

CRITICISM OF BEHAVIOUR

Mr. John Reimer (Kitchener): Mr. Speaker, the Canadian people are not amused. In fact the childish conduct of Members of Parliament, both in the House and in committee, leaves Canadians justifiably disillusioned and disgusted.

No one will deny that careful analysis, perceptive and probing questioning, and lively debate are the legitimate tools of any Member of Parliament. However, when analysis becomes innuendo, questioning deteriorates into thinly disguised accusations, and debate degenerates into a pathetic, egotistical free-for-all, then Members have abused their privileges and abdicated their responsibilities.

It is essential that we remember who we are, where we are, and why we are here. Surely all Members want Canadians to be proud of their democratic institutions and of their elected representatives. Therefore, I urge all of us to render ourselves more worthy of this House by demonstrating greater respect and common human decency.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on September 9, 1985, the Prime Minister (Mr. Mulroney) sent an open letter to Members of Parliament and Senators. He also made what was affectionately known in the House as his deathbed repentance speech on patronage. In the letter that he sent to Members of Parliament, he said the following concerning the conflict of interest guidelines:

> In carrying out that responsibility the Government is directly accountable to Parliament and through Parliament to the people of Canada. You will find no quasi-independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else.

• (1405)

Some eight months later the Government and the Prime Minister once again betrayed the people of Canada.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

IMPORTANCE OF SUMMITS AS MODELS FOR DISCUSSION

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, last weekend, the Outaouais Socio-Economic Summit was held at Mont Sainte-Marie. For nearly 18 months, participants from the Papineau area in my riding have been preparing development plans and asking their provincial and federal representatives for help in implementing projects such as Highway 50, the potato packaging co-operative, Oueskarini Park, the *Centre d'observation de courte durée*, Fromagerie Agrodor, the Papineauville gymnasium, and so forth.

Mr. Speaker, all these people have volunteered their time to help improve the economy of their community. Of course, many projects will not be carried out right away, but this fine show of consultation and co-operation has given all parties involved in the Outaouais a chance to get to know each other and express their needs.

This is an experiment that bears repeating, because I think these summits are an excellent way to avoid wasting time and money. I earnestly hope that the federal Government will consider this kind of regional consultation as a model for discussions with the provinces.

* * *

[*English*]

YOUTH

PROPOSED YOUTH GUARANTEE PROGRAM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, for Canada, unquestionably the richest country in the world, to have so many of our young people out of work is nothing short of immoral. The Government should not tolerate any youth unemployment in Canada. It would be well advised to initiate the proposal put forward recently by the Leader of the New Democratic Party in British Columbia who proposed a youth guarantee program which would guarantee every young person in British Columbia a choice of a full-time education, full-time training, or the opportunity for full-time steady employment. It virtually guarantees the young people of British Columbia a minimum of two years of full-time educational or on-the-job training, or a full-time job.

The $150 million cost of implementing such a program would result in more personal taxes being paid, in more sales taxes being collected, in more corporate taxes being paid, and in more excise taxes being collected. In the end it would actually be cost effective for the Government of Canada.

To have so many of our youth on UIC, welfare, or jobless, must be considered intolerable and unacceptable. The program which Bob Skelly suggests for British Columbia young people should be implemented across Canada forthwith.

FISHERIES

STORM DAMAGE SUFFERED BY FISHERMEN IN NOVA SCOTIA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise to draw the attention of all Hon. Members of the House to special problems being experienced by Nova Scotia fishermen.

Over the weekend a storm damaged the boats and gear of fishermen in the region. I urge the Minister of Fisheries and Oceans (Mr. Siddon) to do all possible to ensure that his Department responds quickly to these special circumstances. Fishermen in my riding are just getting their fishing efforts under way and have been hit with this major set-back.

A second major problem for area fishermen is the absence of sufficient quota to ensure a full season of fishing. An agreement must be reached with the mobile fleets to ensure that fishermen living and fishing in 4 VSW are left some quota. Perhaps trip limits are the answer. I urge the Department of Fisheries to direct its officials to find an answer to this serious problem.

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

SITUATION IN MONTREAL—NEED FOR HELP FROM INTERESTED GROUPS

Mr. Guy Ricard (Laval): Mr. Speaker, although over 40,000 jobs were created in Montreal in the last twelve months and the unemployment rate has gone down by 1.2 per cent, the Montreal region is still suffering the effects of an imbalance in economic development compared with other regions. To correct the situation we need the help of people in the community. The economic partners of our governments must make a commitment and get involved. Governments alone cannot do everything.

Montreal's economy will recover only if its leaders want it to recover. For instance, in Quebec, automobile production accounts for only 5 per cent, while the province buys more than 43 per cent of the automobiles produced in Canada. It is unthinkable that a country as industrialized as ours should not have a domestic automobile industry, spread equitably across the country. Why isn't Canada's automobile industry expanding? That is the question we must ask ourselves. We should stop expecting governments to do everything. Let's act now and the rest will take care of itself.

S.O. 21

[*English*]

PLANNED PARENTHOOD

ADOLESCENT PREGNANCY STUDY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to share with all Canadians the results of an important study on adolescent pregnancy by Planned Parenthood of Ontario, entitled "Progress in Prevention".

[*Translation*]

The study's findings demonstrate how useful preventive action is. Sex education for children and family planning clinics are a must if we are to stop teenage pregnancies.

[*English*]

The study shows that access to voluntary termination of pregnancy services has not increased sexual irresponsibility and has not caused adolescent pregnancy to rise.

The authors of "Progress in Prevention" prove that the costs of not reducing adolescent pregnancy are enormous.

[*Translation*]

Government attempts to reduce the deficit by making cuts in preventive programs are self-defeating.

[*English*]

Treatment costs far exceed prevention costs and fail to address the causes of the problem.

[*Translation*]

Mr. Speaker, this is an excellent reason for promoting prevention programs. An ounce of prevention is . . .

Mr. Speaker: Order, please. The 60 seconds are up.

* * *

• (1410)

[*English*]

HEALTH

ORGAN TRANSPLANT DONATIONS—SUGGESTED CENTRAL REGISTRY

Mr. Howard Crosby (Halifax West): Mr. Speaker, recent attention focused on the donation of human organs for transplantation has shed light on a serious defect in the process. At present many Canadians complete a donation card but fail to notify their family members or personal representatives. The consequence is that in many tragic deaths no steps are taken to implement the donation.

There is a simple solution. Organ donations could be recorded with the Canadian Police Information Centre and the donor fully identified. There is access to CPIC all day, every day, through police forces across the land. All that is needed is

the authorization of the Solicitor General (Mr. Beatty) and the police authorities.

Let's make it easy to give the gift of life.

* * *

AIR TRANSPORT

PURCHASE OF AIRCRAFT FROM SOUTH AFRICA BY WARDAIR

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my office has confirmed with Wardair its purchase of three South African jumbo jets and that delivery is expected in August of this year.

On September 13, 1985, the Secretary of State for External Affairs (Mr. Clark) announced an embargo on air transport between South Africa and Canada. How then are these planes to get here? Is it possible that Wardair is unaware of the embargo, or are we unaware of some convenient arrangement that Wardair has with the Government?

We have ample evidence in recent weeks of Tory cronyism transcending principle. Will this be another example?

* * *

[*Translation*]

SHIPYARDS

NEED FOR RATIONALIZATION POLICY

Mr. Louis Plamondon (Richelieu): Mr. Speaker, Canada's shipyards are facing a serious crisis. It is becoming increasingly clear to all parties concerned, whether they belong to the public sector, the private sector or labour, that a rationalization policy is necessary. I hope such a policy will be based on the fundamental principle this Government has always defended, namely that of free enterprise. In fact, any other approach would merely serve to extend the life of the "lame ducks", to the detriment of shipyards that are already reasonably competitive.

Mr. Speaker, in the past, Governments that were more concerned about their voters than about providing this country with sound economic management had no qualms about controlling the way government contracts were awarded. This solution is no longer acceptable today, and I think that from now on, the process of awarding contracts should be based on the free market system and thus on the fundamental principle, in a capitalist system, of having the right to bid on a contract.

AGRICULTURE

GOVERNMENT'S PERFORMANCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, for 20 months this Government has been taking some very important measures in the agricultural industry. From assistance to drought-stricken farmers to establishing a new dairy policy and abolishing all federal taxes on fuel for family farms, our Government has shown a depth of understanding never seen before in Canada. The new measures adopted by the Farm Credit Corporation were well received by farmers in Beauce, Quebec and Canada. Speaking of farm credit, the Liberals strangled many farmers with their exorbitant interest rates. Just look at the number of farm bankruptcies caused by the federal Liberals' failure to understand the problem.

A number of sound measures were taken recently by this Government and there are more to come. As a Conservative Member, I believe in the future of the agricultural industry, and we are doing what is necessary to help this industry prosper. Beauce farmers can count on my co-operation and understanding.

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FEDERAL-PROVINCIAL RELATIONS

INVITATION TO QUEBEC TO ADHERE TO CONSTITUTION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Hon. Members will recall that last Friday, Mr. Rémillard, Quebec Minister of Intergovernmental Affairs, made a new proposal to the federal Government that would bring Quebec closer to signing the Canadian Constitution. Unfortunately, contrary to what the Prime Minister promised during the last election campaign, this elicited an immediate refusal from the Secretary of State. Mr. Speaker, one of the requests made by the Government of Quebec was that the Government withdraw Bill C-96, whose purpose is to penalize the provinces.

I therefore urge the Prime Minister and all Members from Quebec to think about this question and make sure they do everything they can so that Quebec adheres to the new Constitution.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

PRESIDENT'S OPINION OF *NEAT TO BE DEAD* SONG

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, the Minister of Communications (Mr. Masse) asked the President of the CBC to reply to my allegations that the song *Neat to be Dead* could encourage teenage suicide. In response to my

charges Mr. Juneau wrote, without seeking professional opinion:

I find it hard to believe that curiosity about this fundamental human question translates into an invitation to teenage suicide.

You may find it hard to believe, Mr. Juneau, but let me quote from the written opinions of two doctors who specialize in this field. First, Dr. Huessman wrote:

It is clear that highly publicized suicides increase the likelihood of others committing suicide.

● (1415)

Dr. Marshall wrote:

It is my professional opinion that the material in "What It's Like to be Dead" could possibly stimulate a seriously discouraged teenager to act upon his suicidal thoughts.

Mr. Juneau, you acted irresponsibly by not seeking professional advice before you replied. You now owe it to the people of Canada to demand that this song not be aired again.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF REGIONAL INDUSTRIAL EXPANSION—APPOINTMENT OF INVESTIGATOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. He has been a Member of the House for a long time and knows that issues of ministerial responsibility are better left to Parliament. Yet the Prime Minister is suggesting that he is going to appoint an outside inquiry to deal with the conduct of the former Minister of Regional Industrial Expansion.

Why would the Prime Minister announce such an outside inquiry, which he says will be impartial, while saying in the same breath that he is fully confident that the former Minister will be vindicated? Would the Deputy Prime Minister not agree with me that that statement of the Prime Minister already undermines the confidence of Canadians in any such outside inquiry?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, it should come as no surprise to the hon. gentleman that we are breaking new ground here.

Mr. Broadbent: Yeah, right.

Mr. Nielsen: That was quite evident last September 9 when the whole package with respect to the Code of Conduct was tabled, and in the open letter to Members and Senators, which was signed by the Prime Minister, explaining that circumstances may arise from time to time which would warrant the appointment of an impartial person to investigate the facts in given circumstances. It is no news that that new proposal was there. The hon. gentleman has had a long time between last

September and now to comment on it. I suggest to him that, in light of all the circumstances, this is the best way to proceed for this institution itself.

[*Translation*]

REQUEST FOR CLARIFICATION OF PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has reasserted his opinion that the Minister has done nothing wrong and that he will be able to resume his post in Cabinet. On what as yet unpublished facts is the Prime Minister's opinion based? And if there are new developments, why doesn't the Prime Minister of Canada reveal them, so that all Canadians will know what they are?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): It is precisely for that reason, Sir, that the impartial person is being sought for the purpose of conducting the investigation, a process which was explained last September. The hon. gentleman, as a former Prime Minister and the present Leader of the Opposition, should be the first to realize that the bitter and very highly partisan atmosphere which now surrounds this matter is a circumstance which compels one to the conclusion that the only impartial method of dealing with the matter is by the process contemplated last September.

PRIME MINISTER'S KNOWLEDGE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Prime Minister is making a prejudgment about the reputation of the Hon. Member for York Peel being vindicated, why would he not have shared those facts with the House of Commons or allowed the Minister, as he then was, to make such a statement? What facts does the Prime Minister have, that Canadians generally do not know about, which affect the situation?

Hon. Erik Nielsen (Acting Prime Minister): Sir, it is not I who is prejudging, it is the hon. gentleman by the very nature of his question.

Mr. Turner (Vancouver Quadra): The Prime Minister is prejudging.

Mr. Nielsen: The hon. gentleman has a responsibility, as Leader of his Party, to ensure the proper standards of conduct by some members of his own caucus with respect to this institution and its committees.

Mr. Gauthier: We'll look after that, Erik, thank you very much. We don't need you to tell us what to do. Look after your own.

Mr. Andre: When are you going to start?

Mr. Speaker: Order, please. Order!

Oral Questions

CONDUCT OF INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Acting Prime Minister. He tells us that new ground is being broken in the use of this impartial inquiry. The Prime Minister is picking the commissioner. The Prime Minister is setting the terms of reference. Yet the Prime Minister is also telegraphing the fact that his Minister will be vindicated and brought back into the Cabinet. How can you possibly break new ground and have an impartial inquiry with that kind of prejudgment by the Prime Minister?

• (1420)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the hon. gentleman should know, he has been here long enough, and certainly his Leader knows, that we are dealing with a unique and exclusive responsibility of the Prime Minister concerning conflict of interest. He should also know or have concluded, if he has not by now, that whatever the report of that inquiry, it will be made public. There is that safeguard as well.

PRIME MINISTER'S OPINION

Hon. Bob Kaplan (York Centre): Will the Prime Minister make public the reason, the facts he has, which justify saying, as he did in Korea, that the Minister will be vindicated and brought back into cabinet? What was he talking about?

Hon. Erik Nielsen (Acting Prime Minister): There is no analogy there at all. The former Minister has said and continues to say the same thing. It is only Members opposite who are foreclosing any option other than guilt. Their minds are closed to any other possibility. That in itself demonstrates the compelling need for impartiality.

PRIME MINISTER'S STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, surely what we are talking about here are impartiality and fairmindedness. When I asked him yesterday quite deliberately whether he and the Prime Minister maintained their view that the former Minister was innocent of conflict of interest, the Deputy Prime Minister said both he and the Prime Minister "would not prejudge the outcome of the inquiry". Is that answer consistent with the view expressed by the Prime Minister last night in Seoul, Korea, when speaking to the media, that he was convinced at the outset, before the evidence is even considered, that the Minister would be totally vindicated? Are you loading the dice in advance in this inquiry?

Hon. Erik Nielsen (Acting Prime Minister): I said no such thing. What I was trying to convey to the Leader of the NDP, in response to questions by his supporters and those of the right hon. gentleman opposite, was that they should have the decency to allow a process of impartial investigation to proceed without loading the dice, which they obviously want to do.

PRIME MINISTER'S FORECAST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we on this side are quite happy to have what the Deputy Prime Minister supported when he was on this side, namely, a consideration by the Standing Committee on Elections, Privileges and Procedure. It is not we who are loading the dice.

Does he not think that a Prime Minister who is trying to get an impartial, fair-minded person to look at this is really loading the dice and establishing a prejudicial position? Is he not doing that when he says at the outset that the Minister is going to be vindicated? That is loading the dice.

Hon. Erik Nielsen (Acting Prime Minister): Not at all. Implicit in the question is the assumption that nowhere in this country can there be found a person of sufficient national reputation and integrity to conduct an impartial investigation as to the facts. I do not accept that whatsoever.

Mr. Broadbent: It would be nice just for once if the Minister would answer a question he is asked.

[*Translation*]

INQUIRY WHY MINISTER DOES NOT ADOPT APPROACH HE ADVOCATED THREE YEARS AGO

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question to the Minister is as follows: When he was on this side of the House as Leader of the Opposition three years ago, he moved a motion to have the Committee on Privileges and Elections examine the question of Ministers and conflicts of interest. That was three years ago.

Why didn't the Minister take the same approach in this case?

• (1425)

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I believe we are doing precisely that. If the Hon. Leader of the New Democratic Party would revisit the processes that were outlined in the September 9 tabling of the Code of Conduct, it anticipated circumstances which might call for the appointment of an impartial person to investigate the facts. It did not preclude the publication of the report, once made. I have already indicated—

Mr. Broadbent: For Privileges and Elections?

Mr. Nielsen: It did not preclude the option of a reference to a standing committee of the House—it might be that one—when the report is made. But surely, to anticipate beyond that is going a little too far with respect to the integrity of the process itself.

[*Translation*]

REQUEST FOR CLARIFICATION OF PRIME MINISTER'S PROPOSAL CONCERNING INQUIRY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Government is proposing an inquiry, to be conducted by a so-called independent investigator appointed by the Prime Minister. The inquiry's terms of reference will also be determined by the Prime Minister, by the same Prime Minister who announced last night that the Minister will be fully vindicated.

How does the Government expect us to believe that an inquiry organized by the Prime Minister would be preferable to, and as impartial as, an inquiry conducted in public by a committee of this House?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is the same question that was asked by the Leader of the New Democratic Party and by his own Leader. The same answer applies. The hon. gentleman is inferring in his question that there is no person of sufficiently high repute and integrity in this country who can conduct an impartial investigation. I do not accept that and I really do not believe that he, in his heart, believes that no such person can be found in Canada.

[*Translation*]

INQUIRY WHY GOVERNMENT WANTS TO CONDUCT INQUIRY OUTSIDE PARLIAMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, all I want is a straightforward answer. Why conduct an inquiry away from Parliament, headed by a Government appointee and operating under terms of reference determined by the Government? Isn't this just a way to cover up an affair that has become an embarrassment to the Government?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, after reviewing the questions that were received yesterday, I have given Hon. Members the assurance that whatever statements or allegations have been made in the House of Commons, however temperate or intemperate, will be the subject matter of those terms of reference. The Code of Conduct will be part of that. The Prime Minister's letter of September 9 will be a part of that reference. How much fairer can one get than to remove the matter from the bitterness and partisanship of the House of Commons to an impartial investigator who will make the report public, with the outstanding option of referring it to a committee? Is that not the fair course to follow in all the circumstances?

REQUEST FOR PARLIAMENTARY INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Acting Prime Minister. Is he suggesting that it would not be possible to construct a panel of members from Members of the House of Commons who would be capable of conducting a fair and independent inquiry, as has always been the case in matters such as this?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, in all fairness, if we followed that course within our normal processes, and if the committee or panel were to come down with a favourable report, his colleagues would be the first to accuse the parliamentary majority of government Members and would call it a whitewash.

REQUEST THAT INVESTIGATOR'S REPORT BE REFERRED TO COMMITTEE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Deputy Prime Minister not recognize that he is prejudging the outcome?

Some Hon. Members: Oh, oh!

Mr. Deans: In the interest of satisfying the needs of Parliament, will the Acting Prime Minister make a commitment to the House today that the report of the independent inquiry, by a motion of the House will be referred to a committee of the House for study and that that report will deal only with factual information and make no recommendations of any kind?

• (1430)

Hon. Erik Nielsen (Acting Prime Minister): Surely it is the Hon. Member who is prejudging the matter, not I. Surely he would not wish an impartial person to investigate the facts in any constrained and limited way. Surely he would want to clothe that impartial person with the broadest possible terms of reference—

Mr. Broadbent: That's not what your regulation says. It's not what it says.

Mr. Nielsen: —including all of the matters which have been raised in the House of Commons with respect to these circumstances—

Mr. Deans: No.

Mr. Nielsen: —including everything which has been raised in the media, including the Code of Conduct—

Mr. Broadbent: Read the Prime Minister's letter.

Mr. Nielsen: —including the Prime Minister's letter. Surely the Hon. Member would not want to restrict those terms of reference but rather to broaden them.

[*Translation*]

REPLACEMENT FOR MINISTER WHO RESIGNED

Ms. Sheila Copps (Hamilton East): My question is directed to the Deputy Prime Minister. When the Minister of Fisheries and Oceans resigned, he was replaced by the Deputy Prime Minister. When the Minister of National Defence resigned, he was replaced by the Deputy Prime Minister. This time, why

did the Prime Minister ask the Minister of Transport to take over from the former Minister? Is it because like all Canadians, the Prime Minister has lost confidence in our Deputy Prime Minister?

[*English*]

Mr. Wilson (Etobicoke Centre): What a childish question.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, if that question deserves the dignity of an answer, it is only to point out the outstanding capabilities of the Acting Minister, the Minister of Transport.

Some Hon. Members: Hear, hear!

REQUEST FOR RESIGNATION OF DEPUTY PRIME MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I ask the Deputy Prime Minister again is it not true that he has become a liability to this Government?

Some Hon. Members: Order.

Ms. Copps: —and in fact the Prime Minister was forced—

Some Hon. Members: Order.

Mr. Speaker: Order, please. Has the Hon. Member a question for the Minister in his ministerial responsibility?

Ms. Copps: And the only way we are going to—

Mr. Speaker: Order, please. Is the Hon. Member just going to continue the statement or ask a question?

Ms. Copps: I am going to ask a question.

Mr. Speaker: What is the question, please?

An Hon. Member: Ask her to resign.

Mr. Speaker: What is the question?

Ms. Copps: Does the Deputy Prime Minister not believe that the only way the stink is going to be lifted from this House is when he resigns?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member for Nickel Belt.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members have the right to ask questions in this House. The Chair will decide whether they are in order. That is the fair way of doing it.

REQUEST FOR COMMITTEE REFERRAL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. In light of the fact that all the precedents in the past, the Mackasey precedent, the Axworthy precedent, the Murdock precedent in 1924, asked for a reference from the House of Commons to the Standing Committee on Privileges and Elections, did the Deputy Prime Minister suggest to the ex-Minister that he should have followed that route of precedents and asked the House of Commons for a reference to the Standing Committee on Privileges and Elections?

Hon. Erik Nielsen (Acting Prime Minister): No, I did not, Mr. Speaker. If the hon. gentleman for Nickel Belt had read carefully the package which was tabled last September 9, 1985, he would recognize that there was a new process set out of which the Prime Minister may avail himself if circumstances justify adopting it.

Mr. Deans: They don't.

Mr. Nielsen: Those circumstances, in the view of the Prime Minister, exist.

Mr. Broadbent: I thought it was Stevens who suggested it.

Mr. Nielsen: That is the course which is being followed here. I would suggest in all of the circumstances that it is the fairest possible and most impartial course to follow without closing off any options to refer the report of the impartial investigator to a Standing Committee of this House.

Mr. Deans: Erik, you would never have said that from this side of the House.

DEPUTY PRIME MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the fact that these circumstances are no different in principle from the previous ones, why is the Deputy Prime Minister taking away the right of Parliament to look at the ethical behaviour of Hon. Members of this House? Why are you doing that?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is simply not being done in any way, shape, or form.

Mr. Rodriguez: Well, you are.

Mr. de Jong: Absolutely.

Mr. Nielsen: I can be helpful to the Hon. Member by suggesting that he goes beyond, historically, the September 9, 1985 tabling, back to the Starr-Sharp report and back to the circumstances which gave rise to the preparation of that report. He might then have a different comprehension than he does now about the correctness and appropriateness of the course being followed in the circumstances.

Mr. Deans: Totally inappropriate.

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—OFFER OF CONTRACT TO MICHAEL DEAVER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I hope it is all right for a "precedent" to ask a question. I would like to direct my question to the Deputy Prime Minister. We heard yesterday from the Secretary of State for External Affairs that Mr. Doucet of the Prime Minister's Office had made an offer of employment to Mr. Deaver—

An Hon. Member: He never said that.

Mr. Axworthy: —when he was in the White House, albeit a lightheaded one. Now we have had a further revelation that Canadian officials met 15 times with Mr. Deaver when he was in the White House. Both cases are clearly in violation of American law.

An Hon. Member: Question.

Mr. Axworthy: Knowing this, would the Deputy Prime Minister tell us why the Government offered a contract to Mr. Deaver knowing it would violate American law? And who authorized that kind of offer to be made? Was it the Prime Minister or the Secretary of State for External Affairs?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Secretary of State for External Affairs, who is unavoidably absent, responded to some questions yesterday on that subject matter with respect to the details of a contract entered into by the Secretary of State for External Affairs and Mr. Deaver. I would have to take notice of that question and get whatever details the Hon. Member wishes.

REQUEST FOR COMMITTEE HEARING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I appreciate that offer. In making that request, may I also make a request that the Government divulge all records and information relating to the hiring of Mr. Deaver and at the same time make available Mr. Gotlieb and Mr. Doucet before the Standing Committee on External Affairs so we can properly examine how the Government goes about hiring foreign lobbyists and what rules should be applied?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, of course, in the examination of the estimates of External Affairs before that committee, it is open to the hon. gentleman to make the request for the appearance of the ambassador and other witnesses he may wish to have.

Mr. Turner (Vancouver Quadra): If we have your support it would make it easier.

Mr. Nielsen: I will certainly carry the remainder of the Hon. Member's representations personally to the Secretary of State for External Affairs.

SHIPBUILDING

FUTURE OF INDUSTRY IN QUEBEC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. I have a letter from Mr. Peter Paul Saunders, the Chairman of Versatile Corporation, in which he informs the Quebec Minister of Industry and Commerce that he had been named by this Minister and by the former Minister of Regional Industrial Expansion, to negotiate a plan for the reduction of the shipbuilding industry in Quebec, which included the closure of Marine Industries in Lauzon. Why was Mr. Saunders given that particular responsibility? Was it not a conflict of interest for this Minister and the former Minister of Regional Industrial Expansion to ask a president of one Quebec shipyard to develop a plan which would involve closure of one of its major competitors?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, it is clear that in Canada today there is surplus capacity in our shipyards. At the time, the Minister of Regional Industrial Expansion examined a plan for rationalizing the shipbuilding industry in Canada. The discussions that took place between Mr. Saunders and representatives of other shipyards in Quebec are continuing, and rationalization will come later.

REQUEST FOR CLARIFICATION OF NEGOTIATION THAT WOULD IMPLY CLOSURE OF COMPETING SHIPYARD IN PROVINCE OF QUEBEC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, could the Minister explain the conflict of interest . . . Why was the director of a shipyard appointed to negotiate a reduction in the industry's capacity which would involve closing down his major competitor in the province of Quebec? Is it appropriate for a company to make a decision involving the shutting down of another company in an industry that is so important to Quebec?

Hon. André Bissonnette (Minister of State (Small Businesses)): I think the Government asked the parties to talk and to arrange a rationalization strategy amongst themselves, before taking any measures whatsoever.

* * *

• (1440)

[*English*]

BANKS AND BANKING

INTEREST RATES CHARGED BY CHARTERED BANKS

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Finance. We are happy to see the continual decline in Bank of Canada interest rates. However,

at the same time we do not see these rates being passed along by the chartered banks as quickly as when the rates go up. Why are these decreases not passed along to the consumers as quickly as are the increases? Why does a four-point spread still exist?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, quite rightly, with some enthusiasm the Hon. Member notes the drop in interest rates in Canada over the past three or four months.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I have been watching the spreads between the bank rate and the bank prime rate. The spread is not four points, but less than that. I think it is something in the order of two points. However, during the month of January is was narrower than normal. It is now somewhat wider than normal. I am watching the matter very closely. As we monitor the situation I think we can expect that some alleviation will occur and that we will have a drop in rates.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—HIRING OF LOBBYIST

Mr. George Baker (Gander—Twillingate): Mr. Speaker, since the Government came to power we have heard the Prime Minister continually sing the praises of the ever deepening friendship with the United States. In the absence of the Secretary of State for External Affairs my question—not about specifics—is for the Deputy Prime Minister. Given this new glowing friendship, does the Minister believe it is necessary to spend over $100,000 of Canadian taxpayers' money to hire one American to promote Canadian interests in the United States? Has our policy come down to "Leave it to Deaver"?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the short answer to the latter part of the hon. gentleman's statement, or question—however it might be described—is no. I think that it is a reality, a fact of life these days in which we are now living that there are lobbyists here in Canada, as well as elsewhere in the western world. To my recollection, that has been the situation for at least 15 years or more. So I can see nothing improper with recognizing the process of lobbying.

I might point out as well—

Mr. Speaker: Order, please.

HIRING INQUIRY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Canadian people have a right to know what Mr. Deaver did or promised to do to earn that massive salary of over $100,000. Are there other dealers—excuse me, Deavers—on the Canadian payroll?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that was one of the first matters which the Government decided required some attention. Therefore, as he well knows, as part of that September 9 package, again, the question of lobbyists was addressed. There is a paper which is before a committee. I understand that House Leaders have discussed the registry of lobbyists. All of these matters are now in train. We believe that there should be that type of public disclosure available with respect to lobbyists in the system.

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AIRPORTS

SECURITY CONTRACT AT DORVAL AND MIRABEL

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is for the Minister of Transport. As I understand it, Burns Security Services at Dorval and Mirabel Airports are being replaced, or have been replaced. Has the Minister's Department or have the airlines awarded a contract, or are they in the process of awarding a contract, to Metropole Security Ltd. for airport security at Dorval and Mirabel Airports? Did he or any of his officials carry out any investigation of Metropole Security Ltd.?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer to the first part of the question is no. My information is that Metropole Security Ltd. is not employed by Air Canada but that the firms of Metropol Airport Security Services Ltd. and Metropol Base-Fort Airport Security Services Ltd. are, in fact, employed by Air Canada. Yes, there was an investigation made as to the ownership of these companies by the Department of Transport.

AWARDING OF CONTRACT

Mr. Les Benjamin (Regina West): Mr. Speaker, was the provision of these security services tendered? Is Air Canada in a consortium with other airlines or is this arrangement only with Air Canada? Did any—I repeat any—of his cabinet colleagues have any discussion with him or any officials in his Department at any time about the provision of security services at those airports?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not aware of any such discussions, other than the fact that Burns Security Services indicated its intention to withdraw from providing that service. Air Canada undertook to make arrangements with the other two firms.

[*Translation*]

THE GOVERNOR GENERAL

BAN ON ACCESS TO RESIDENCY GROUNDS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Minister of Public Works.

Last week, the entrance gates to the Governor General's residence were closed to the public, and I would like to know who requested this and why, and whether the gates will be opened to allow the public immediate access.

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I welcome this opportunity to remind the House that it is customary to limit access to official residences.

As part of its new responsibilities, the NCC has decided to apply the same policy to the Governor General's residence.

I would like to remind the Hon. Member who is showing a great deal of concern for those who visit the residence that it will always be possible for Canadians to visit the Governor General's residence on the special and specific occasions when this was possible before.

[*English*]

Mr. Turner (Ottawa—Carleton): Supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce—Lachine East.

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EMPLOYMENT

JOB DEVELOPMENT PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. Will the Minister explain why since April her Department has virtually closed down the Job Development Program in that her officials across the country have been telling project applicants that there are no funds available or that the funds are frozen? After announcing this program with such great publicity, why is the Minister not giving it the funds it needs to do the job?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member will be interested to know that since April 1 some $120 million worth of new activities have been committed by the Government under the Canadian Jobs Strategy, $40 million of that in the Province of Quebec alone, with $10 million of that going into Job Development in the Province of Quebec.

TREATMENT OF APPLICANTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I am talking about job development and not the Jobs Strategy. Why is it then that the Minister's officials in Montreal, Toronto, Hamilton, Ottawa, Windsor, New Brunswick and British Columbia, even this morning, have been telling project applicants that there are no funds available? Why are they telling these applicants that, if what she is saying is correct? She had better check with her officials.

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, indeed, I have checked with my officials. I have said to the Hon. Member that some $10 million has been approved for projects under Job Development in the Province of Quebec alone. We are managing our money carefully. By the end of June we expect that something in the order of 22,000 people will be involved in Job Development projects across the country. We feel that we are doing something right because the Canadian Jobs Strategy has helped contribute to the 630,000 new jobs in Canada since we came into office.

Some Hon. Members: Hear, hear!

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TRADE

LUMBER EXPORTS TO UNITED STATES—REPORTED APPOINTMENT OF ENVOYS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister for International Trade. In the run-up to free trade negotiations the Prime Minister promised two things: full involvement of the provinces, and opposition to a separate process to deal with the softwood lumber trade. Will the Minister confirm that the Government's proposal to appoint envoys was made without discussions with British Columbia? In fact, he only sent telegrams there last night.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the Hon. Member that, indeed, the Government is on record for fully involving the provinces in everything we do, not just Canada-U.S. and not just lumber, but every initiative the Government takes. Envoys have not been appointed. That is in the discussion stage. The provinces have been alerted to this. We will be discussing this matter in Washington tomorrow. No decision will be made until we have in fact consulted with the provinces and have obtained their approval.

• (1450)

IMPORTANCE OF LUMBER INDUSTRY TO BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the same Minister. I am sure he is aware that lumber is the largest industry in British Columbia, but he sent a telegram to the Province of British Columbia just last night. Will he confirm to the House whether or not there

will be any options or concessions on volume or price for Canadian softwood to be put to those envoys should that process proceed?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the hon. gentleman, as I did earlier in this morning's debate, that it is not the practice or habit of the Government to make any decisions affecting the provinces without fully involving them. That is our practice and we will continue it.

CANADA-UNITED STATES NEGOTIATIONS—INVOLVEMENT OF ATLANTIC PROVINCES

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is for the Minister for International Trade as well. Now that it is assured that the long awaited talks on enhanced trade are going ahead, good news indeed for Canada, will the Minister assure the House, and particularly Atlantic Canadians, that no longer will the Government tolerate a second-class status for Atlantic Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I welcome the opportunity to answer that question. Certainly we would afford nothing but first-class status to the Atlantic provinces, as we would to all provinces in Canada. I can certainly remind all Members of the House that, indeed, a number of the chairmen of the Sectoral Advisory Committees on Trade who will assist us in these negotiations come from the Maritimes.

LUMBER EXPORTS—GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister for International Trade. The Prime Minister, speaking in the House of Commons on April 24, 1986, in denying that there would be a separate deal made on lumber with the United States, said that the President of the United States said that negotiations would begin without conditions and that that is also the position of the Government of Canada. Why is the Government of Canada now proposing to make a separate deal, a precondition, that will limit the export of some $3 billion worth of Canadian softwood to the United States in advance of the beginning of any free trade talks? What has changed?

Hon. James Kelleher (Minister for International Trade): For the life of me, Mr. Speaker, I do not know where the Hon. Member is getting his information. I can tell the House, as has the Prime Minister, and as the President of the United States has said publicly, that there were in fact no preconditions to the start of these talks. None exist, and I just do not know where he is getting that information. Perhaps he could enlighten me in that area.

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, is it not true that the Government of Canada, in conjunction with the Government of the United States and specifically President Reagan, made a commitment to the Senate Finance Committee three weeks ago, and particularly to Senator Packwood, to resolve U.S. complaints about the Canadian export of softwood lumber by limiting that export in order to acquire U.S. Senate Finance Committee support for the start of free trade talks? Is that not true?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the simple answer is that it is not true. The Prime Minister has never made a commitment of any such nature to the Senate and we have never made a commitment to the President or anyone else to limit the exports of our lumber to the United States.

DRUG PATENT LAW AMENDMENTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the same Minister. Last night CBC news reported that the drug patent law changes will be presented to Parliament this Friday. Will the Minister now admit that this is part of the price which Canada has agreed to pay to get the free trade talks going and approved by the U.S. Senate Committee?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would hope that in the future the Hon. Member would not rely upon the CBC for his information. I can only repeat what I said earlier, which is that there were and are no preconditions to the commencement of trade talks between Canada and the United States.

CANADA-UNITED STATES DISCUSSIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in that case let me ask the Minister a direct question. At any stage in the discussions with respect to the Senate's approval process were there discussions between Canadian and American officials with respect to patent law changes? Is the Minister denying that such discussions ever took place?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I can only reply to the hon. gentleman by saying that there were no preconditions whatsoever in any area for the commencement of talks between Canada and the United States with respect to a comprehensive trade agreement.

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[*Translation*]

SHIPYARDS

INQUIRY WHETHER GOVERNMENT HAS DECIDED TO CLOSE CANADIAN VICKERS LIMITED SHIPYARD IN MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and concerns shipyards in Quebec. Could the Minister confirm to the House that his Government, with

the co-operation of Mr. Saunders, has decided to close down the shipyards of Canadian Vickers Limited in Montreal East? Yes or not?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I thought I made all this clear earlier to one of those Members who, like the Hon. Member for Montreal—Sainte-Marie, Mr. Speaker, will not listen. The Minister of Regional Industrial Expansion, and I repeat, the Minister of Regional Industrial Expansion sent a letter to the people involved with the shipyards, asking them to have a discussion and to find out if industry rationalization could take place. These are people in the private sector who are supposed to meet and determine the scope of rationalization.

REQUEST FOR CLARIFICATION OF POSSIBILITY OF CLOSING SOREL SHIPYARD AND LEAVING YARDS AT LAUZON AND MONTREAL OPEN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, is the Minister aware of the fact that Mr. Saunders is responsible for two shipyards in Quebec, one in Lauzon and one in Montreal, and that Quebec is responsible for the shipyard in Sorel? Does the Minister want us to believe that Mr. Saunders is capable of closing down the Sorel shipyard and leaving the other two yards open?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, see what it's like, when someone will not listen!

We are talking about someone involved in the industry, and the fact that these people have to talk to each other. If they don't, how can you expect them to come up with something positive? Mr. Saunders has two shipyards. I imagine he should be able to talk with the other yard owners about what the best policy will be.

* * *

[*English*]

CANADA POST CORPORATION

ALTERNATE DAY DELIVERY PROPOSAL

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the post office. In the Budget the Government called upon the post office to produce an operating plan. We have it from reliable sources that this plan recommends alternate third-day delivery. In light of the need for public debate on such a drastic change in public policy, will the Minister make this report public and do so before the Estimates of the post office are dealt with by the committee?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I do not know my colleague's sources, but all I can say is that there are many alternatives being examined right now by the post office in order to comply with the request of the Minister of Finance which was to come to self-sufficiency in a short period of time. We are examining many alternatives, and one of them could be alternate-day service.

REQUEST FOR PUBLICATION OF REPORT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister has just admitted that he is examining alternate-day service. Will he bring that report forward and make it public so that the examination of the alternatives can be made in a public environment?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, this is one of the alternatives that we are examining. As soon as we will make a decision on that, we will make it public.

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THE ADMINISTRATION

CANADAIR—APPOINTMENT OF BURNS FRY TO REVIEW PRIVATIZATION PROPOSALS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Deputy Prime Minister. Does the Deputy Prime Minister not agree that the former Minister of Regional Industrial Expansion created the appearance of another conflict of interest when he appointed the firm of Burns Fry to review and recommend a buyer for Canadair while the President of Burns Fry was sitting on the board of directors of Magna International, a company which at the same time was wishing to purchase Canadair?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is simply one more of those statements that will be added to the reference of the impartial investigation that will be conducted.

• (1500)

CANADA DEVELOPMENT INVESTMENT CORPORATION—MEMBERSHIP OF DIVESTITURE COMMITTEE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Deputy Prime Minister therefore confirm that as part of the reference for the inquiry he will also look into the situation where the majority of members of the divestiture committee of the CDIC happen to belong to one firm in Canada? Does he not also agree that that creates the impression of a further conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Hon. Member is not original in making that allegation. It has arisen before and will obviously be part of the reference which is made to the impartial investigation.

Point of Order—Mr. Lewis

POINT OF ORDER

POWERS OF COMMITTEE UNDER STANDING ORDER—
GOVERNMENT RESPONSE—SPEAKER'S RULING

Mr. Speaker: Order, please. On May 1, 1986, the Hon. Parliamentary Secretary to President of the Privy Council (Mr. Lewis) sought clarification from the Chair as to the interpretation of Standing Order 99(2). The first question to be addressed is specifically whether a committee can ask for a response to only a part of a committee report.

It is clear to the Chair that such a request, while not expressed in specific terms in the relevant standing order, is a valid one since it would be a simple matter for a committee to present a separate report containing that part of a main report to which it wishes a response. Further, there are numerous supportive precedents on this very question.

The second question which has to be settled is that, when a committee has asked for a partial response, is the Government bound to comment only on that specific part of the report. In the opinion of the Chair, should a committee request a response to a particular part of a report, the whole of the report remains open to comment by the Government, if it so chooses, although the Government would have no procedural obligation to respond to more than that part of a report to which a committee requested a reply.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. FREE TRADE—
RESCINDING OF EXISTING COUNTERVAILING DUTIES

The House resumed consideration of the motion of Mr. Riis:

That this House urges the Government not to proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used in the future, given the current threat of U.S. countervailing duties in the softwood industry—an industry in which free trade now exists.

Mr. Speaker: Is the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) seeking the floor on debate?

Mr. Althouse: Mr. Speaker, I wish the Hon. Member for Essex—Windsor (Mr. Langdon) to have the floor.

Mr. Speaker: Order, please. I am sure the Chair misrecognized the Hon. Member for Humboldt—Lake Centre and is prepared to recognize the Hon. Member for Essex—Windsor (Mr. Langdon) on debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, as the Hon. Minister for International Trade (Mr. Kelleher) indicated, the motion before us today goes right to the heart of a debate which is taking place in the country. It deals with the question of countervailing duties and the role of continuing countervailing action in respect of the negotiations as they themselves take place.

For most Canadians the concept of countervailing duties is not easy to understand. What exists in the United States—and it exists in a somewhat different way in Canada—is a system which permits companies, Senators, Congressmen, and a variety of different forces to go before a quasi-judicial body, the International Trade Commission, to raise the possibility that they are being damaged by foreign trade or that the effect of foreign imports on a domestic U.S. industry is negative. In conjunction with that quasi-judicial investigation by the ITC is an investigation by the Department of Commerce, part of the administration of the United States. It investigates whether subsidies are being provided by the country which is exporting into the United States and potentially damaging domestic producers within the U.S.

The countervail process in the United States comes out of these two streams and leaves a giant decision at the end, with input from the ITC indicating that a particular industry or set of firms is indeed being damaged. As well it has input from the Department of Commerce saying whether or not subsidies are being provided. If both these decisions come down in favour of the United States, the consequence is that the exporter to that country can have erected against his enterprise a countervailing duty. Countervailing duties can range across a vast area; we can talk about very small countervailing levels or very large ones which can be extremely damaging to exporters to the United States.

This is a crucial area for Canada. It is a case which has hit Canada repeatedly over recent years. I know the Minister and I have no disagreement that the countervail power of the United States is extremely important, has been extremely damaging to certain Canadian industries, and can be even more damaging to other Canadian industries, of which the most obvious at the moment is softwood lumber. However, softwood lumber is not by any means alone. Our salt fish and groundfish have already been hit this year by countervailing tariffs. After building an industry with the support of the province, hog producers in Essex County found themselves facing near bankruptcy because of the countervailing duties against live hog exports.

It is not only those cases which are the problem, but also those cases which represent constant threats to Canadian producers, constant threats which they have to fight often, and certainly financially, on their own in the United States. For example, I could point to mould producers in Essex County who were taken before the International Trade Commission and accused of exporting with unfair subsidies and hurting certain U.S. producers. They were told in the end that they have no choice but to fight the case themselves. Despite the fact that they were part of a small industry, they spent over $100,000. In the case of the hog producers, that industry too, despite very limited funds, has had to spend over $200,000 to fight its case before the ITC.

• (1510)

We have first, the serious sets of cases which have damaged Canadian exports, and second, the spread taking place in the United States of our policy areas which the U.S. now believes are part of what constitutes subsidies.

I have before me the preliminary decisions of the Department of Commerce on the groundfish case. It lists within it 54 federal and provincial programs that were considered by the International Trade Commission in the United States to constitute potential subsidies. The Department of Commerce in turn reviewed them and concluded that they did represent subsidies. Some of these are absolutely crucial to the future of Canada, not just in the Maritimes, not just in British Columbia but right across the country.

We have The Export Market Development Program which is considered to be an unfair subsidy. We have the Regional Development Incentive Program that is considered an unfair subsidy. We have the Industrial Regional Development Program, something which goes into half the constituencies of members represented in this House, and that too is considered an unfair subsidy.

It is not just the federal Government which sees its programs and policies at risk, but also the provincial Governments. In the case of groundfish we see programs from New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec, in fact from all of eastern Canada considered to be unfair subsidies. Therefore, they could provide the basis for the United States to put up new tariffs which would damage producers on this side of the border exporting into the United States.

Our argument throughout this whole free trade debate is for a direct and agressive policy on the part of the Canadian Government to persuade the United States to cease using its countervail power in this way. The best way to do that is through a double-pronged program. First, is via GATT. In the renegotiation of the next round of GATT which starts this September it will be possible for us to have very powerful allies as we attack these various attempts by the U.S. to extend countervail power beyond the boundaries of what anybody expected in the last GATT round. We could have powerful economies like Germany, France, Japan and Great Britain with us as we make the case against the United States in GATT that its countervail approach is unfair trade. It represents a predatory attempt to overextend the boundaries of GATT's previous concerns and prerogatives.

Second, we have argued that it is crucial for us to take a much more aggressive position ourselves, that we take our own countervail program, which is extremely slow and unfair to the producers, and streamline it more so it becomes possible to use that program either directly through government or indirectly via producers to take retaliatory action against the United States when our producers are hit.

It may sound like the mouse that roared when you talk about Canada taking retaliatory action against the United States but the trade flows that exist between the two countries are of significant importance to both countries, and for us to have built into our legislation, as we advocate, the power to take such retaliatory action, is crucial.

At the moment we have a system where even to get the chance to take a case before our special import tribunal it is necessary for our producers to go to the Minister and get his okay. I recognize that the Minister is an eminently reasonable man, but that is not the kind of fast effective hard-hitting tribunal which can take us into a position where we can fight back against the U.S. in this war of countervail activities that has begun to develop between the two countries. That is the approach we have suggested.

On the other side there is, I believe, a myth. That myth is that we can somehow escape through these free trade talks from the countervail system itself. I have here dozens of reports of speeches by key American officials that make it absolutely clear that they will not give up their right to countervail under any freer trade agreement which we might sign. We have the statements of Mr. Merken to a Wayne State university group. He said quite clearly to them that there was absolutely no chance that the countervail system in the United States would be eliminated to benefit this country. He said that if the Candian goal was to get that kind of countervail it was simply not going to be possible in the trade talks. The same skepticism was expressed by the American representative for trade, Mr. Yeutter. He has said that he would not be enthusiastic about anyone being exempted from anti-dumping or countervailing duty laws.

• (1520)

We can continue with all sorts of comments from, as an example, the Select Committee on Economic Affairs in Ontario which went to Washington and interviewed many groups asking if it seemed at all likely that the countervail power might be, in any sense, restricted. In each case the answer was that there is no possibility that that route will somehow win a solution for our lumber, fish, strawberry, or hog producers.

The thrust for freer trade which we have set out upon is built on a wing and a prayer which, unfortunately, is almost doomed to failure. It is almost certain to fail because that power of countervail is so crucial to U.S. producers and politicians. It is for this reason that the Government should take a different approach. It should work through GATT and develop the retaliatory powers to enable it to fight back when countervailing actions are taken. That direction provides some hope as opposed to myth.

Mr. James: Mr. Speaker, I cannot help but be amazed at the anti-Americanism which comes from the Member for Essex—Windsor (Mr. Langdon). He talks about an aggressive position on countervail. Only this morning a member of his Party spoke about the real problem of countervail by the United States on our lumber. He now wants us to develop an even more aggressive position. He talks about the mouse that

roared. Now he wants us to develop an aggressive position while saying that we cannot negotiate or compete with the United States. He now wants us to become the aggressor, saying that that will be the solution. The arguments of the Hon. Member and other members of his Party are not coherent or organized. They are trying to create confusion to muddle the minds of Canadians. They present so many arguments which are diametrically opposed that they think the poor Canadians will not be able to figure this out. I am sure that they will be suprised.

The Member says that they want a war of trade. He wants the matter to turn into an adversarial situation of even greater proportion than it now is. This is terribly surprising and concerning. A member from his Party said this morning that we have not been talking and negotiating enough to avoid this potential countervailing situation in connection with rubber. He is also pre-empting the talks. Earlier there was rhetoric coming from this side indicating that things were being pre-empted and predecided. He has already made the decision that the U.S. will never give up on countervail. Yet, this morning the Member for Skeena (Mr. Fulton) said that potential countervail should not happen. We hear doom and gloom right from the start from that Party. The Member talks about a wing and a prayer. The Government knows that negotiations with the United States can fly and we intend to put the intelligent word out to the Canadian electorate in an organized and straightforward plan which they will understand, rather than relying on confusion.

Mr. Langdon: Mr. Speaker, I would certainly hate to leave the Member for Sarnia—Lambton (Mr. James) confused. That would do no good. My speech was not meant to be anti-American but to recognize certain realities which exist. These realities are, in some respects, the very same realities which the Minister of International Trade noted this morning. The fact is that there is a great deal of countervailing action being undertaken by the United States. It has been extended more and more widely, and has in fact been used by the Government as a reason for trying to undertake these freer trade talks.

The point is not that that is anti-American. It is a reality to which we must react. The question is what capacity we have with which to react and what is the best way to react. At the moment our capacity to react is limited. It was the conclusion of the special committee which looked at the issue last summer that our own countervail laws were not sufficiently strong. I simply make that point here.

We must choose the route which is likely to result in success with respect to trade. We are talking about trade wars—nothing more dramatic than that. This is a serious issue in my part of the country, as I suspect it is in the Hon. Member's part of the country. We must decide what is the best way to deal with that problem. I make the case that it is much better to take a route which draws allies with us and gives us the chance to try to push back against what has become a very aggressive American approach on trade, which is recognized throughout the world.

In closing, in its trade relations with the United States the European community has been very much more aggressive. I think it is working out solutions for which it is much more respected than is the case with us.

Mr. Caldwell: Mr. Speaker, I would like to address a question to my colleague from my neighbouring riding of Essex—Windsor. He continues to oppose the idea of entering into a bilateral trade agreement with the United States. He has many fears of this and plants the fear in people's mind that Windsor, which is a border town, is going to suffer because of any enhanced trade. He mentioned hogs as an example. Would it not be wiser if we were able to entrench that $800 million market with an agreement similar to what we have regarding the Auto Pact which the UAW opposed when it was being negotiated? They are now, of course, opposing any enhanced agreement with the United States. Is this not a similar situation? I cannot understand the Hon. Member continuing to be fearful of an agreement such as this when, at the same time, he holds up the Auto Pact as one of the greatest agreements ever signed. That pact was negotiated by Simon Reisman, the same person now negotiating for Canada on free trade. The UAW opposed that then, and now they oppose bilateral talks. Does he not want to see our farmers in Essex County get a good agreement, one similar to the Auto Pact?

• (1530)

Mr. Langdon: Mr. Speaker, that mixes together so many magnificient things that one hardly knows which string to pull to start with. Let me try.

First, each of us must attempt to assess the likelihood that we as a country are going to get from the U.S. something which will safeguard us. In the case of the Auto Pact, we got those safeguards because we were dealing with one sector and we fought very hard. Mr. Reisman himself said he opposed such safeguards, but the Government of the day, perhaps because of pressure from the UAW, who know, told him to insist on safeguards. Those safeguards, as he and I both know, have been absolutely crucial for and beneficial to Canada in that particular case. It is because of those safeguards that we hold up the Auto Pact as a sensible and desirable kind of development.

However, with respect to hogs, we have to ask the honest question: Is the U.S. likely to do away with the power to apply countervailing duties as it has done over the past year with respect to the Hon. Member's farmers and my farmers, all of whom have been hurt quite badly? As reasonable people I think we have to look at the evidence. I have tried to put a little bit of that evidence on the record today. We have the comment from Mr. Merken that they do not believe it would be possible to exempt any country from countervailing duties or anti-dumping laws. He, of course, is the U.S. deputy trade representative with special responsibilty for—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to participate in this debate today. As I do so, I ask Hon. Members to reconsider the motion before the House. It says:

That this House urges the Government not to proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used in the future, given the current threat of U.S. countervailing duties in the Softwood Industry—

That motion might easily have urged the Government to keep its word to the House of Commons concerning the softwood lumber industry. It might have been a motion urging the Government to keep its word to the industry itself. It might have been a motion urging the Government to keep its word to the Premier of British Columbia who has told BCTV, among others, that he has a commitment from the Prime Minister (Mr. Mulroney) that there shall be no separate deal with the U.S. on softwood lumber from B.C. or anywhere else in Canada. If such a commitment, and we only have the word of the Premier, was given to him, then indeed that commitment has been shattered. It has disappeared like the snow in spring.

We know that because we heard the Prime Minister say in this House that no separate deal, no preconditions, would be attached to free trade talks. We know that that commitment has been shattered as well. As recently as yesterday the Canadian Ambassador to the U.S., Mr. Gotlieb, was suggesting to the Americans that each country should appoint envoys to sit down and negotiate a separate deal on Canadian softwood lumber exports to the U.S.

The Prime Minister said he had a commitment from the President of the United States that there would be no preconditions. If the President gave the Prime Minister that commitment, then the President's word has been shattered as well. On May 8, just five scant days ago, he wrote a letter to Senator Packwood, Chairman of the Senate Finance Committee, saying that there must be—not "may be", or "should be" or "would be nice if there was"—but there must be separate negotiations on the export of Canadian softwood lumber to the U.S. He went on to say that if this cannot be achieved through bilateral negotiations, then he will take such action as may be necessary to resolve this problem consistent with U.S. law. This letter from the President follows by three weeks a tie vote in the U.S. Senate Finance Committee to initiate free trade talks. That followed by three weeks some kind of backroom manoeuvring in the U.S., arm twisting to get Senators on side to allow the free trade initiative to begin. It was a tie vote, and at that time it was reported that the President had made a private and confidential commitment to Senator Packwood to write him a letter indicating that the U.S. Government was committed to resolving this issue, to limit the import of Canadian softwood lumber, and that he would put it in writing.

Canadian officials in Washington and Ottawa scoffed. They said no such letter exists. Why? Is it because they were really interested in the letters the President was writing to U.S. Senators? No, they scoffed because the existence of this letter from the President of the U.S., following discussions between the President and the Prime Minister, following negotiations between the Minister of International Trade (Mr. Kelleher) and his U.S. opposite, indicates clearly there was a deal made between the Government of Canada and the U.S. administration that the price of getting the free trade talks started was the beginning of a separate deal to limit the export of Canadian softwood lumber from this country to the U.S. That is why they scoffed at the existence of a letter.

I do not believe, as the Minister of International Trade would have us believe, that he does not know where this letter came from. I do not believe, as he would have us believe, that he is not sure what the President of the U.S. is trying to say. I do not believe, as the Government would like us to believe, that this commitment by the U.S. President to the Senate Finance Committee, a very powerful committee, was written holus-bolus, out of the blue, without some pre-discussion and negotiation with the Canadian Government.

The reality is this. The Government of Canada has invested so much of its political capital, tied so much of its future to free trade negotiations, invested so much of its reputation in the successful outcome of those negotiations, that it has now politically put itself in the position where it can no longer say no.

• (1540)

The perception of beginning free trade talks and the completion of those talks is now more important than their substance. The Government of Canada had its back to the wall. A number of U.S. Senators told the President that he would not get a start to free trade talks without the votes in the Senate committee to initiate those talks. They said he will not get those votes unless the Canadians give in on softwood lumber and there is a commitment to limit the export of Canadian softwood lumber. The Government of Canada had no choice but to tell President Reagan to go ahead and make that commitment and it will make a separate deal on softwood lumber. That commitment was made either directly in a phone call between the Prime Minister and the President or through Mr. Deaver who informed the President in a visit to the White House. There is no way that such a commitment could have been given without the consent and advance knowledge of the Canadian Government.

The Government has given in on the question of generic drugs in advance of the negotiations. It has given in on the Foreign Investment Review Agency and on some aspects of the NEP in which it has placed the decision affecting Canada's oil industry back in the boardrooms of corporations south of the border. The Government is learning that by giving in on these matters in advance of negotiations it does not get any favours.

The Government has been giving away the shop, and every time it gives an inch, the U.S. administration or U.S. interests come back and look for another foot. That is what is happening to us in this softwood lumber industry dispute. This morning, the Minister for International Trade spoke in an

attempt to reassure Canadians that everything would be all right.

The Minister said that if the Government's about-face, 360 degree flip-flop, from no preconditions and no negotiations to the appointment of an envoy on each side to resolve the dispute, fails, he reminded the House that a similar action to seek countervail that was launched in 1983 by the U.S. administration did not work then and it will not work now.

I hope the Minister was only making that statement for public consumption, as part of the rhetoric that flowed from his speech. I hope he does not take the simplistic view that if all else fails we are in good shape. The world has changed dramatically since 1983. Mr. Yeutter, the U.S. special trade representative, stated in mid-April that the Canadian means of pricing standing timber is an unfair trading practice. That was not the case in 1983.

Recent Commerce Department decisions have taken a much more expansive view than in the past regarding the labelling of foreign government aid of natural resources industries as an unfair subsidy. That is a new interpretation by the Commerce Department that did not exist in 1983.

An omnibus trade Bill was passed by the House Ways and Means Committee in Washington several weeks ago. It contains language that would specifically find the pricing of natural resources as it is done by Canada to be an unfair subsidy. Finally, the President of the United States stated in a letter to Senator Packwood that the matter must be resolved in bilateral negotiations, and if it is not resolved he will take whatever action is open to him under U.S. law. That has changed as well. The naive view that we won in 1983 and will win again is not only foolhardy, it is dangerous. The Government must decide soon that the substance of its agreements between Canada and the United States is far more important than the perception that the Government is committing itself to its major initiative of free trade negotiations. It must decide that it will draw a line around a number of areas and that it has been pushed too far by the U.S. administration in clearing the decks for free trade negotiations.

The Minister of Consumer and Corporate Affairs (Mr. Côté) will add several hundred million dollars to the cost of generic drugs for Canadian citizens and untold millions of dollars to the cost of medicare in order to satisfy U.S. interests. That commitment has been given away. It cannot be negotiated in talks across the negotiating table. It is gone.

The Foreign Investment Review Agency has been rewritten to suit the interests of the corporate boardrooms in New York, Boston, Texas and elsewhere. It cannot be negotiated because it has been given away.

Canada's energy patch is in deep trouble. It is bleeding and weakened and is now wide open for U.S. corporate interest takeover. The protection of that sector was given away when the NEP was scrapped. It can no longer be negotiated because it is gone.

The U.S., seeing how desperate the Canadian Government is to begin these talks, with its political credibility and reputation on the line, decided that no talks will start until its demands are satisfied on the question of softwood lumber. The Government of Canada is amazed that the United States would do this, having won all these concessions even before the first day of negotiations. The United States is demanding that Canada voluntarily sit down and negotiate a reduction in our $3 billion worth of exports of softwood lumber to the United States.

That is what the Government of Canada has done. It has broken faith with the House of Commons. It has broken faith with the industry. According to the Premier of British Columbia who spoke on BCTV this morning, the Prime Minister has broken his commitment to the Premier that there shall be no separate talks.

If the Government cannot find the backbone to stand up to say that enough is enough, I suggest that it find a bit of steel for its backbone so it can state, in the words of this resolution, that the Government of Canada will not proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used. Failure to do so will mean that the Government is putting its political objective and its perception of reality ahead of the interests of the people of Canada, particularly those tens of thousands of Canadians who make their living from our renewable resource—our forests.

Mr. Brisco: Mr. Speaker, this morning and on previous occasions the Minister for International Trade (Mr. Kelleher) has been asked the question which was raised by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). That question related to the issue of preconditions, and the Minister has, on at least two occasions and probably more, given the House his straightforward assurance that there are no preconditions. The Hon. Member opposite alleges that there are preconditions. Does the Hon. Member not believe the Minister?

• (1550)

Mr. Tobin: Mr. Speaker, I hate to answer a question with a question, but how does the Hon. Member interpret the fact that the President of the United States has committed himself, despite his negotiations with the Prime Minister to a pre-negotiation, which is a precondition and a "pre-settlement" in his own words, of the Canadian softwood lumber controversy? He said: "I intend to press for an expedited resolution to this problem independent of the comprehensive negotiations". He states that it "... must be resolved before", not after, not during, not sometime. The President's words were: "... must be resolved before we submit to the Senate the results of the comprehensive negotiation". If that is not a precondition by the President of the United States, I do not know what else it could be called.

What conclusion does the Hon. Member come to on behalf of his constituents when he hears that the Canadian Ambassador in Washington, Mr. Gotlieb, on the instructions of the Minister for International Trade, presumably with the knowledge of the Prime Minister—although he claims to have knowledge of precious little these days—made a proposal to the U.S. administration that Canada and the United States should both appoint joint envoys to sit down and resolve our dispute about lumber? In the words of representatives of the U.S. industry and in the words of the President: "It must not only be resolved but be resolved before we submit to the Senate the results of the comprehensive negotiations". So it is not a question of believing or disbelieving the Minister for International Trade. It is a question of educating him, of making him aware, because he is obviously an innocent abroad, of the hard-nosed nature of these negotiations. The Minister could do with some direction. It is the same Minister who lost Prince Edward Island and Newfoundland in merely presenting a map of Canada. So it should not surprise anyone that he fails to understand the implications of the letter written by the President of the United States which states: "Before this Government shall ratify the agreement we must resolve in the interests of the United States, Canada's export of softwood lumber into our nation". If that is not a precondition, could the Hon. Member give me another word which Webster's might offer up in its place?

Mr. Brisco: What the Hon. Member for Humber-Port-au-Port-St. Barbe seems to ignore selectively is the fact that the issue of countervail, whether it is with forest products, steel, potatoes or berry crops, is frequently before us. It is an ongoing process. It has been there before, it is there now and, who knows, it may be there again down the road. Independent of any discussions, the Hon. Member should know that already a negative decision is on the horizon, in fact, even closer than that, with regard to the shake and shingle industry. However, the Hon. Member would not really be concerned about that because he has none of that cedar in his riding. He does not know what a cedar tree looks like. We in British Columbia do have some semblance of that industry and we know the impact of a negative decision.

Taken in the context of the Hon. Member's previous remarks with regard to the energy policy, to generic drugs and to the trade deficit, which he is obviously unaware we have in high tech, when one takes all of that into context, one must seriously question the allegations. Obviously, the Hon. Member was not in Alberta watching the deterioration of that whole province because of the National Energy Program. I was there. I saw it happen. I saw it go down the tube.

Mr. McKenzie: Sixty thousand jobs were lost.

Mr. Brisco: That does not make any difference at all to the Hon. Member for Humber—Porte au Port—St. Barbe. But I saw that happen and I saw the reversal. That reversal happened as soon as this Government was elected. It happened even before we cancelled the National Energy Program in anticipation of its cancellation.

Mr. Tobin: Can I respond to that, Mr. Speaker?

Mr. Brisco: Let me now get on to the Hon. Member's—

The Acting Speaker (Mr. Paproski): You had better get on with it very fast because he has only 30 seconds.

Mr. Brisco: This is the only country in the western world which shuts out the research component of the pharmaceutical industry to our detriment and adds to that a $12 billion deficit in research and technology, which is growing at 15 per cent every year.

Mr. Tobin: I will be very brief, Mr. Speaker, but I want you to note that the Hon. Member spoke for some 4 or 5 minutes in asking his question.

Let me say that it is a sad day indeed when a Member of Parliament from Newfoundland who has in his riding pulp mills, not the cedar shakes which are in the Hon. Member's riding, has to stand up and speak on behalf of the Hon. Member's constituents because that Hon. Member insists on putting his loyalty to his Party and to its political agenda ahead of his loyalty and commitment to his constituents and the industry which sustains them. It is a sad day indeed when Members of Parliament from Newfoundland must stand up to ensure that the interests of the Province of British Columbia are heard echoing off the walls of this House because nothing but a whimper of support for the Government's failed position is being heard from Hon. Members from British Columbia.

The Hon. Member knows that the only way the U.S. administration could get the U.S. Senate Finance Committee to go ahead with free trade talks—and we barely made it with a vote of 10-10—was when the President told Senator Packwood: "I will fix up that problem you and some others have with the import of Canadian softwood lumber into the United States, and I will put it in writing". Some three weeks later, just a scant five days ago, the letter came. In the letter the President of the United States states that that matter must be resolved by bilateral negotiations, and if it is not resolved by bilateral negotiations, then he will take whatever actions are necessary that are consistent with U.S. law. That is the reality. The Hon. Member may not call that a sell-out, he may not say that his constituents' interests have been sold to get free trade talks going, but I say that.

I am sure British Columbians thank God sometimes that there are Members of Parliament who are prepared to stand and be counted for every part of Canada, not just for their own home province when other Hon. Members see it as their duty to stand behind their Party and not behind their own constituents.

The Hon. Member was sent here to be the voice of British Columbia in the House of Commons. The people of British Columbia do not want an apologist to speak for them. Do not ever forget that.

Adjournment Debate

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Ottawa Centre (Mr. Cassidy)—The Cabinet—Code of ethics (a) Activities of Minister's wife. (b) Prime Minister's letter to Ministers; the Hon. Member for Spadina (Mr. Heap)—Housing (a) Funding of programs. (b) Extension of 1985 programs—Interim funding; the Hon. Member for Scarborough Centre (Mrs. Browes)—Canada Post Corporation—Private enterprise door-to-door delivery.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA U.S. FREE TRADE—RESCINDING OF EXISTING COUNTERVAILING DUTIES

The House resumed consideration of the motion of Mr. Riis:

That this House urges the Government not to proceed with any free trade talks with the United States Government unless that Government rescinds existing countervailing duties and guarantees that such duties will not be used in the future, given the current threat of U.S. countervailing duties in the softwood industry—an industry in which free trade now exists.

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I am delighted to take part in the debate which centres around such an important aspect of trade, particularly trade in a commodity which is so very important, a fact which has been pointed out today by several previous speakers.

I want to tell you, Mr. Speaker, that the motion before us clearly demonstrates, in my view, that the New Democratic Party does not understand what is the essential need to move forward with bilateral trade talks with our partners to the south. The very real threat, even in the last few days of countervailing action by the U.S. against Canadian softwood lumber, points to the very reason why it is absolutely essential to continue trade talks with the United States. What we are talking about here is gaining access and maintaining access to a market which takes 76 per cent of all lumber produced in this country. That is why we are going ahead with such vigour. It is to try to make sure, if we can, to preclude the kinds of actions and protectionist sentiments which are so prevalent in the United States.

• (1600)

I wish to point out that it was mentioned previously by my colleague, the Minister for International Trade (Mr. Kelleher), that to date there has not been a countervailling duty petition launched with regard to U.S. lumber interests. I have heard such terms as count-downs and figures such as $53.65 and 29 per cent mentioned. At this point in time it is important to recognize, in order to keep the record intact, that there has been no countervail launched.

I have been involved with the lumber issue for as long as anyone here in the House. Not only have I been dealing for the last 18 months with my own colleagues in Cabinet on this particular issue of trying to protect our lumber producers' access to that big market, but I have done so as provincial Minister as well. I fought very hard at that time in working with others in the country to try to do the same thing when the first countervail issue came forward in 1982. To those who think it is not going as well as it should be going, I suggest that they might want to ask the Ministers and industry representatives who were present then which particularly defensive issue has been handled in the best way. I can tell Hon. Members that the type of conferences that we had, the communications and the interchange of facts with industry and with the provinces are significantly better now than when I was a provincial Minister faced with the same type of issue.

I now wish to point out a couple of facts important to the debate before us. The first is that, despite the fact that there is a great deal of trade between the two countries and, in fact, that the U.S. depends on our country for a good deal of its commodities, the United States is still a sovereign nation. We are not yet in a position to dictate to it how its administration should administer trade remedy legislation. It is there and it can use it in the way it wishes. It is a sovereign state. We cannot impress on Congress how it should develop its own legislation. Congress will act in the way it wishes to act. It will bring forward such legislation as it deems fit and sees necessary.

The second fact is that the Government of the United States is organized differently from ours. On the one hand there is the administration, and on the other there is Congress, which acts independently of the administration. That fact is important because it leads to the third fact, that is to say that, generally speaking, the administration is known for its opposition to protectionism everywhere, including the U.S. Congress, but that protectionism still exists and still threatens Canadian softwood lumber. We do not deny that. It is something about which we have been aware for a long time.

With respect to lumber, Members of the House are all too aware of the intensity of the protectionist measures in the U.S. aimed at restricting our access to a market which is valued at well over $3 billion. The threats are not new at all. In recent years our lumber exports have been subjected to two investigations by the U.S. International Trade Commission and by yet another one, of extraordinary complexity, namely, the Department of Commerce. Neither of these investigations by

U.S. agencies under U.S. laws provided any substantiation for the persistent myth that Canadian lumber exports are subsidized. They both found that there was no subsidization and that Canada was trading fairly. Our softwood lumber exports are threatened by initiatives in the Congress and by potential trade remedy action triggered by the U.S. industry. I think it is important to note that it is not necessary to have many participants of the industry file a countervail action. It only takes one or two.

I would now like to deal briefly with the initiatives in the Congress which could adversely affect our lumber exports. We understand the pressures in the U.S. Congress. After all, we are all politicians here. The American lumber industry has experienced a protracted period of unprofitable operations and has suffered closures and lay-offs. I wish to tell the American people and the Canadian people that we, too, have shared in some hard times in this industry. We, too, have had shut-downs and lay-offs in this country. It is not unique to the U.S. We have not run to the bank all the time that the Americans have gone to the poor-house. It seems to me that only a market turn-around—and thank goodness there appears to be some indication of one—will provide a solution to the problem.

In this environment it is easy to understand the concern of the U.S. Congress for the American lumber industry. What I cannot accept is that Canadian lumber should be made the scapegoat for it. I remind Hon. Members that Canadian access to the U.S. market has been bought and paid for in previous rounds of multilateral trade negotiations. It has taken time for Canadian producers to establish their positions in the United States. They have done it by being competitive and by providing a product their customers want.

There are now about a dozen Bills before the Congress designed to restrict the entry of Canadian softwood lumber. Of most concern is the Bill introduced by Representative Gibbons of Florida, who happens to be Chairman of the House Subcommittee on Trade. The provisions of his Bill covering resource pricing policy, including removal rights, have been rolled into an omnibus trade Bill which has been reported out of the House Ways and Means Committee and is now being debated in the full House.

The resource pricing provisions of the new Bill would modify U.S. countervail law to deem that a subsidy existed where Canadian stumpage prices—that is, the price a lumber company must pay the Government for cutting down a tree on Crown land—fell short of an arbitrary figure based on American stumpage prices.

I wish to reiterate that the Government is taking the threat posed by this Bill seriously. On April 29, Ambassador Gotlieb wrote to 30 key members of the Democratic and Republican House leadership registering the Canadian Government's strong concerns over provisions of the omnibus trade Bill which could adversely affect Canadian trade interests. They are protectionist and inconsistent with the U.S. Government's international obligations. The letter referred pointedly to the resource pricing provision arguing that this provision would present a unilateral departure from the internationally-accepted definition of a countervail subsidy in violation of the GATT.

We will continue to bring our concerns on this trade Bill vigorously before the Congress. We will be making detailed representations to the administration shortly, urging it to continue its opposition to the protectionist provisions of that new Bill. In addition, as the House knows, a comprehensive and well co-ordinated Canadian campaign of private and public diplomacy opposing any restrictive action against softwood lumber has been mapped out and has been under way for some time.

This strategy runs along the following lines. We are trying to neutralize the U.S. campaign of misinformation by actively disseminating in the United States the Canadian perspective of this issue, by ensuring that the administration understands our opposition, and by conducting a co-ordinated campaign in the Congress. We are also bringing onside allies, and we have some in the U.S., alerting American constituencies which would suffer from restrictions on lumber imports, including, of course, the housing industry.

The campaign involves the co-ordination of a large number of players, including the embassy, all 13 Canadian consulates, and the Washington representatives of Canadian industries and federal and provincial Departments. We have argued that we are fair traders, that we are not benefiting at U.S. expense, that our success in the U.S. is based on competitive marketing factors, including a favourable exchange rate, consumer preference for our spruce, pine and fir and Canadian wood products, and superior productivity in our mills, which has been pointed out by several Hon. Members today.

I was gratified to note that these arguments were essentially supported by the U.S. International Trade Commission's recent Section 332 report. Our message continues to be communicated via congressional staffers, press briefings, speeches, testimony to congressional committees, information kits, and briefing sessions with Congressmen and administration officials.

The strategy we have been employing has enjoyed a number of successes. For example, we have received strong editorial support from major newspapers across the U.S. We have an excellent organization in place which links the federal Government, industry and the provinces. We have mobilized U.S. interest groups, such as transport interests, lumber dealers, home-builders and the like. They have coalesced in clear and vocal opposition to restrictive action against Canadian softwood lumber. In other words, we have succeeded in resisting the momentum for congressional legislation which would affect Canadian lumber exports.

• (1610)

The Canadian Government continues to work with the administration to help manage this lumber issue. To that end, Canadian and U.S. officials have recently resumed a new

round of talks at the request of the U.S. trade representative, Ambassador Clayton Yeutter, to review the factors affecting competition in the North American lumber industry and to clarify government policies and practices in Canada and the United States affecting the lumber trade. This morning, my colleague mentioned that another very important meeting will take place tomorrow.

The first meeting was held in San Diego in January. A technical session took place in Prince George from February 12 to 14, and of course discussions took place in Washington on March 12. A further meeting was held in Ottawa on April 11.

The Government of Canada and the lumber industry are now faced with a very real threat if trade remedy action is taken against our softwood lumber exports to the U.S. markets. While it is possible to fold certain aspects of the lumber issue into the trade negotiations, let me make it clear that efforts to erect barriers to Canadian softwood lumber exports to the U.S. will not be put on hold pending conclusion of the negotiations.

The U.S. lumber coalition still has available to it U.S. countervailing duty legislation which affords protection against alleged subsidized imports which are causing injury to the U.S. industry. The U.S. industry is now on the brink of filing a new countervailing duty petition against our softwood lumber exports. Through the strongest of efforts, we have managed to win a delay in this action and will continue to work with the administration to hold this action off.

If, in the end, the U.S. industry files a new petition, we will argue strongly that the Commerce Department should not accept the petition because its own guidelines on this matter note; first that the Commerce Department does not investigate programs that are clearly not countervailable. Second, it does not investigate programs determined to be not countervailable in prior determinations unless the petition shows new data. As I have mentioned before, several of those investigations have already occurred, including one complete countervailing duty action. Third, it does not re-examine a program found to be generally available in the prior investigation without new evidence of changed circumstances.

In view of the above, the Canadian Government finds a re-profiled petition difficult to understand in light of the clean bill of health we were given following an identical countervailing duty action against lumber which occurred in 1982-83. In that investigation, the Commerce Department totally and unambiguously rejected a U.S. industry allegation that provincial stumpage programs conferred a domestic or export subsidy on the Canadian softwood lumber industry. Incidentally, that decision was never appealed by the U.S. petitioner.

I have already made it abundantly clear to the administration at the cabinet level that we are strongly opposed to the initiation of another investigation. In short, if a petition is filed, we will take every opportunity to register with the administration our strong views that there are no grounds for the U.S. Commerce Department to accept a new petition and to institute a countervailing duty investigation against imports of softwood lumber from Canada.

There have been no significant changes in government policy and practice in Canada affecting the lumber producers since the 1983 countervailing duty determination. There have been no changes in U.S. countervail law which would justify a new investigation involving programs which the Commerce Department has already determined to be countervailable. In the Government's view, to proceed with such a case would be inconsistent with the Department's own guidelines with respect to acceptance of a countervailing duty petition as well as being inconsistent with the U.S. obligation under the GATT. Hon. Members should be assured that the Canadian Government will continue to commit the resources, the effort and the vigorous leadership required until this, our number one trade problem with the U.S., is resolved.

I would like to comment on a few of the remarks made by the Hon. Member for Skeena (Mr. Fulton) this morning. I think the record should be correct, and I am sure the Hon. Member would want it corrected. He referred to the efforts we are making to deal with this particular issue. First, he knows full well that the trade issue is the responsibility of the Secretary of State for External Affairs (Mr. Clark) and, more appropriately, perhaps, the Minister for International Trade. The important thing is to realize that we are working together with the provinces and industries to assist in any way we can the sectors for which we and other Ministers are responsible. Obviously, the sector in which I am most interested is one at which we have been working very hard.

The Hon. Member mentioned some figures that I should correct. As soon as I became Minister, I set up an industry and trade branch in the Department, something which never existed under the previous Government. The branch will have an establishment of 14 person-years when complete. We also have an economics branch consisting of 16 people which supplies the Government with data and analyses on trade and industry issues.

It might be important to note at this time that both of the Directors General of those two branches are active on the government-to-government negotiating committee. The heads of both these branches are playing a daily role with the staff of the Minister for International Trade on this particular issue. Naturally, we will always play a support role in trade because it is not primarily my responsibility, but peripherally and indirectly it certainly is. I intend to continue that kind of activity.

Adding all of that to everything else that has been done by the complete staff available to the Secretary of State for External Affairs and the Minister for International Trade, as well as my own personal staff, not large but active, I think we have made a major change in the thrust of the Canadian Forestry Service which in the past was essentially a research service. We have moved from a spectator's role to the role of a

key player in the discussions and negotiations that are now taking place.

Mr. Fulton: Mr. Speaker, I am sure the Hon. Minister would not want to leave the record with any bruises on it, so I will take this opportunity to seek some clarification from him. I think he would agree that in the Estimates of his Department under agriculture for 1986-87, some $500,000 is to be used to deal with the issue of softwood trade and difficulties related to the issue we are discussing today. An additional half a person-year or so has been added on.

Mr. Merrithew: Fourteen person-years.

Mr. Fulton: Fourteen new person-years have been added? We will deal with that next time the Minister is before the committee.

I would like to hear from the Minister his understanding of the issue of the countervail suit. It is my understanding that if there is not satisfaction with the envoy proposal on the U.S. side between now and next Monday, the countervail will be technically filed on Monday but the Secretary of Commerce will not take the full 20 days required to make a ruling. In fact, he will accelerate that by one week, meaning that the ruling on whether or not to proceed with the countervail would come only 13 days after next Monday. In terms of timing, the actual free trade negotiations are scheduled to begin in the middle of next week. Because of that timing, it would be very much in the interests of certain U.S. lumber interests that the countervailing petition be filed next Monday rather than this Monday so that it would roll over into the free trade negotiations which are supposed to begin in the middle of next week. I would like the Hon. Minister to clarify that for me.

My second point deals with the Gibbons Bill, the resource-pricing provisions on which the Minister touched, and the new removal rights clause. As the Minister knows, that was voted through last October by the subcommittee so it can, in fact, on very short notice, go to the floor of the Congress.

Does the Minister think it is more likely that the very powerful U.S. forestry industry lobbyists who are loose on Capitol Hill are likely to accept the envoy proposal if there are no volume pricing provisions provided as a possible concession from Canada? Second, does he not agree that it is likely that those hardliners in the U.S. Senate and House, both Republicans and Democrats, who have been pushing this issue will want to go the Gibbons Bill route? That route would guarantee them the new arbitrary evaluation procedure between U.S. standing wood and stumpage and Canadian Crown or private standing wood and stumpage, as opposed to going through the new countervail, even though recent rulings by the International Trade Commission and the Department of Commerce indicate that it is somewhat more likely that they would be able to find a countervail against Canada under a 1986 application rather than under the 1982-83 process which Canada won at only 1 per cent.

• (1620)

Mr. Merrithew: Mr. Speaker, I want to address three or four of the comments of the Hon. Member for Skeena. First, I made the point on the countervail because the dollar figure and a percentage were actually mentioned this morning. We would not want to leave a perception in the minds of Canadians that that petition has already been filed. It has not been filed at this point in time. However, the figures were mentioned both in dollar terms and in percentage terms. The Hon. Member himself used the phrase "the clock is running", which I understand may very well be the case. I wanted to ensure that there was no misconception on the part of the Canadian public.

In the meantime, negotiations and discussions will take place tomorrow. As the Hon. Member well knows, undoubtedly they will be important. He is absolutely correct that the concept of removal rights in trade legislation did get by a subcommittee and awaits discussion of the full House. He is absolutely correct as well that those kinds of phrases in that legislation pose a threat to us. However, the legislation has not passed.

The Hon. Member knows as well that many of the Senators will be going to the polls later this fall and that there may be trade-offs, as there have always been in their democratic system, in which they may volunteer support for one aspect of trade legislation in exchange for something else. However, we are not privy to that information, and the only thing we can do is to make the strongest possible representation to all Congressmen and Senators that we do not think it will serve free trade, freer trade, or enhanced trade very well.

Mr. Fulton: Mr. Speaker, I have a very short supplementary question. As the Minister knows, British Columbia was informed late last night directly by telegram about the latest proposal of Canadian and U.S. envoys to look at concessions. Does the Minister think that that is enough time for provinces such as British Columbia, which ships about 60 per cent of Canada's over-all softwood lumber into the U.S. market, to take a close look at this approach, or is it in fact true that there is not much co-operation coming from Premier Bennett on this issue?

Mr. Merrithew: There is no question that we are down to the eleventh hour on the issue. No one is taking it lightly. After discussions it was felt that the concept of an envoy or envoys might very well resolve issues which we have been unable to resolve as of this time in government discussions, in discussions between politicians at every level, or in discussions between the United States administration and the Canadian Government. It was just an idea that was floated. The provinces were informed of it. Hopefully, later this week, depending upon certain things happening, Trade Ministers will meet with Forestry Ministers to discuss that concept fully.

Mr. Riis: Mr. Speaker, I have a question for the Minister of State for Forestry (Mr. Merrithew). It does not concern

softwood but concerns the red cedar and shake problem. It has nothing to do with subsidies, by the Americans' own admission, but from what I can gather they are concerned about competition and the problems caused by that competition in the United States.

The International Trade Commission recommended that the President step in—and I ask the Minister to confirm this—and impose a duty of about 35 per cent on our red cedar shingles and shakes. Could the Minister confirm that that is a proposal or initiative of the ITC? If so, why is that proposal being made in light of there being no subsidies?

Mr. Merrithew: Mr. Speaker, the Hon. Member knows that the shakes and shingle industry in the United States has filed an action against Canada. Again we are perceived to have some sort of subsidy or benefit for our producers, much to the chagrin and loss of American producers. Also it is interesting to note that the vote on the preliminary ruling was very close. I think it was three to three or four to three, or perhaps the reverse of those numbers. However, it is important that they recommended to the administration that there be a 35 per cent countervail duty not on all shakes and shingles but on red cedar shakes and shingles only. We have protested that in no uncertain terms. We have some doubt as to whether the U.S. industry can supply all the demand. We have fought that all along the route and will continue to do so.

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the Government has embarked upon a number of steps aimed at securing and improving Canada's access to world markets generally and to the U.S. market particularly. I want to take this opportunity today to outline the many important considerations which have led us to conclude that these initiatives were essential to promote the well-being of the Canadian economy and future prospects for a continued healthy growth of output, employment, and incomes of Canadians.

In my judgment, the very substantial consensus across the length and breadth of the country in support of seeking a comprehensive trade agreement with the United States reflects a growing concern that the Canadian economy is becoming increasingly vulnerable as a result of a number of adverse developments which have been building up for a period of several years.

Taken together, these developments present a serious threat to a continued healthy growth of Canadian output, employment, and real incomes. As the C. D. Howe Institute put it in a recent statement, "The *status quo* cannot be the goal of economic policy if Canadian living standards are to continue to rise in the future".

Canada has long been in the forefront of the countries which have supported the progressive liberalization of world trade under the GATT, and indeed continues to be in that position. However, there has been a growing appreciation that further progress on the international front is likely to be very slow and to address only a limited number of pressing concerns which Canada has with the United States. It is this market which currently absorbs more than 75 per cent of all our merchandise exports and is critical to the well-being of the Canadian economy.

It has become glaringly evident that the policies and practices, which may have served Canada well in the past, have become increasingly untenable. The necessity of adjusting to rapid change is now one of the inescapable facts of Canadian economic life. The C. D. Howe Institute declared recently in its *Policy Review and Outlook, 1986* the following:

> Governments can try to delay the inevitable by preserving the *status quo*. But delay simply increases the magnitude of the adjustments when they come, as come they must.

One of the major forces for change which has developed over the past several years is the massive increases in trade protection pressures that have taken place around the world, particularly in the United States, the major buyer of our exports.

South of the border these protectionist measures have taken two forms. One is increasingly intense resort by U.S. firms and the U.S. administration to existing trade protection measures such as countervailing and anti-dumping duties and so-called safeguards, in an effort to cut back the flow of exports from Canada as well as from other countries. Of equal or greater concern are the more than 300 Bills currently before Congress to establish new protectionist measures, many of which could have a seriously adverse impact on Canadian imports and Canadian jobs. Existing and proposed protectionist measures pose a threat to more than just current exports and current jobs. They also serve to compel some Canadian companies to invest south of the border in order to avoid such measures, as Bombardier felt required to do to help secure a $1 billion order for subway cars in the United States. The result of such developments is a loss of investment that otherwise would take place in Canada and the loss of new jobs that otherwise would be created in our country.

• (1630)

Even more important, Mr. Speaker, than the present and prospective protectionist threat to our trade with the United States is the increasingly adverse impact of a number of other developments that have combined to compound severely the problems we face as the only industrial nation in the world, other than Australia, that does not have free access to a market of 100 million people or more.

Included among those developments is the continued decline in relative importance of Canadian resource exports both because of changing technology that has led to the replacement of some of these products by other materials, copper wire by fibre optics, for example, and because of the increasingly intense competition from a number of less developed countries.

In addition, we have faced increasingly significant competition in the field of manufacturing from the newly industrialized countries, such as, South Korea and Hong Kong. Canada has also faced increasingly intense pressures in the marketplace at home and abroad from other more advanced industrial

nations. The problem is not one that has suddenly developed overnight. Instead, it is one that has been developing for some years. In a document published in 1983 entitled *Canadian Trade Policy for the 1980s*, the former Liberal Government warned:

> Our competitiveness is slipping compared to our major trading partners and we are not as well positioned as our competitors to export manufactured goods—the area of greatest anticipated growth in the 1980s.

A similar warning was sounded more recently by the Canadian Manufacturers' Association. Given the right policies, the Association said:

> Canada's employment of two million people in manufacturing could be increased by 25 per cent by the year 2000. That prospect would grow more and more elusive if we just kept on our present course . . . Our major competitors are already ahead of us in the productivity race.

The fundamental problems created by Canada's small domestic market and lack of secure and more open access to a larger market has been accentuated by what the CMA have characterized as a "world scale explosion of new technologies" that has by now set in motion a "fourth industrial revolution".

Most critical of all, however, is the increasingly severe problem faced by a number of Canadian manufacturing industries that are falling progressively further and further behind in the international competitive race because their lack of assured access to a major market results in declining efficiency and heavy costs. The result is that the productivity of our manufacturing sector is in the order, on average, of 25 per cent or more below that of the United States which, in turn, results in substantially lower real incomes in Canada.

In the early 1960s, the process of rapid technological change was threatening to drive the Canadian auto industry to the wall because the relatively small domestic auto market failed to provide the volume of sales required to achieve maximum efficiency and the lowest possible costs. The Macdonald Royal Commission underlined the fact that it was only because of the opening up of the U.S. market under the Auto Pact that the Canadian automotive industry was able to achieve the strong and healthy growth it has experienced over the past two decades.

The problems facing the auto industry in the early 1960s are very similar to those that now face a number of other manufacturing sectors, stated the Commission. It said:

> Our industry urgently needs to increase economies of scale in order to realize greater productivity.

To achieve that important objective, it requires assured and open access to a large market such as that offered by the United States.

The economic benefits that would flow to Canada from the implementation of a comprehensive trade agreement with the United States would depend on a number of factors, particularly the extent of the reduction or elimination of the existing barriers and the provisions made by phasing in the reduction of those barriers over time.

Assuming that the agreement is broad in scope and phased in gradually, a number of calculations have been made by several of Canada's outstanding economists. On balance, they have concluded that the benefits for Canada would be very significant in terms of increased output, of employment, and the real incomes of Canadians.

It has been estimated, for example, that Canada's annual national output would increase by some 3 per cent to 8 per cent as a result of a trade agreement with the United States, which is on top of normal growth that might be expected.

Similarly, it has been calculated that the number of new jobs created might increase by as much as 5 per cent within two years of the start of the implementation of an agreement.

By one estimate, real incomes in the manufacturing sector could be expected to increase by some 28 per cent as the productivity of that area of the economy moved into line with that in the United States. In addition, one well known firm engaged in economic analysis, namely, Informetrica Ltd., recently concluded on the basis of its projections that a comprehensive trade agreement with the United States "would provide positive results from the beginning, and across almost all sectors and provinces".

Not the least of the benefits that would flow from a comprehensive trade agreement with the United States would be a significant reduction in the relative costs of a great many of the things that Canadian consumers buy directly and indirectly, together with a substantial increase in the range of consumer choice.

The initiative undertaken by this Government in proposing the launching of the negotiations aimed at reaching agreement of a broad nature with the United States has commanded strong support of several major business organizations and national economic institutions in Canada. This approach was also strongly recommended by the Macdonald Royal Commission on the Economic Union. The Commission declared:

> We are convinced—that the potential economic benefits to Canada of freer trade with the United States far outweigh the costs, and that the principal hazards can be met by instituting appropriate policies of adjustment. Given Canada's increasingly isolated position in the international economy at large, it is difficult, in any case, to conceive of a genuinely effective policy alternative.

Among the many advantages that the Commission considered would be yielded by a trade agreement was that it would enable Canada so to strengthen the competitive capacity of its economy over time that it would be able to reverse and reduce its growing dependence on the United States economy through increased exports to other markets around the world. Paradoxically, we believe that improved and secure access to that market will, in the long run, be the best means of achieving greater diversity of our economic and trade relations.

• (1640)

One of the most immediate and important gains that we would expect to obtain from a comprehensive trade agreement is a substantial measure of protection for Canadian exports from both present and prospective U.S. protective trade

barriers. While Canada urgently requires more open access to U.S. markets, it also has a desperate need for security of that very important access.

In addition to providing more secure access, it is to be expected that a new agreement will result in the elimination of some other substantial barriers to trade other than tariffs. That would be things such as "buy America" provisions which severely restrict the market for Government procurement. A trade agreement could open up that very substantial market which amounts, at present, to something in the order of $500 billion per year.

In summary, we in Canada find ourselves at a critical crossroads in our history. The choice we face is threefold. We can hold to our present course, which threatens to lead to a continuation of the erosion of our international competitive position which has been under way for some years, and a continuing decline in the comparative well-being of the Canadian economy in terms of growth, production, jobs, and wealth. One alternative to this is to do nothing. That course is to retreat behind the protective walls of "fortress Canada", which I am sure most Canadians will recognize as a sure-fire recipe for disaster on the part of a nation which has lived by trade with the rest of the world for so many years.

Finally, we can choose to follow the course of substantially reducing the barriers between Canada and the United States which is the only road that offers the promise of substantially strengthening our economy and bolstering its ability to grow and prosper in a fiercely competitive world. Is it any wonder that most Canadians have concluded that there is no real alternative to the approach to trade that the federal Government has elected to follow with the firm support of a broad segment of our nation? Surely this is an idea whose time has really come.

Mr. Lesick: Mr. Speaker, I hope the television cameras have allowed Canadians throughout the nation to hear my colleague, the Member for Sarnia—Lambton (Mr. James), speak this afternoon. He told us the facts. He spoke the truth. He has been in the House all day listening to Opposition Members and Members of the Government speak. His speech was positive. It told us that we do require a comprehensive trade agreement. We heard all of his good reasons for this and all of Canada should know about them. A 28 per cent increase in manufacturing will mean lower prices and more jobs. What we need more than anything is assured access to American markets. That is what the comprehensive trade agreement will achieve for us.

I know that my colleague, the Member for Sarnia—Lambton, listened carefully to the remarks of Members of the Opposition. Why are Opposition Members afraid of trying something new, different, and positive such as the Member spoke about? The Opposition has been swinging at puffs of smoke. Why do Members of the Opposition have these fears?

Mr. James: Mr. Speaker, I do not understand where members of the Opposition are coming from. They seem to be contradicting themselves so many times. This afternoon I heard an Hon. Member speaking about the 10-10 vote of the Senators. Could you imagine the hue and cry there would have been if the Senators had voted "no"? When the Senators on the Finance Committee were deliberating, we heard that a number of them were concerned about whether to vote positively. Members on the NDP benches wondered why the Government had not sent representatives down there to communicate. The next minute they do not want to communicate. I am not sure where this comes from. I am sure that if the Senate Finance Committee had voted "no" they would have said that that was a terrible thing.

The other thing that concerns me is the lack of objectivity in the rhetoric. The Member for Essex—Windsor (Mr. Langdon) was speaking this morning with doom and gloom and telling us the reasons why we should not enter these negotiations. He did not seem to have any objectivity. It seems that one can say anything in this House without any facts to back it up. He said that they never agreed to countervail.

Another thing that really gets me excited is that the President said he would like to clean up the countervail situation on softwood lumber. This morning the Member for Skeena (Mr. Fulton) said that that is what he wanted to have done. This afternoon someone said that it is bad that the President wants to have that cleaned up. They seem to have a problem making up their own minds. The Government has made up its mind that negotiating a trade agreement with the U.S. will give us jobs, which is what the country needs.

Mr. Riis: Mr. Speaker, perhaps I can shed some light for the last two Members who asked what the Opposition is concerned about with regard to dealing with something new. We have had free trade in softwood lumber for half a century. This is nothing new. We have had, by and large, a very good trading relationship with the United States in softwood lumber. However, because of the difference in currency, and because our mills now rank among the most efficient in productivity anywhere in the world, and because our labour force also ranks among the most productive anywhere in the world in the woods industry, we are able to out-compete the Americans on their own turf. We have had free trade in lumber for 50 years. They now want to stop free trade.

We have done so well in that area that the Americans are afraid of the Canadian competition. We are concerned that that same mentality will be extended to a whole variety of commodity and product areas. Is this what free trade is all about? That is the reason we have indicated concern about the open-ended support for the free trade concept.

Mr. James: Mr. Speaker, that is why I am concerned that the Opposition is negative about entering into a trade agreement with the U.S. The Minister of International Trade (Mr. Kelleher) said from the outset that one of the main reasons for negotiating an agreement with the U.S. would be to negotiate away the countervail situation which exists. That is always a possibility under GATT. We hope to be able to negotiate on

that countervail situation. In addition, we would have a tribunal to handle any irritants which still develop.

• (1650)

It seems to me that this is the very thing that the NDP would like to have. I know that the softwood lumber industry is very important. I agree with the information given to us today by a member of the NDP concerning the number of jobs in the U.S. which are contingent upon that industry. This Government has tried to have that story told. When I was at our Washington Embassy, they explained to us the whole story. It was very important and they were getting the story out.

The Acting Speaker (Mr. Paproski): I will entertain a short comment and question from the Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. Orlikow: Mr. Speaker, I want to congratulate the Hon. Member. This is the first time I heard a Government Member make mention of information available from the Department of External Affairs which analyses the "buy American" policy. If the Hon. Member would look at that information he would understand our concerns. I am reading from a document prepared by our Department of External Affairs. It is headed "Buy American". It shows that U.S. preferential public purchasing policies date from 1933. Those policies generally provide that federal Government procurement for use within the U.S. must be restricted to domestic products unless the purchase of such supplies is inconsistent with the public interest. It then goes on to list a whole series of subsidy programs for the American fishing and agricultural industries. It then lists alphabetically every state in the U.S. and the restrictions they put on purchases in their states against every other state in the Union, let alone purchases from Canada.

We are being urged to give up the things we do to protect our industry and jobs. When is the Prime Minister (Mr. Mulroney) or Mr. Reisman going to ask the U.S., if we have to give up our protection, when are they going to give up their protection? When are we going to stop negotiating with both hands tied behind our backs?

The Acting Speaker (Mr. Paproski): I will give the Hon. Member 30 seconds in which to reply.

Mr. James: I would just like to say again that that is one of the reasons we would want to negotiate an agreement with the U.S. Certainly "buy American" is a concern, an irritant. I believe I said that in my dissertation this afternoon. It is a tremendous market and we would like to have access to it.

The Acting Speaker (Mr. Paproski): I regret but questions and comments are now terminated. The Hon. Member for Kootenay West (Mr. Brisco).

Mr. Bob Brisco (Kootenay West): Mr. Speaker, the story of this Government is a story of success. It is an indication that our Government has been working. In spite of the laughter in the NDP ranks, we will be able to demonstrate in a few words the kind of economic progress which Canada has made in the last two years.

Already our successes are starting to show. Momentum is building. We have not allowed inflation to devour the earnings of Canadians. That is a success. With inflation under control, we have started to nudge the economy into first gear. We were able to drop the unemployment rate from 11.6 per cent to under 10 per cent. That is a real figure. There are over 600,000 people across the nation who know the meaning and feel the worth of that number. They can give at least partial thanks to their federal Government for the employment we helped to create. We are now creating new jobs at the rate of over 1,000 per day. That is the act of a responsible Government, a Government that works. Canada is stronger now as a result of the policies of this Government.

Employment is not the only indicator of our successful policies. For the first time in a number of years productivity is increasing at the same time as employment is growing. That is a significant trend. In the last five or six years productivity gains were made at the expense of employment. Now more and more Canadians are joining a workforce which is becoming stronger and more competitive. Canada is becoming a stronger nation. We are no longer hewers of wood and drawers of water. Canadians can be proud of this nation's growing sophistication and diversified industrial base which makes us a major trading nation, the seventh largest in the world. While some 60 per cent of Canada's exports remain resource based, a growing proportion are being processed in Canada. Less than one-third of Canada's exports are now raw materials. We are a nation relying more and more on the ingenuity and skill of our highly-trained workforce for today's production and tomorrow's national wealth.

We have a strong and growing economy. Exports have jolted the sometimes sluggish economy. Compared to the U.S., our economic recovery has been stronger. In 15 months the Canadian economy zoomed ahead at an annual rate of growth of 6.1 per cent, compared to 2.6 per cent for the U.S. Our growth in employment has outpaced the U.S. More important, Canada's increase in productivity in the last year and three months has been five times as great as the U.S.

Canada has not been so strong for years. Never before have so many Canadians been ready to take on the world, to recapture our share of foreign trade. Since the recovery began, Canada has increased the value of its exports by 40 per cent. That is double the increase following any other recession since the Korean War. Trade is important. Exports continue to contribute to Canada's standing as one of the world's strongest and largest trading nations. We are second only to Germany in the amount of economic activity which depends on trade. One of the things that sets Canada apart is the degree to which this nation depends upon trade. Some 30 per cent of our economy depends upon international trade. That is almost twice the average for the western industrialized countries.

That dependence, of course, is a double-edged sword. As long as Canadian workers can remain competitive, we will

continue to create jobs through export markets. It goes without saying that if Canada's workers are to remain competitive, then industry itself must remain competitive, and that responsibility falls upon industry. Currently, more than three million workers owe their jobs to international trade. A strong trade performance means undeniably more jobs. For every $1 billion in merchandise exports, 16,000 jobs will be created in Canada.

The other side of that sword is that if Canada does not maintain its competitive edge, jobs will be lost. In the 1970s the Government allowed Canadian productivity to drift. The result of looking inward was that Canada's share of world merchandise exports dropped .5 per cent to 4 per cent in 1983. What is .5 per cent? The Economic Council of Canada noted that it was worth employment for 160,000 Canadians. Through the gradual reduction of international trade barriers, Canadian producers have become more competitive, the Canadian economy has become more productive and efficient, and this encourages the nation to concentrate on what we do best.

Increased trade has benefited Canadian consumers and producers alike. Yet we must not lose sight of the bad news. In the last 10 years, Canada has lost ground to other traders. This country must run to keep up with the pack. We have to apply even more energy if we are to make the best of available economic opportunities.

• (1700)

Since the First Ministers met in Regina, this Government has been pursuing a three-point strategy to improve Canada's economic performance. Those three points are: Improved trade competitiveness; secured and enhanced access to foreign markets; and more effective international marketing.

GATT and U.S. trade are two important opportunities. The goal of secured and enhanced access to foreign markets will be sought on two fronts, through the bilateral negotiations with the United States and through the continued and active role that Canada will play in the upcoming round of talks on GATT. Together, this two-point strategy will lead to a growing world of economy and to particular benefits at home where new employment will be generated.

The Government has had an equal emphasis on bilateral and multilateral negotiations, not on the joys of continentalism, nor on the merits of putting all our eggs in one basket. Neither are subscribed to by the Government. We must seize the opportunity and secure a greater share of world trade for the benefit of Canada. That can only be achieved by permitting trade patterns that benefit both sides and having a trade policy which recognizes the need of both importers and exporters.

Since 1968, Canada's share of world trade has been declining and, in parallel with that trend, so have Canada's employment opportunities diminished. In the past decade Canada looked inward and concentrated on domestic problems.

There is a new confidence in Canada. Our economy is improving and expanding. More people are working. Canadians are up to the challenge to reach out and trade with the world.

Canada's national Government knows that we can compete and Canadians know that we can compete. We want to harness their confidence. The Government's obligation is to regain the advantage we once had in order to put more people back to work. We must do this through enhanced trade, and that is the mission that drives this Government.

Our objectives are to explore a trade agreement with the United States which is mutually advantageous. The Government has established four basic means for securing and enhancing access to that market. One is fair trade by reducing the scope for harrassing competitive Canadian exports. There are over 300 Bills in Congress which seek to limit Canadian exports. We would like to see this kind of retaliation against fair trade curtailed.

The second is fair protection by codifying rules on subsidies to industry, agriculture and fisheries. Both countries use domestic subsidies, yet there is no agreement on what constitutes a fair subsidy. We would like to see clearer rules which would stop Canadian policies from being attacked by U.S. protectionism.

The third is fair access by reducing the impact of "buy-American" laws and eliminating U.S. tariffs in order to give Canadian companies access to U.S. federal and state government markets that are worth as much as $500 million annually. We want to see the pressure on Canadians to transfer products to the United States removed.

The fourth is fair settlement by agreeing on effective mechanisms to settle disputes about trade. Canada and the United States have many disagreements, but no means of arbitration. We would like to see more predictable rules to allow problems to be quickly and fairly addressed and resolved.

What are the benefits to Canadians? There are a number of studies which point to the benefits of enhanced trade. The Macdonald Commission generated over 40 studies which dealt directly with Canada-U.S. trade. An extensive range of studies have been undertaken within the Government. These reports prove the merits of the trade initiative.

The studies agree that the reduction of trade barriers would stengthen Canada. The economy would grow by 8 per cent. Productivity would rise without a trade-off in total employment. Jobs would be created in both the manufacturing and service sectors. Average incomes would increase, and some studies show that wages would increase by as much as 13 per cent to 15 per cent. Exports would rise and consumers would benefit from lower prices.

With transition periods and phased elimination of trade barriers over eight to ten years, we will experience managed and orderly adjustment. That kind of change is preferable to that which comes from a factory door bolted shut because of

lost export sales. It is that kind of planned and phased in change that will make Canada stronger.

Many factory workers already experienced this kind of change when the Auto Pact was signed in 1965. In the words of Bob White, President of the United Auto Workers, the Auto Pact: "Led to a major expansion of trade." He said: "We have modern plants in Canada with state of the art technology. We have a skilled workforce and our labour costs are very much in line".

There will be adjustment, just as there is now. However, with improved trade rules, this adjustment will lead to a better tomorrow. It is based on job creation, not job loss. The Government would like to see those working in other sectors have the same benefits that auto workers now enjoy. Why should Bob White want the benefits restricted to his workers? Let us have trade rules that cover as much of our cross-border trade in goods and services as we possibly can and build upon the excellent start that was made with the Auto Pact.

Some studies have assumed that any Canadian based company exposed to new competition would just wither and die. That is scarcely the Canadian way. That is not the Canada that I know. Canadian managers would stay and fight, as they did after the Auto Pact was signed.

Enhanced or no enhanced trade, Canadian subsidiaries are in Canada for good. Many Canadian subsidiaries are no longer branch plants but independent companies with their own world wide mandate.

It is not Canada's high tariffs that keep subsidiaries in Canada. Many studies have shown that companies are interested in the nearness to the market and the quality of the Canadian labour force. These will not change after any possible agreement with the United States. Canada will still be a good place in which to invest and a good place to be employed. It will be a good deal, or there will be no deal.

The Cabinet and the Prime Minister (Mr. Mulroney) will only consider an agreement if it is in Canada's best interest. It will be a good deal, or it will be no deal.

Mr. Fulton: Mr. Speaker, I rise on a point of order. Are we allowed to read speeches under the new rules or are we supposed to give speeches?

The Acting Speaker (Mr. Paproski): Experienced Members should not be reading, but there are opportunities for the Hon. Member to look at notes. I am sure the Hon. Member is well aware of what the Hon. Member for Skeena (Mr. Fulton) has just said. I know that these are just notes. He is entitled to refer to them.

Mr. Brisco: As the Prime Minister stated:

> International negotiations are complex and extremely challenging. Success is not a sure thing but the results of success are well worth the enormous effort and good faith required for the negotiations.

This is a winning proposition. Negotiations for both multilateral and bilateral trade agreements will lead to investment, expansion, modernization and specialization. Canadian businesses will become better competitors. We are pursuing agreements with the United States and the world which will prepare Canada for the 21st century.

Earlier today, the Hon. Member for Kamloops—Shuswap (Mr. Riis) addressed the House on the subject of free trade, particularly with regard to the forest sector. I am grateful that my prompting provided him with an opportunity to explain to the House why the United States is so concerned about the forest sector and why that country's productivity is simply not on the same competitive basis as Canada's. When I asked why, he responded correctly. I asked him to give us the corollary by telling us what is happening in the United States, which he did. He did it very well and very forthrightly. I would suggest to the Hon. Member that the one element he left out of his speech, and I am sure he is aware of it, is that the recession in the United States was not as deep as ours at the outset and was slower in coming. Our forest industry in British Columbia was actually in that serious downturn before the United States. So we have gone through the recovery stage and it has been a remarkable recovery. We have seen improvements in our sawmills and pulp mills. We have seen increased productivity as a result of modern equipment. I am grateful to the Hon. Member for having put that on the record.

• (1710)

I would also like to say to that Hon. Member and to all Hon. Members of the House, particularly those who come from our forest regions, that the matter with which we are faced is one which is not only of concern to us. It is of concern to 140,000 businesses, members of the United States national building organization. That vocal group supports the position Canada has taken. It is incumbent upon us as Members of Parliament, regardless of Party, to work collectively for the betterment of Canadians and of forestry workers to whom we are dedicated.

In conclusion, I think it is important to indicate that it is going to take a collective will in British Columbia to resolve its economic problems. It is going to take a collective will in Kootenay West. Earlier today the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), indicated he, an Hon. Member from Newfoundland, was the only one who was speaking for Kootenay West and British Columbia. Of course, I reject that statement categorically, particularly when I look at the Hon. Member's record of speaking on behalf of the forest sector as spokesman for the Liberal Party. One only needs to examine the *Hansard* Index to see how little he has said about trees.

Kootenay West is a riding which has suffered seriously in this economic downturn but it is slowly recovering. I would like to give that community the reassurance that we will see a new lead smelter at Cominco, that we will see a rejuvenation of industry in that community that by working together with community action groups and employing the ideas which develop within those groups along with the ideas and experience from the outside.

I would like to make reference to Sudbury and its particular approach to its problems which provides an excellent format for any economically depressed area. I would like to give my constituency the assurance we are doing everything we can to join them in getting the economic condition of that one area back in tune with the rest of Canada so it can enjoy the successes which are presently before us, particularly in the industrial corridor.

Mr. McCurdy: Mr. Speaker, the previous speaker, once again, cited the Auto Pact as an example of free trade. He suggested that Bob White would deny Canadians the same gains resulting from free trade that the auto workers received as a result of the Auto Pact. The Auto Pact is an arrangement of free trade in a commodity in which there is a proportionate Canadian value-added and a proportionate number of jobs guaranteed to be produced in Canada in proportion to the exchange of that commodity between the two countries. Perhaps the Hon. Member thinks he can change Bob White's mind and our minds by telling us that this is what we are looking for, that kind of arrangement in all sectors of trade between Canada and the United States which is precisely like the Auto Pact. Or are we going to stop this nonsense of describing the Auto Pact as a model for something of which it is not a model? If the Auto Pact is such an excellent arrangement, why is it that the Government persists in undermining it, as attested to by all the major domestic manufacturers, the unions—that is the assembly corporations such as Ford, GM and Chrysler—the UAW, the parts manufacturers and the tool makers? They are all complaining that if the Government continues in its present path of undermining the Auto Pact by encouraging the construction in Canada of assembly-only South Korean and Japanese plants, then all of 15,000 to 20,000 jobs, or perhaps as many as 200,000 jobs, may be lost because the Auto Pact has been undermined. Will you answer that question?

The Acting Speaker (Mr. Paproski): Order, please. I will ask the Hon. Member for Kootenay West (Mr. Brisco) to answer the question. However, I am sure we are talking about countervailing duties in the softwood industry. I do not think auto parts belong to the softwood industry.

Mr. McCurdy: On a point of order. The issue of the Auto Pact was raised in debate.

The Acting Speaker (Mr. Paproski): Order, please. Easy. Would the Hon. Member for Kootenay West answer the question, please?

Mr. Brisco: Mr. Speaker, I can understand and appreciate the nature of the question. I am sure the Hon. Member also understands that the nirvana he seeks is beyond us. It is beyond any two trading nations which have free trade agreements. It is beyond more than two trading nations which have free trade arrangements in terms of guaranteeing the employment component or the degree to which productivity would be there.

In response to his alarm, I am reminded very much of the attitude we saw springing from some elements in the United States. The elephant was afraid of the mouse on enhanced trade. What I say to the Hon. Member is, for heaven's sake, where is it evident that in competing with overseas markets we have no courage? Do we have no courage at all?

Mr. McCurdy: That is not the question. Why are you misleading the people?

Mr. Brisco: Mr. Speaker, I really do not know what the value of the interjection is.

The Acting Speaker (Mr. Paproski): Order, please. I will allow the Hon. Member a supplementary question if we could just get this over with. There are still a couple of Hon. Members, both from the Hon. Member's Party and the other Party, who would like to speak. I would like to get all these Hon. Members in, if possible.

Mr. McCurdy: The Hon. Member knows very well that the Auto Pact does not constitute an example of the kind of free trade arrangement which the Government is trying to achieve. I do not mind there being a difference. However, I would like Government Members to cease communicating a message which belies the facts. The Auto Pact is not an example of free trade. It is an arrangement which guarantees a certain proportion of jobs and a certain proportion of production.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kootenay West has 30 seconds.

Mr. Brisco: It would take more than 30 seconds to try to drive the differences through the head of the Hon. Member, and I will leave that until later.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated.

Mr. David Berger (Laurier): Mr. Speaker, I listened with interest to the debate this afternoon, which has focused mainly on the softwood lumber problem and the dramatic and visible impact which would happen to a number of regions of our country if the United States were to impose countervailing duties.

I must say, though, that the debate has left me somewhat uneasy for a number of reasons. First, I would have liked a bit more attention paid to high technology. I believe we must use advanced technologies to revitalize our traditional industries as well as develop new industries. I am concerned that the Government may be ignoring the dynamic and changing nature of our economy. It was a concern expressed last week by the Science Council of Canada in a statement in which it said that there is a danger the Government may be attempting to preserve our past while sacrificing our future.

• (1720)

I am worried as well because the Government has not clearly stated the objective it seeks to achieve from a free trade arrangement. It has not clearly stated the details of such an agreement, or the sectors which it would favour or disfavour. I heard the Minister for International Trade (Mr. Kelleher) speak on *Cross Country Check-up* on Sunday last. He referred to Auto Pact as free trade. It is not free trade. I agree with the Hon. Member for Windsor—Walkerville (Mr. McCurdy) that the Minister, his Party and his colleagues are misleading the public about what this crucial question is all about.

I am concerned as well because—

[*Translation*]

—in Quebec we have a saying that one should not be more Catholic than the Pope. And in this debate on free trade, I often get the impression we are doing just that.

I wish the Secretary of State (Mr. Bouchard) would stay for a few minutes, because I have a few comments I would like him to hear, especially on the need for a good post-secondary education system in this country so that we can compete with the United States and other countries on world markets. I will get to that in a few seconds, if he could wait. As I was saying, Mr. Speaker—

[*English*]

I think there is a tendency in this country for us to be holier than the Pope, as we say, in our approach to trade issues. We continually focus on what we might have to give up in a trade arrangement with the Americans, on what constitutes a subsidy or on what is unfair competition in our practices in Canada. Every single item is mentioned in the media. We refer to the Unemployment Insurance Program as possibly being a subsidy in certain regions of the country. We refer to our regional development policies. These questions are on the front pages of our newspapers on a daily basis. We have a masochistic attitude about it.

I remember about two years ago when Bombardier was trying to negotiate a sale of subway cars to New York City, which it ultimately successfully negotiated. A question arose as to whether or not financing furnished by the Export Development Corporation might constitute an unfair subsidy. Canadian reporters went down to the United States. They talked to local Congressmen and said to them: "Here is the Export Development Corporation in Canada giving Bombardier a subsidy. Do you think it is fair?" What answer do you think the Congressmen in the United States gave, Mr. Speaker? Contrast that situation with what happens in the United States. Do we see articles in U.S. papers stating that this or that measure is protectionist, or that the U.S. defence industry favours American companies? Not at all. The approval of the U.S. Senate Finance Committee, which made headlines and which was the first item on the news here in Canada, attracted little attention in the United States. For the Americans we are but small potatoes. It is this imbalance between our two countries which gives me great cause for concern. I feel that the deck is stacked against us at the very outset because of the different sides of our two countries.

As I said earlier, the Government has failed to state its objectives in any more than a general way. I ask myself why. Is this part of its negotiating strategy? Or is it because the Government does not have any objectives? Personally, I think it is the latter. There is an absence of objectives. I listened to the last two speakers, members of the Conservative Party, who spoke in the House. In listening to them one would understand that free trade is seen by the Conservative Government as a substitute for a broad range of policies which are required to make Canada prosper. To them it is seen as the answer to all our problems, a panacea. Free trade is used by the Government as a mask to hide a series of incoherent policy decisions.

Several minutes ago my colleague from Windsor mentioned Hyundai, a Korean manufacturer setting up business in Canada. The Government gave Hyundai millions of dollars. Yet the representatives of that company said that they did not even want it. They did not even ask for a subsidy, but we were falling over ourselves trying to show that we created jobs in this particular industry. We did so regardless of the problems of over-capacity already in the industry and regardless of the fact that they were not asked to comply with the provisions of the Auto Pact. Millions of dollars were poured into an industry without any thought or concern for an over-all policy or for the over-all benefit which would accrue to Canadians.

The capital gains exemption of $500,000 in a taxpayer's lifetime is a boon for the rich. Every stockbroker, investment dealer and financial adviser in the country tells us that this measure will not achieve any substantial investment in the risky areas of our economy. The Government is willing to put money into the area but, as I said earlier, we are neglecting our human resources.

A Bill which is before Parliament today, Bill C-96, deals with post-secondary education and health, the established programs financing. In this Bill the Government is washing its hands of post-secondary education. We are cutting some $8 billion out of transfer payments which would otherwise have gone to the provinces for health and post-secondary education.

[*Translation*]

I would have liked to put the question directly to the Secretary of State. How are we going to compete with the United States if we do not have a good post-secondary education system in this country? Can we compete with the United States without world-class universities? Can we compete with the United Stated and the Japanese and the Europeans without centres of excellence in this country? What is the federal Government's role, Mr. Speaker? Why has the federal Government completely abdicated its responsibilities in this area?

[*English*]

Several months ago I read about three super computers which were being furnished to three different universities in the United States. I believe one was in New York State,

another in Illinois and the third in California. The computers were being completely paid for by companies such as IBM, Kodak and Sperry. Why? The head offices of these companies are located in that country. They benefit from the research which is conducted at those universities. Their offices are located close to these universities. When do members of the Conservative Party think that companies such as IBM, Sperry and Kodak will finance research in Canadian industry or in Canadian universities in the same magnitude as they do in the United States? We have a tradition of Government involvement in building this country which is being totally ignored by the Conservative Party.

In the face of this absence of clarity, this absence of policy from Government, it was refreshing to see a statement last week put out by the Science Council of Canada in which it pointed out some of the things that Canadians should watch for as we undertake these bilateral trade negotiations. Earlier, I mentioned the absence of information regarding policies which the United States has which benefit and give an unfair advantage to its industries. The Science Council of Canada pointed out that, among other things, in the United States defence contracts make up a substantial component of regional development support, and much of the support for industry does not appear as direct budget outlay. Second, when dealing with non-tariff barriers, the U.S. market is far more protected than Canada. In 1982, the United States sectors protected overtly by non-tariff barriers covered 34 per cent of the market for American manufacturers. This shold be compared to the figure in Canada of just 10 per cent, the figure of 7 per cent in Japan and the figure of 20 per cent in West Germany. Canada is a most open economy when it comes to non-tariff barriers.

• (1730)

In a section of the study entitled "The U.S. Challenge", the Science Council pointed out that 55 per cent of all research and development in the United States is funded by the Government compared to 50 per cent in Canada. This is contrary to what we hear every day of the week. The bulk of this research and development is limited to defence, which of course will not be discussed during these negotiations. Defence was specifically excluded from the General Agreement on Tariffs and Trade. Defence spending had grown to 65 per cent of federally funded research and development in the United States in 1984. In 1984, some $32 billion of federal research expenditures were employed for defence-related activities.

There are more interesting facts. Within the U.S. Department of Defense budget, less than 10 per cent of contracts are publicly advertised and 40 per cent are signed with companies that have a complete monopoly on the equipment. How does one expect Canadian companies to compete in that kind of a market? Foreign companies are not even allowed to bid on some of these prime contracts. Canadian advanced technology companies are denied access to SDI briefings. The Science Council study also points out that at the state level, there are so many initiatives to promote technological innovation that in 1984, the Office of Technology Assessment was unable to provide a comprehensive inventory of these programs.

In the military sector of the aerospace industry, American companies have a number of advantages. First, they have open access to bidding on defence contracts. Second, they have greater R and D support than Canadian companies. About 70 per cent of R and D costs are paid for by defence contracts in the United States versus only 30 per cent in Canada. Third, the cost of machinery is covered by Department of Defense contracts in the United States. Fourth, in terms of information access, several U.S. government-sponsored computer information systems are accessible only to U.S. users.

How are Canadian companies to get access to this information and these contracts? There is only one real way to get access, and that is, to join the United States, to become American. I am telling you today, Mr. Speaker, that under a free trade arrangement with the United States, we will not be given access to the bulk of U.S. defence contracts. We could have the best negotiators in the world on our side, and I give all due credit to the man heading the Canadian negotiating team, Mr. Reisman, but when it comes down to the crunch, Canadians will not be given total access.

The Science Council of Canada sets out four policy principles which it believes should guide bilateral negotiations, and I would just like to summarize them briefly in conclusion. First, the Science Council believes that a free trade agreement should permit measures which would protect and favour infant industries on a carefully defined, temporary basis. Second, and this is the point to which I referred just a moment ago, all United States and Canadian Governments should allow what is referred to as national treatment to both U.S. and Canadian firms when bidding on all Government contracts, research awards and development assistance. This will not happen. Third, both parties must develop a clear understanding of the range of science, technology and industrial policy measures that each Government may take without the risk of countervailing action.

Again, referring to the comments I made earlier, we have even taken up the American jargon during the course of this debate. We refer to a level or a fair playing field, but I think that Canadians must understand that each sovereign country develops its own way of dealing with problems and concerns. Canadians must demonstrate to Americans that just because an approach is a Canadian approach does not mean that it constitutes an unfair advantage, and that any deviation from American methods and approaches is not unfair just because it is not American. They have their particular distinctive ways of arriving at solutions as do we. We should be able to continue such an independent approach.

Fourth, and again I do not see this happening, both countries should provide equal access to briefings and Government-sponsored scientific and technical information systems to enable firms in both countries to respond promptly to government procurement opportunities. Again, I find it very difficult

to see this being totally opened up in the context of such negotiations.

I understand that most of today's debate has dealt with the softwood lumber issue. I would hope that on another day in the near future, we would deal specifically with high technology and the future of high technology and its application to our traditional industries.

Mr. Fulton: Mr. Speaker, I am sure that the Hon. Member who just spoke is aware of what precipitated today's debate. I would like to ask him a question regarding that. On May 8, the President of the United States sent a letter to Senator Packwood, the Chairman of the Senate Finance Committee, a committee which tied in a 10-10 vote as to fast tracking free-trade negotiations with Canada which are to begin the middle of next week. In that letter, the President said that he will press for an expedited resolution to this problem independent of the comprehensive trade negotiations and moreover that the President promised to take unilateral trade action if the bilateral lumber talks fail. We have that ongoing process involving the President, the United States administration, and its Senate Finance Committee, and Canada's largest single industry, largest single source of balance of trade, and second or third largest industry in the Province of Quebec.

• (1740)

I should like to ask the Hon. Member what he thinks about what is happening now. Representatives of the industry lobby in the United States have suspended temporarily their filing of a petition for a countervailing duty against Canadian softwoods until next Monday, although they were told by the Secretary of Commerce, Mr. Baldridge, that the clock is already running, to which I made reference earlier today. Rather than having to wait the full 20 days for a ruling on whether or not a countervail process will go ahead, they will only have to wait 13 calendar days from next Monday.

My question concerns the point of today's debate—whether or not Canada is steaming in the right direction. I think some enormous errors have been made by the Conservative administration on this issue, but I should like to know from the Hon. Member what he and his Party think about the proposal which will be carried forward by the Minister for International Trade (Mr. Kelleher) to Washington tomorrow. I am referring to the appointment of a Canadian envoy with very specific terms of reference on which to negotiate at very high speed on behalf of a $26 billion Canadian industry. Does the Hon. Member and his Party think that that process is likely to succeed?

Do they think it appropriate that the volume and price of Canadian softwood products going to the United States should be negotiated by the Canadian and U.S. envoys?

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his questions. With regard to the specifics, I defer to members of my Party who have a more intimate knowledge of the questions than I do. However, in general terms it is difficult for me to say whether this approach will succeed.

In the letter to Mr. Packwood from the President, the President said that he planned to take action independent of the trade negotiations. That indicated to me that we do not have a clean launch and that the President is saying that they will look after American interests immediately and quickly. It is not the only area on which Americans want quick settlement. In fact there are a number of other areas.

I see our being in a position where the big guy is getting nasty and is shoving us around and we are giving in. There is a possibility that we will give in on a number of essential points even before the negotiations have begun.

I found it rather remarkable—and I did not see anything in the press today—that the news last night included an item indicating that the Minister of Consumer and Corporate Affairs (Mr. Côté) would be tabling Canada's new policy in respect of generic drugs, whereas just two weeks ago he said that the legislation would not be introduced until the fall and that further negotiations were required with the provinces. How come the process has been speeded up all of a sudden? It seems to me that we are not seeing comprehensive negotiations. We are seeing a series of attempts to satisfy the Americans. They are pushing their weight and trying to settle items immediately in their favour. This prejudices the entire ensuing negotiations.

Mr. James: Mr. Speaker, the Hon. Member is speaking more anti-American rhetoric than I have heard for a long time. It really concerns me.

The Hon. Member said that we as a Government were putting forward all the things we were giving up. I have never heard the Government talk about giving up anything. It is the Opposition which raises all the so-called things we will be giving up in the negotiations. The Opposition's reaction has been nothing but a negative one to the whole issue. I think the Hon. Member was a little confused when he talked about what was being given up.

Also he said that we were small potatoes, yet the dissertations of Hon. Members opposite all day have indicated that the United States would countervail us to death because we were so important. As has been the case all day, we just keep hearing counter-arguments.

Also he talked about objectives. I have not heard any mention of objectives or policy from his Party. There certainly appears to be a great division in his Party on what should happen in the negotiations with the United States.

As well he talked about the absence of clarity in policy. Honest to Pete, he should look inward to the policies of his cohorts; it seems that they have policies on both sides of the line.

Also he referred to non-tariff barriers in the United States and 34 per cent of the market. However, he seemed to indicate that we should not be negotiating with the U.S. to remove those non-tariff barriers.

The Acting Speaker (Mr. Paproski): Order, please. I do not like advising Hon. Members that if there are any meetings to be taken care of, they should be done behind the curtains, please. I am finding it very difficult to listen to the Hon. Member for Sarnia—Lambton (Mr. James) who, I believe, has finished his question. The Hon. Member for Laurier (Mr. Berger) has only 30 seconds in which to reply.

Mr. Berger: Thank you, Mr. Speaker. I respectfully say to the Hon. Member that I do not think there is anything anti-American in my comments. I believe in taking a strong Canadian position. I believe in putting forward Canada's interest. I do not believe that our interests are always and inevitably totally associated with American interests, which Hon. Members of the Conservative Party seem to indicate.

Perhaps the Hon. Member should read what I said when I talked about what we have to give up. I was not saying that the Government was putting that forward. I was saying that there was an inevitable focus on that in our country and in our media because we are a much smaller country than the United States. The natural focus is on problems in Canada as opposed to those in the United States where Canadian trade with the U.S. is much less important than is our trade in our country, all proportions being respected.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, there is not a Canadian who does not realize that if Canada is to prosper, if people are to find work, and if our companies are to operate and make a profit, we require increasing trade between Canada and all other countries.

If we are to improve trade between Canada and other countries, we have to understand what are our needs, what are their needs, and particularly what are their policies to protect their people, just as we want to protect and improve the lot of Canadians.

We all know that grain farmers in western Canada are in a terrible situation. Many of them will be wiped out in the next few years, not because they cannot produce grain efficiently, but because of the actions of our traditional customers in western Europe who are members of the European Economic Community. They are subsidizing the production of grain in their countries so much that not only do they not purchase grain from us, but they compete in other markets with our farmers. Also we know that the new American policy of subsidizing export sales of grain for American farmers will destroy further markets for us.

The Government is urging us to sign quickly some kind of free trade deal with the United States. Just at the very time we are talking about that and we are lecturing Canadians that we should get on with the job and make concessions so that the Americans will agree to free trade between Canada and the U.S., the Americans are imposing countervailing duties on Canadians. They are proposing a 30 per cent countervail duty on softwood. That would affect British Columbia very quickly, but it is not just British Columbia that would be affected, the Atlantic provinces would also be affected. They have a forest industry, as does my Province of Manitoba and the Province of Saskatchewan. We do not hear about the things that the Americans do to protect their forest industry.

• (1750)

A few weeks ago the Americans imposed a countervail duty of 5.8 per cent on East Coast fish. The U.S. Commerce Department supported that position. It listed 55 federal and provincial programs ranging from fisheries research grants to grants for shipbuilding as constituting countervail subsidies.

I have before me a document prepared by our External Affairs Department which lists a large number of programs which the U.S. Government has established to assist its fishing industry. Let me read from this document. It says under the heading Direct Subsidies, loan guarantees for construction, reconstruction or reconditioning of fishing vessels. Then we see under Federal Tax Deferrals the fishing vessel capital construction fund for vessel acquisition. This program effectively provides an interest-free loan from the U.S. Government equal to the federal income taxes which otherwise would have to be paid. Next is Operating Cost Assistance. The Fishermen's Protective Act provides funds for fishing vessel and gear damage. Then we find Additional Measures. The Nicholson Act forbids foreign vessels from landing directly in U.S. ports, thus forcing Canadian boats to land in Canada and ship overland by truck, thereby increasing Canadian costs and making the Canadian fish less "fresh" than the U.S. product.

That is what the Americans do, Mr. Speaker, but when the Americans put a countervailing duty on Canadian fish, I did not hear the Minister for International Trade (Mr. Kelleher) saying to the Americans: "Hey, guys, you are doing the same thing as you are accusing us of doing." Not only did he not say it to the Americans, but he did not get up and tell Canadians how one-sided, how tunnel visioned, how unfair the Americans were during this so-called period of negotiations. He was silent. There was not a peep out of him. Why, Mr. Speaker? I believe he takes that attitude because he wants to sell this concept to the Canadian people and he knows that if they know the facts, they will not buy it.

The other day when my Leader, the Hon. Member for Oshawa (Mr. Broadbent), put some questions to the Government, the Secretary of State for External Affairs (Mr. Clark) answered by suggesting that my Leader and our Party were taking orders from the President of the Canadian Labour Congress, as if only labour is opposed to the free trade negotiations, as if only labour is worried that somehow in these negotiations Canadians would be hurt. Let me quote from a recent issue of the *Winnipeg Free Press*. I hope the Minister for International Trade will listen.

I want to put on the record the views, not of labour leaders in Manitoba, but of three farm leaders in Manitoba. These are not my concerns but their concerns. On April 24, 1986, in part the article quotes John Kuhl, Chairman of the Manitoba Vegetable Producers Marketing Board, as follows:

Manitoba vegetable growers cannot compete on equal terms with their American counterparts because of higher taxes, higher fuel prices and shorter growing seasons—

Next is Waldie Klassen, Chairman of the Manitoba Chicken Broiler Producers Marketing Board, who said:

As far as our industry is concerned it would have some far-reaching and devastating effects.

Most of our industry could disappear.

He was talking about free trade in agriculture. Then we have Jack Penner, President of the Keystone Agricultural Producers, an organization which represents all the producing groups of agriculture in Manitoba, who said he is worried:

—that agriculture has been combined with the food and beverage sector for negotiating purposes, which will make it harder to protect agricultural interests.

Our concern is that agriculture not be used to gain other advantages.

Who is he complaining about, Mr. Speaker? Who ignored agriculture? Who put somebody from the food industry as chairman of the advisory committee? It was the Minister for International Trade. Then the Government has the gall, the colossal nerve, when we are asking very legitimate questions about what is going to happen if we go ahead with free trade negotiations without protecting Canadians and asking who will be hurt, to answer with scare tactics and give us a smear campaign that we are speaking only for labour. Nothing could be further from the truth, Mr. Speaker, and the Minister for International Trade and the Secretary of State for External Affairs know that this is a fact. They know that more and more people and more and more groups are expressing opposition or asking some very important questions which need to be answered.

We are for enhanced trade. That is why we support it and have always supported the Auto Pact. If we are going to look at each sector of our economy to try to work arrangements with the USA, or Japan, the EEC or anybody else that will bring advantages to us and them, we are all for it. What we are opposed to is this blind rush to do things without looking at the real situation.

The Government knows because the departmental officials in External Affairs have done their job. They have given reports to the Government, about which the Government does not talk, which the Government would prefer to hide, which tell in detail the things the Americans do to protect their people, their jobs and their industries. It is this whole "buy American" policy. Why doesn't the Minister for International Trade and that great negotiator, Mr. Simon Reisman, come clean with Canadians? Why don't they tell Canadians: "Look, we are going to try to negotiate better trading arrangements with the U.S., but you have to know not only that there are 600 Bills before Congress calling for more protection, but the U.S. has since 1933 had policies to protect the United States market for Americans"? Even if we get a free trade agreement, Mr. Speaker, the ability of American states to hinder trade not only between Canada and the USA but between American states to protect their markets will still be there.

If we are going to have a serious, honest discussion on free trade, let the Government be honest. Let the Government tell Canadians what is involved. Let the Government tell Canadians about the benefits they will get but also about the harm that will be done to individuals and to many groups unless the Government of Canada is vigilant, tough and negotiates as an equal, not as a supplicant to the Americans. We cannot be telling the Americans that we will do anything as long as they give us a few bones to chew on.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, it is my duty to advise the House that, pursuant to Standing Order 82(12), the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

HOUSING—FUNDING OF PROGRAMS. (*B*) EXTENSION OF 1985 PROGRAMS—INTERIM FUNDING

Mr. Dan Heap (Spadina): Mr. Speaker, in December, 1985, the Minister of Labour (Mr. McKnight), who is responsible for CMHC, announced in the House of Commons a new housing program. A National Direction for Housing Solutions outlined five major program areas, but provided no details. It is now May 13 and not one of these programs is in place. Not one bit of federal money has gone toward the building of one housing unit so desperately needed in Canada.

On May 5 I asked the Minister in this House where the new housing programs are which he promised. Five months into 1986 he answered:

Mr. Speaker, the answer is apparent. Due to the change in delivery and cost sharing, effective in 1986, operating agreements with the provincial housing corporations have to be negotiated.

With all due respect, that answer is not apparent. What kind of Minister plans a year's housing programs which, almost half way through the year, are not in place because he still has to get agreement on the very housing programs that he wants to use?

On May 5 I also asked in this House whether, acting on precedent, the Minister could have either extended 1985 programs or provided interim funding for projects which are ready to go. When it became apparent that these agreements were not going to be negotiated until early in 1986, why the Minister did not bring forward a contingency plan for this year's housing. Why did he not extend the Section 56.1 program or the RRAP program until the negotiations were finalized?

The consequences of this delay are almost criminal. In Toronto, city delivery agents have been anxiously awaiting the announcements and the budgets for the RRAP programs since December. On the homeowner and disabled program, they were told funding would come through early in April. It did not. There are real emergencies which are not being dealt with. In Toronto the municipal delivery agents, such as the Non-profit Housing Corporation, are on the verge of sending applicants to apply under the provincial renovations programs in Ontario, which are not nearly as good as the federal program for homeowners, because they have no idea when the federal RRAP budget is coming through. Month after month it was promised that the money is coming, the application forms are coming, and the criteria are coming, but only rumours come.

An example of the tragic consequences of the delay is a disabled man in Toronto who has requested RRAP assistance in order to get his motorized wheelchair out of his home. Recently he has had to go to the hospital three days a week and, because he has not had the RRAP assistance to make his home accessible, he must pay out of his meagre pension to take a taxi each time.

The consequences do not stop there. The entire building season in northern Manitoba may well have been lost because building materials would have had to be transported in on the winter roads. They will now have to wait until next year. Those co-ops and non-profit groups which may be so lucky as to one day get start-up funds will, in all likelihood, be building next fall and winter and paying premium rates for heated concrete and any number of expensive alterations to building procedures to cope with the cold weather. The money spent on this will obviously be taken out of the other aspects of the design which might have added to the comfort and quality of the housing. It may even reduce the number of units built. This money is to pay for the Minister's delay.

I suggest that the Minister has been almost criminally negligent. Homeless people died in Toronto. An evicted tenant committed suicide in Vancouver. The answer to the pleas for someone to pay attention to the needs of Canadians desperate for housing was met time and time again in the House of Commons with the answer that the negotiations were ongoing with the provinces and a bigger and better housing program for needy Canadians was at hand, if they live that long.

I also suggest that the Minister and CMHC officials continue to mislead Members of Parliament and the public about these programs, however unintentionally. Last week my office received a notice from the Minister announcing that he had authorized the release of the 1986 RRAP budget. That is false. As of today no delivery agents have been told this. Even in his announcement he states that "CMHC will be in touch with local municipalities and delivery agents shortly to inform them of their homeowner RRAP allocations". "Shortly" is not "now". That program has not started. He states further that "the rental RRAP and the RRAP for the disabled will be delivered once the appropriate regulatory changes are obtained. I expect these will be finalized shortly". "Shortly", again, is not "now". Since this is the same thing as he has been saying since December, can we expect to wait for another five months?

• (1805)

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Minister and his officials are now completing what has been a most extensive and productive consultation and negotiation process on new housing directions which will focus on assisting those Canadians most in need. This lengthy process has meant meetings with the provinces and many representatives of housing interest groups, non-profit associations, native organizations and the real estate and building industry. As well, over 300 written briefs have been reviewed.

Over the past few months, planning and negotiations with the provinces have resulted in the implementation of social housing programs that both maintain federal objectives and meet the identified needs of the various provinces and territories. Most important, the provincial cost-sharing arrangements, along with targeting to households in core need, will more than double the number of housing units produced this year for those who must pay more than 30 per cent of their income for suitable, adequate accommodation.

At times, the negotiations have been complex, but the Minister is pleased to advise that eight global agreements have already been signed outlining the partnership arrangements between the federal and provincial Governments. In addition, detailed operating agreements have been signed with two of the provinces, and the final agreements should all be completed in the next few weeks. The Minister has authorized the release of the budgets of the Residential Rehabilitation Assistance Program for home owners and native people on-reserve to repair their houses. The remaining RRAP budgets will be allocated very shortly. The Minister would like this House to know as well that the Co-operative Housing Program is well under way. Sponsoring groups are submitting projects, and Canada Mortgage and Housing Corporation officials are in the process of selecting those that will proceed in 1986. Proposal development funding has been made available to groups to assist them.

All in all, implementation of the programs is progressing well and we expect to complete all the arrangements within the next few weeks.

CANADA POST CORPORATION—PRIVATE ENTERPRISE DOOR-TO-DOOR DELIVERY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I rise this evening to pursue a question I put to the Parliamentary Secretary to the Minister responsible for Canada Post (Mr. Domm) on February 25 concerning the delivery of mail. I asked whether or not Canada Post would be encouraged to contract out more of its services in order to reduce the Corporation's costs and increase its efficiency. I also pointed

out that many Canadians who do not receive door-to-door delivery are hiring enterprising young people to pick up their mail from community boxes and deliver it to their homes on a daily basis.

Just last weekend I noticed an article in the Ottawa *Citizen* which profiled a local entrepreneur who has begun this kind of service for a monthly fee of less than $12. I believe this is an excellent initiative, and I certainly hope Canada Post officials will encourage more enthusiastic business people to undertake the same service in other communities. Had the Speaker afforded me the opportunity on February 25 to put a supplementary question, it would have concerned whether the extra amount paid by Canadians to obtain adequate door-to-door mail delivery service could be tax deductible. I look forward to speaking about that at another time.

Canadians are well aware of the serious problems facing Canada Post. Despite a five-year deficit reduction program which was to have eliminated Government subsidies by this year, Canada Post continues to mount severe losses. In 1985 this loss amounted to well over $300 million. Projections indicate that further deficits will continue. The Marchment report highlighted a number of other problems such as service, delivery, labour relations, financing and management.

• (1810)

In the recent federal Budget, the Minister of Finance (Mr. Wilson) stated that the Government is determined to come to grips with the financial and operating problems of Canada Post. The Government has also indicated that the corporation will be required to develop a new operating plan to improve productivity in order to reduce its operating deficit to zero by the end of fiscal year 1987-88.

I would like to ask the Parliamentary Secretary if that plan is now in place and if it includes greater contracting out of services. In addition, I trust that entrepreneurs will be allowed and encouraged to provide delivery service door-to-door from community boxes. I understand that this kind of service may involve a violation of the "exclusive right" privilege Canada Post enjoys to collect and deliver mail. If so, I would suggest that it is time to redefine that "exclusive right" privilege in order to increase the competition of mail delivery.

If this country is to enjoy effective and efficient mail delivery, we must meet the challenge of improving Canada Post. It is time to take immediate action to reduce costs by contracting out services and introducing greater private sector opportunities in mail delivery.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, Canada Post has the mandate to provide Canadians with convenient and efficient service at a reasonable cost. Over the last three years, the corporation has extended door-to-door mail delivery to over 340,000 addresses in Canada.

Last June, the corporation announced plans to upgrade delivery service to more than 200,000 additional addresses during the current fiscal year by readjusting letter carrier routes or by providing mail delivery through group mailboxes or community mailboxes.

These initiatives clearly demonstrate the corporation's concern in providing convenient service to all its customers and achieving financial self-sufficiency as requested by its shareholder, the Government of Canada.

These alternate means of mail delivery—group mailboxes and community mailboxes—are not exclusive to Canada. While these alternate modes of delivery offer convenience to customers and contribute substantially to reduce the deficit of Canada Post, it is understandable that some private citizens might want to contract the delivery of their mail from the postal station or group mailbox directly to their home.

Although Canada Post does not support such a service, principally on the grounds of security of the mail, it cannot refuse to hand over the mail to a third party when authorization that can be verified has been given by the customer.

It should, however, be clear that these particular arrangements are made solely between these individual contractors and their clients, and that Canada Post is not part of the contract. The corporation's responsibility for ensuring the security of the mail extends only to the point of delivery, should it be a local postal station, a lock box, a group mailbox or a community mailbox.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:14 p.m.

HOUSE OF COMMONS

Wednesday, May 14, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

UNEMPLOYMENT INSURANCE

AMENDMENT CONCERNING BENEFITS—EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Today, Mr. Speaker, over 1,000 elderly Canadians demonstrated on Parliament Hill to defend their rights. Once again, unfortunately, they were forced to protest against the Conservative Government's decision to deprive 34,000 Canadians of the unemployment insurance benefits for which they have paid.

Mr. Speaker, these 1,000 Canadians are not alone: more than 5,000 others from all ridings throughout Canada have signed petitions to denounce this measure.

Furthermore, Mr. Speaker, a Conservative Member crossed the floor today because he can no longer accept the policies of this Government. I hope Quebec Members will wake up instead of walking out one after another, and urge the Minister to reconsider this decision which is unfair to Canadian early retirees.

* * *

[*English*]

TRADE

STEEL EXPORTS AND IMPORTS

Mr. Simon de Jong (Regina East): Mr. Speaker, by early June of this year the International Trade Commission in Washington will rule on whether Canadian steel products are being dumped into the United States. This ruling can affect all steel producers in Canada and particularly inflict serious harm on Ipsco Steel of Regina.

What Ipsco and its workers need is the public support of the Government in the fight against the growing tide of American protectionism. Just as important, the Government has to become proactive rather than reactive when it comes to the importation of steel products from such countries as South Korea. Both union and management of Ipsco have endorsed the following actions to be implemented by the Government; first, more thorough monitoring of steel imports into Canada, second, tightening the inspection of steel imports and, third, the removal of special tariff concessions on steel imports from such countries as South Korea, Brazil, and Argentina.

• (1405)

No other major trading bloc extends such preferential tariffs on steel. Canadian steel exports are threatened in the United States while foreign—

Mr. Speaker: Order, please. Sixty seconds.

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AIRPORTS

MERGING OF DEPARTMENTS' SECURITY PROCEDURES ADVOCATED

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, in this day and age of rampant international terrorism, we as parliamentarians must take every precaution to protect the Canadian people. Our peace-loving nation is an integral cog in the wheels of the world and, therefore, our own airport security is of paramount importance.

Before Parliament, I advocate the mating of two government Departments in the interest of public safety. The transportation and national defence sectors of the Government would do well to join forces toward securing Canadian airports from certain undesirable factions circulating freely around the globe. Our highly trained Armed Forces personnel should be placed visibly inside our international airports as is the case throughout Europe and points beyond.

We are not a threatening people, but we must use the suggestion of force to deter terrorists who use their political beliefs to bludgeon justice on a world-wide scale. We must be quickly convinced our airport security is sadly inadequate, and right the situation—

Mr. Speaker: Order, please. Sixty seconds.

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PETRO-CANADA

PRICE OF GASOLINE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, my constituents continue to be disappointed that oil companies are not passing on the savings in world oil prices to consumers.

Unfortunately, there is a very real lack of competition in the market-place. Prices rise, and sometimes fall, in unison and without explanation. Where is the consumers' power to regulate the market-place if in fact they have no real choice? Perhaps there are indeed too few genuine competitors as a result of recent takeovers.

Perhaps some of the problem lies with Petro-Canada which seems to follow the market when there is a downward trend but, according to reports, leads the market when there is an upward trend. Many of my constituents believe that the time has come for the Government to get rid of Petro-Canada. They believe an aggressive investor-owned company would mean more genuine competition in the market-place and hence lower gas prices.

* * *

NUCLEAR ENERGY

CALL FOR INTERNATIONAL STANDARDS

Hon. Chas. L. Caccia (Davenport): As you know, Mr. Speaker, there are some 374 nuclear reactors in the world in 26 different nations. The International Atomic Energy Agency has virtually no muscle or power to implement safety measures in order to protect human health. Recent events require intervention on a global scale in order to protect human health from any possibility of similar incidents occurring.

Therefore, I once again call on the Minister of National Health and Welfare (Mr. Epp) and the Secretary of State for External Affairs (Mr. Clark) to take an initiative in the name of Canada, and all the 26 nations which have nuclear reactors within their boundaries, to establish, first, international standards—

Mr. Speaker: Order, please. Sixty seconds.

* * *

THE ECONOMY

REDUCTION IN INTEREST RATES

Mr. Jim Jepson (London East): Mr. Speaker, the gears in the market-place are really turning now because interest rates are going down fast. While low interest rates make the economy work, they are also a sign that people have confidence in the Government and in the productivity of their investments. The previous Liberal Government policies were responsible for a prime business rate of almost 23 per cent in 1981. When you compare that to a current prime rate of 10.5 per cent, it is obvious that the Conservative economic agenda is right on target.

There is now no reason for home owners to give up their homes because of unaffordable mortgage payments. Rates of over 20 per cent under the Liberals have now fallen to close to 10 per cent, and are still dropping steadily.

While the central bank rate has been going down, it is clear that the chartered banks do not want to pass this on to borrowers as quickly as they pass on increases. Consumer and business credit markets depend on a competitive environment and the Government should take steps to see that our banks pass on these decreases and not skim off added profits at the expense of Canadians.

* * *

EMPLOYMENT

LEVEL OF FUNDING FOR NON-PROFIT ORGANIZATIONS

Mr. Neil Young (Beaches): Mr. Speaker, the Government has decided that part of its famous "jobs, jobs, jobs" strategy will be to cut funding for summer students who could be hired by many non-profit groups which in previous years qualified for job creation money. Over 60 non-profit organizations in Toronto, which received wage subsidies under the Challenge '85 Program last year, will not get funding this year. Planning for programs and services those agencies provide has been wasted because it is too late for them to seek funding elsewhere.

• (1410)

What is involved is a reduction in the amount of money spent in the program and a shift from non-profit organizations, such as day camps for children, to profit-making enterprises.

According to a report in *The Globe and Mail*, two of the companies involved are Magna International and Bell Canada. Is this called helping those who need it least? This is just another example of the Conservatives blindly following ideology at the expense of average Canadians, in this case young workers and the recipients of the services of non-profit organizations.

* * *

IMMIGRATION

CALL FOR INCREASED LEVELS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it appears obvious that many of Canada's present economic problems are related to its vast size and, in particular, to our small population. We rely on exports for our lumber, fish, mining, and agricultural products to such an extent that we often get caught in a buyer's market where we must produce below costs.

Think of the difference if we consumed most of our own resources. What we need is an influx of people such as we had

during the early 1900s and after the two Great Wars, which were some of the boom periods in our country's economy.

We should be welcoming new Canadians at a rate per month that we permit per year.

* * *

AIR TRANSPORT

PRICE OF AIRLINE TICKETS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to protest the price of airline tickets.

During the 1970s when the price of gasoline was quadrupling the airlines kept putting up the price of tickets and told us it was because gasoline was getting more and more expensive. Last week I checked with an airline company and found out that approximately 40 per cent of the price of a ticket goes to the cost of fuel. If gasoline prices have been falling and falling, as they have been over the last months, why have airline ticket prices not been falling as well? This is something which I protest.

I urge the airlines of Canada to pass on the savings which they are now realizing to the people who are travelling.

* * *

EXTERNAL AFFAIRS

ISRAEL—INDEPENDENCE DAY ANNIVERSARY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, 38 years ago today Jews around the world rejoiced in the creation of the State of Israel. In 1948, on the fifth day of Iyar in the Hebrew calendar, a state was created, the realization of a Zionist dream and a haven for the homeless in the tragic aftermath of the Holocaust. Today, as we celebrate Israel's Independence Day, Israel is a vibrant, beautiful state—the desert blooms.

While the past 38 years have been marked by a number of conflicts, and it has not yet been possible to achieve a lasting and just peace, the achievements made during this relatively short period of history have not only been remarkable but also have been a justifiable source of pride to Israelis and to Jews around the world.

The leaders and the people of Israel are in our prayers. May Israel continue to grow in peace. Shalom.

S.O. 21

THE ECONOMY

ALBERTA—ASSISTANCE FROM GOVERNMENT PROGRAMS

Mr. Albert Cooper (Peace River): Mr. Speaker, for a few moments I would like to talk to Members of the House about some of the concerns of the Province of Alberta.

As most people in Canada know, we are largely a resource based economy. Right now two of our main resources are facing very serious difficulties. The first one, of course, is in the petroleum and gas sector, where prices are down, investment is slipping, and gas is soon to be deregulated, which will also result in a drop in prices.

The second resource is that of agriculture. Again we have the same problem—lower prices and a high debt ratio for many of our farmers. As a result of that, very little spending is being done by our farmers, which has had a dramatic effect on the Alberta economy.

Essentially, I would like to see the Government look at a couple of things.

First, I ask the Government to urge all Departments to get involved with provincial officials to talk about the programs which are available, and to talk about assistance which is available to put Alberta on a fast track to make the kind of decisions which are necessary to help the economy.

The second one—

Mr. Speaker: Order, please. Sixty seconds.

* * *

EMPLOYMENT

JOB RE-ENTRY PROGRAM—REFUSAL OF CORNER BROOK APPLICATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Government has been claiming that the way to create jobs in the country is by supporting small business. The Minister of Employment and Immigration (Miss MacDonald) has claimed that job-creation dollars and training dollars should be geared to small business.

Mr. Speaker, you can imagine my surprise when I heard from the President of the Newfoundland Career Academy in Corner Brook, Newfoundland, yesterday, that his application to train 30 people under the Job Re-entry Program to give them entrepreneurial skills had been turned down by the federal Government. When he asked why that application had been turned down, he was advised by the Minister's official that it was because there were no entrepreneurial skills or opportunities for entrepreneurs in western Newfoundland. This kind of double-talk, on the one hand claiming that small business is important and is the backbone of the economy, and on the other telling Newfoundlanders that there are no

opportunities for entrepreneurs in Newfoundland, simply will not wash.

• (1415)

The Government ought to get its act together, come clean with the people of Newfoundland and put its money where its mouth is. The propaganda will not carry any longer.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF REGIONAL INDUSTRIAL EXPANSION—ESTABLISHMENT OF INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister assured Canadians that an inquiry into the dealings of the former Minister of Regional Industrial Expansion would be launched without delay. If there has been a delay, is it because the Government is having some difficulty finding someone willing to undertake the inquiry now that the Prime Minister has poisoned the atmosphere of impartiality?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, with respect to the last unworthy comment made by the right hon. gentleman, if there has been any poisoning of the atmosphere, something which I refuse to believe, it has been by that kind of question that has been asked since last Monday.

The short answer to the question is that active efforts are currently under way to identify an impartial person to undertake the investigation as to facts. It is the Prime Minister's intention that the identification of the impartial person to head that investigation should get under way just as quickly as possible.

INQUIRY'S TERMS OF REFERENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wonder if the reason for the delay might also be that the terms of reference are proving difficult to draft. I recall to the Deputy Prime Minister that the Prime Minister said in the House on September 9 that any such inquiry should deal simply with the facts. Is the Government attempting to draft terms of reference that are so wide and that deal with the general issue of conflict of interest guidelines so as to obscure the real issue which is the conduct of the former Minister?

Hon. Erik Nielsen (Acting Prime Minister): Not at all, Mr. Speaker. Quite the contrary. As I have assured the House on Monday, Tuesday, and again today, the terms of reference will take into account the allegations made in the House of Commons, both temperate and intemperate. They will take into account the allegations made in the newspapers, both temperate and intemperate. They will take into account the allegations made in the electronic media, both temperate and intemperate. It will be in the context of the conflict of interest Code of Conduct for public office holders, in addition to the Prime Minister's letter of September 9 to the former Minister and other members of his Ministry.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT HAVE INVESTIGATION CONDUCTED BY PARLIAMENTARY COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, you know the terms of reference will be very vague.

My question is directed to the Deputy Prime Minister. Why not have an inquiry before a parliamentary committee, so that the former Minister can be judged by his peers in the House, instead of a judicial inquiry that will deal with a purely political question?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I have answered that question before as well. I am sure that the hon. gentleman, by his own questioning and by that of his colleagues since Monday, should recognize the fact that the atmosphere in the House and in its committees is now so bitterly partisan that it would be very difficult to apply oneself to an investigation of the facts with impartiality.

I might say that the process is nothing new. It was exposed on September 9, 1985, and indeed has been followed in the past. I remind the Right Hon. Member that this is the course that was requested—

Mr. Speaker: Order, please. The question was short.

EXAMINATION OF CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, to be absolutely clear, the House is interested in whether or not the Minister has violated these guidelines. I ask the Acting Prime Minister for his assurance that the Government will not throw up another diversionary tactic by asking the commission also to examine the question of revisions to the guidelines and other guidelines. It is these guidelines that we allege have been violated.

• (1420)

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I am totally familiar with the allegations of the hon. gentleman, of other members of his Party, of those in the New Democratic Party, and those in the newspapers and the electronic media. I can assure him that the conflict of interest Code of Conduct which was tabled September 9, 1985, will be the code that is looked at. I would not wish, as I am sure he would not, the impartial person investigating the facts in these circumstances to confine himself to the 1985 package tabled because it may well be that the circumstances might relate to the guidelines which were in place under the former Government, and which were in place until September, 1985, so there are two there.

INVESTIGATION OF MINISTER'S CONDUCT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I accept the point just made by the Acting Prime Minister, and I agree with it. The allegations are part of the case, but when a cloud is thrown, as it has been thrown, over the conduct of a Minister, will the inquiry be free to examine all the conduct of the Minister, the appointments he has made and the decisions he has made as a Minister, which may have been affected by the conflict of interest we have put forward in the House?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I think I have made it abundantly clear. I have said that I would expect the terms of reference to include all the allegations which have been made in the House by himself and others in the Opposition, all the newspaper allegations, and all the electronic media allegations. They have covered such broad ground that I cannot really imagine how an impartial person investigating the facts would fail to take into account all of the wide range of allegations which have been made.

INQUIRY'S FINDINGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary questions are on the same subject matter. In the past couple of days the Deputy Prime Minister has indicated, with reference to the letter of September 9 to Members of Parliament and Senators, that there would be an impartial inquiry into the facts. I think he used that phrase 14 times two days ago. He also indicated that factual allegations coming from this side of the House, the media and so on, will be considered. One thing he has not told us is if the inquiry will make a judgment on whether or not there has been, in the opinion of the inquirer, a conflict of interest. Is that part of the mandate?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the Hon. Leader of the New Democratic Party describes as fact allegations which he and others in the Opposition have been making. Surely the task of the impartial investigation is to establish what is fact and what is not, if there is any factual substance to the allegations which have been made. That, I would expect, would be totally open to the impartial investigation process by the impartial person to conduct it when that person is identified and named.

MANDATE OF INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will go back and ask the question again, and maybe I will get an answer. Will the Deputy Prime Minister answer the question? In terms of the mandate being given to this inquiry, will Members of Parliament, or whoever will see the recommendation when it comes, have the following question answered by the inquiry: was there or was there not a conflict of interest? Is a judgment to be passed as part of the mandate requirement for the inquiry?

Hon. Erik Nielsen (Acting Prime Minister): Well, of course, Mr. Speaker, that would be the purpose—

Some Hon. Members: Oh, oh!

Mr. Nielsen: They say "Oh, oh!" That is the whole—

Mr. de Jong: Is it so hard to say yes or no?

Mr. Nielsen: The whole purpose of the impartial investigation of the facts in the context of the conflict of interest code applicable to public office holders is to determine whether or not there has been a breach, as has been alleged so many times, real or apparent.

• (1425)

ROLE OF PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, that is the first time the Deputy Prime Minister has said he is going to make a judgment on whether or not there has been a conflict of interest. The Deputy Prime Minister is shaking his head. Is he aware that by going outside Parliament for an inquiry of this kind to make a judgment about conflict of interest he is, in fact, going outside the terms of reference of the letter from the Prime Minister of September 9 that makes no such reference, and is he aware that he is denying the whole parliamentary tradition of having the privileges and elections committee reach such decisions, and not an outsider?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is simply untrue.

Mr. Broadbent: Which is?

Mr. Nielsen: There have been instances in the past where this route has been followed. I will agree with the Member that in this instance the process that is being followed for the first time is different from past precedents, but it should come as no surprise to the Member because the possibility of that new process being invoked was tabled as part of the package last September, 1985.

Mr. Broadbent: No. Give us the reference for that.

Mr. Nielsen: It certainly was. That is the process being invoked now.

[*Translation*]

GUIDELINES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister. In his answer to the previous question, he indicated to the House for the first time that this impartial person conducting the investigation will decide if there has been a breach of the guidelines. I wish I had before me the letter sent by the Prime Minister on September 9 in which he said that he had no intention of delegating his responsibility, and that the ultimate

responsibility for deciding whether someone had infringed the guidelines was his.

How come the Government's policy has changed?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): It has not changed whatsoever, Mr. Speaker. I thought it would have been apparent to even a simpleton that the impartial investigation would have to be done in the context of the conflict of interest code, all of its provisions, which among others provides for avoiding any breach or apparent breach. In addition, I have told the House repeatedly that the letter of the Prime Minister to each of his Ministers tabled on September 9, 1985, will be part of those terms of reference. I do not know how I can make it any clearer.

[*Translation*]

OBJECT OF INQUIRY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Prime Minister could considerably clarify the situation, something he seems to have trouble doing, by giving the House the assurance that this so-called independent and impartial inquiry will consider only one main question, namely whether or not the guidelines were breached, because at the rate the Deputy Prime Minister is using this inquiry as a catch-all for any number of items, it will be utter confusion and no one will know what is going on. Please give us the assurance that only the main question will be considered for a decision.

Mr. Speaker: Order, please. Too long, much too long.

Mr. Guilbault (Saint-Jacques): Let us know whether or not the guidelines were breached.

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, for two and a half weeks now they have covered a broad gamut of allegations. Now they seem to be requesting me to ensure somehow that we confine the inquiry instead of addressing all of the allegations that have come forward.

Mr. Gauthier: We want an inquiry here.

Mr. Nielsen: It seems to me, Sir, that what they wish to do now is to undermine the credibility of an impartial person before he is identified, or she, and before their appointment and before the terms of reference have even been set. That is impartiality, I ask you.

Mr. Speaker: Order, please. It is Hon. Members' time. The Hon. Member for Regina West.

• (1430)

AIRPORTS

AWARDING OF SECURITY CONTRACT AT MONTREAL AIRPORTS

Mr. Les Benjamin (Regina West): Mr. Speaker, yesterday the Minister of Transport told us that he investigated the companies involved with the recent award to supply security services at Montreal airports. He said he was aware of who owned the company that would replace Burns Security which backed out of its contract while its employees were on strike.

Is the Minister aware that this new company, which has received a $1 million contract, is not even two weeks old and is not even a licensed security agency in any province? Is the company bonded? Is it insured? Is this increasing the standards of airport security? Under whose licence will it be operating?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated to the House yesterday, there are two firms to which Air Canada has turned over the security service as a result of Burns Security's desire to remove itself. The two firms in question were taking over the existing contract which was originally awarded to Burns.

I am still checking out more of the details. There have been further revelations in the press which I am going to check out. I will certainly make that information available to the Hon. Member and the House as soon as I can ascertain the details and the answers to the questions which have been posed.

Mr. Speaker: The Hon. Member for Regina West may ask one supplementary question.

PARENT COMPANY INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, can the Minister tell us if this new company is a front intending to operate under a licence held by another company which is owned in part by the wife of a cabinet Minister? Why did these people get a $1 million contract as their first job before they were even licensed? Why does the parent company hold contracts for Regina, Saskatoon, and Winnipeg? Is there not a conflict of interest here, too?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, there are a number of allegations contained in the Hon. Member's question to which I am certainly not going to subscribe without checking out the facts. My understanding is that some of the contracts which were awarded in the western region of Canada were awarded in March of 1986.

With regard to the allegation with respect to the Hon. Senator's wife, the Senator made a statement in the Senate yesterday clarifying that position. I am sure that, in the interest of ensuring that there is not or does not seem to be a conflict of interest, the Hon. Senator has taken the right steps.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW ZEALAND MINISTER OF THE ENVIRONMENT AND MINISTER OF HOUSING

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of the Hon. Phil Goff, Minister of the Environment and Minister of Housing for New Zealand.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF INDONESIAN MINISTER OF TRADE

Mr. Speaker: I would also like to draw to the attention of the House the presence of Dr. Rachmat Saleh, the Minister of Trade for Indonesia.

Some Hon. Members: Hear, hear!

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THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—GOVERNMENT RESPONSIBILITY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. In the September 9, 1985, letter to MPs it says: "—circumstances may arise that call for an impartial investigation of conduct as it pertains to fact." It says further that: "—making use of these instruments will not relieve the Government of its responsibility to decide and to stand accountable before Parliament".

Can the Deputy Prime Minister tell us today what made him and the Prime Minister change their minds as to that particular sentence in the declaration of September 9, 1985?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I have already answered that misquoted portion of the letter to which the hon. gentleman has just referred. When he was quoting the letter, he inserted words which are not in the letter in the order which he has outlined.

Mr. Boudria: Oh, yeah? Which ones?

Mr. Nielsen: There has been no change of policy. The open letter to Members and Senators from the Prime Minister provided that there may be circumstances which would require the appointment of an impartial person to conduct an investigation as to facts. If the hon. gentleman reviews the "blues", he will see that he inserted words which were not in that letter.

[*Translation*]

INQUIRY WHY GOVERNMENT DOES NOT PERMIT STANDING COMMITTEE ON ELECTIONS, PRIVILEGES AND PROCEDURES TO CONDUCT INQUIRY

Mr. Boudria (Glengarry—Prescott—Russell): Mr. Speaker, that is certainly not the case, and as my supplementary, since in the same letter the Prime Minister says that the responsibility for the standards of conduct of the federal Government and Cabinet lies ultimately with the Prime Minister, I would like to ask whether the Prime Minister has also dissociated himself from this part of his letter? If not, why won't he let the House, through the Standing Committee on Elections, Privileges and Procedures, investigate this question and draw its own conclusions instead of having a so-called independent enquirer who, as far as we and most people can see, will try to cover up the truth?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, the allegation imbedded in the question of the hon. gentleman is utterly false. The Prime Minister fully stands by the conflict of interest code which was tabled in September, 1985. He fully stands by the letter of September 9 to his Ministers. He fully stands by the open letter to Members and Senators, which was tabled as part of the package, and every other part of the conflict of interest package which was tabled in September, 1985.

Mr. Boudria: Why are you not doing it?

Mr. Nielsen: He says: "Why are you not doing it?" The Prime Minister is doing it as quickly as possible. An impartial person will be identified as quickly as possible. The investigation will proceed as quickly as possible. It will report as quickly as possible.

Mr. Speaker: Order, please.

PRIME MINISTER'S LETTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Deputy Prime Minister indicated that the Prime Minister fully stands by his letter. I would like the Deputy Prime Minister to explain to me and to the House where in the letter there is reference to the right of an independent investigator to find that there is or is not a conflict of interest.

Mr. Guilbault (Saint-Jacques): That's a new addendum to the letter.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, surely the purpose of the investigation as to facts would be—

Mr. Broadbent: That's not the question.

Mr. Nielsen: —to see whether or not there was an actual or apparent breach of the Code of Conduct. I cannot put it more simply or clearly than that—

Mr. Broadbent: Or inaccurately.

Mr. Nielsen: It is not inaccurate.

Mr. Gauthier: Sure it is.

Mr. Nielsen: —as being the role of an impartial investigation as to facts. It must do two things: one, investigate; two, report.

RESPONSIBILITY OF PARLIAMENT

Mr. Ian Deans (Hamilton Mountain): Does the Deputy Prime Minister understand that in the letter it says that: "—circumstances may arise that call for an impartial person to conduct an investigation as to fact"? It goes no further than that. Is he not aware that the Prime Minister also goes on to say that the "—responsibility of government and the supremacy of Parliament are respected and reinforced", and that that supremacy and responsibility require that Parliament make the judgment as to ethical standards of Members of Parliament in the House of Commons?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I thought the hon. gentleman knew the system and this place better than that.

Mr. Deans: I know it very well.

Mr. Nielsen: He is omitting to say that, in addition to the code that will be looked at by an impartial person investigating the facts, are the letter of September 9, and all of the allegations that have been made over the course of at least two and a half weeks. With respect to the point about Parliament, the Hon. Member will appreciate that the option is there for the report to be referred to a standing committee of this House.

Mr. Deans: Where is the option?

Mr. Nielsen: The hon. gentleman says "Where is the option?" It is inherent in the prerogative of the Prime Minister which we are dealing with here.

Mr. Blackburn (Brant): It's in invisible ink.

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[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY WHETHER GOVERNMENT IS WILLING TO WITHDRAW RETROACTIVE PROVISION CONCERNING BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

This morning, more than 1,000 senior citizens were on Parliament Hill to protest the decision made by the Minister on January 5 to cut unemployment insurance benefits. Is the Minister willing to admit today that these people have been unfairly penalized, especially since, this morning, some people proved to us that their unemployment insurance benefits were now down to only $12 a week? Is the Minister prepared to withdraw a retroactive measure that affects 34,000 people?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I had an opportunity to meet the leaders of this group at noon, and we discussed their concerns. As you know, I have received a number of representations from various groups on the same subject. That is why I have asked Mr. Forget to look into the details of this question and give me his recommendations.

INQUIRY WHY MINISTER DID NOT AWAIT FORGET COMMISSION RECOMMENDATION BEFORE MAKING DECISION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, we have this stupid reply from the Minister, while the people up there are losing 200—

Mr. Speaker: Order, please. Just the question!

Mr. Malépart: Mr. Speaker, does the Minister realize that the people who are here today are losing $200 a month in income? Why did the Minister ask the Forget Commission's advice and cut unemployment insurance cheques? Why didn't she ask for a decision by the Forget Commission but let these people draw their cheques?

Mr. Speaker: Order, please!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the amendments to these regulations were announced by the Minister of Finance in 1984, and as we all know, since that time we have debated the question here in the House and I am now waiting for Mr. Forget's recommendations.

REDUCTION IN BENEFITS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration, and it is prompted by today's demonstration by thousands of people on Parliament Hill.

Can the Minister explain why the Government continues to deny unemployment insurance benefits to pensioners in spite of the fact that, since early January, this Government policy has been rejected in practically all 400 appeals filed in Quebec against such cut-backs?

• (1440)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, a number of appeals have been heard by boards of referees. As Members will know, a number of decisions have been made upholding the claimants' appeals. A great many more decisions have been made which denied the appeals. Because of these conflicting rulings, the next step will be to refer the matter to a higher level of judicial review. That process is taking place.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Can the Minister explain why the Government has chosen to harass people who won their appeals before the arbitrator, by taking them to a higher court? This forces them to continue without the revenue which is their due. Why did she harass those people when in

Quebec 400 cases went for the claimants and only 10 for the Department?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this is one of the few times I have heard an individual Member of Parliament argue against the judicial process. This process allows people to proceed through different levels of review and, Sir, that is taking place.

* * *

HEALTH

WEST COAST RADIOACTIVITY REPORTS

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. People on the West Coast are understandably concerned about the reports of radioactive contamination of rainwater. The Minister has given both assurances and a caution on this subject. Can he take this opportunity to give us an update on the situation in order to reassure people out there?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as of this morning background radiation in the air in B.C. is down. That includes rainwater, and water in the Coquitlam reservoir. As far as milk is concerned, we are testing it daily. I note the B.C. Minister of Health has indicated there is no problem. We have found no traces in milk but we are testing daily as a precaution.

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UNEMPLOYMENT INSURANCE

CHANGE IN REGULATIONS—PROGRESSIVE CONSERVATIVE PARTY CAUCUS INQUIRY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. If she thinks that the anger over her unemployment insurance cuts is going to go away, she is in for a big surprise. If she will not agree with Members on this side, or listen to the demonstrators outside, will she at least listen to Members of her own caucus? Does she disagree with the Conservative Member for Annapolis Valley—Hants who said if there was a vote in the Conservative caucus they would reject her policy?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this matter has been raised on a number of occasions and I will give exactly the same answer I have given on other occasions. This modification was introduced in November of 1984. At that time a one year lead time was given before implementation so people could adjust to the change in the regulations. There never was any question that it would come into effect in January of 1986. That has taken place, and we will await the report of the commission headed by Mr. Forget to see whether any recommendations for changes are made.

REQUEST FOR FREE VOTE ON ISSUE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. When we have the final votes on the Estimates will he allow or arrange for a free vote on this issue—

Some Hon. Members: Oh, oh!

Mr. Allmand: —so that we can once again test the integrity of the Conservative caucus and the spirit of the new rules in this House?

Mr. McDermid: You can do the same thing on Turner's leadership.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Standing Orders are quite clear in that regard. However, I would be a little concerned because I think we would probably have 39 different positions from the Liberal Party if we allowed that.

Some Hon. Members: Hear, hear!

Mr. Allmand: Try it.

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CANADA POST CORPORATION

REPORTED PROPOSAL FOR THREE-DAY ALTERNATIVE MAIL DELIVERY

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the post office. Yesterday he said he would make public the new business plan for the post office after he made a decision. In light of the seriousness of the proposal for delivery every three days only, which will affect seniors, will he make that plan public now so we can have a debate, or is he going to force us to use the Access to Information law?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can only repeat what I said yesterday. We are examining a lot of alternatives with the post office administration. Alternate day delivery is just one. Internal analyses are being done and, as soon as a decision is reached, it will be announced publicly.

[*Translation*]

REQUEST FOR EXPLANATION CONCERNING POSTAL SERVICES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister has simply indicated that he is considering several

alternatives to reduce services. I should like to ask him, first whether he feels it is important to hold a debate on postal services before making that decision and, second, whether he would rather have us proceed under the Access to Information legislation.

[*English*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I said we were examining a lot of alternatives. The Hon. Member knows that in order to comply with the request of the Minister of Finance to achieve self-sufficiency in the post office very shortly we have to examine these alternatives and take the best available. That is exactly what we will be doing, and we will do it without affecting services.

* * *

EMPLOYMENT

LACK OF BRICKLAYERS IN MISSISSAUGA

Mr. Bob Horner (Mississauga North): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Mississauga is booming. A hundred million dollars worth of building permits are issued each month. The problem is that construction companies cannot get any bricklayers. Will the Minister try to issue short-term visas or work permits for bricklayers in order to help alleviate the situation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we are indeed conscious of the prevailing situation in Mississauga, and in the Toronto area in general, concerning bricklayers. The Department has, through the Canada Employment Centres network and the National Job Bank, advertised the vacancies across the country. We are hoping this will alleviate the situation. In addition, officials of the Department will be meeting with the Toronto Home Builders Association next week to discuss what other steps might be taken to remedy the situation.

* * *

• (1450)

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—HIRING OF MICHAEL DEAVER AS LOBBYIST

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In an interview published this morning, Mr. Michael Deaver quoted Fred Doucet of the Prime Minister's Office as saying to him: "You know you're a hell of a guy, a guy Canadians ought to be thinking about", to which Mr. Deaver replied: "For God's sake, don't talk to me about that." What possible explanation can be given for this comment by a senior official of the Prime Minister's Office which was obviously taken seriously by Mr. Deaver? Has the Minister properly investigated this exchange which is a clear breach of American law?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is quite clear that the Hon. Member would be far happier if he were a member of the Congress or Senate of the United States so that he could pursue the issues that really interest him. Some of us from time to time think that this country would be better off under that circumstance as well. As the Member well knows, the comment read into the record of the House of Commons was a comment made in a light-hearted way by Dr. Doucet. It was interpreted that way by Mr. Deaver. Thoughout this, the Government of Canada has respected the law of Canada and the United States. Any suggestion to the contrary is unworthy of a Member of this House of Commons.

Some Hon. Members: Oh, oh!

Mr. Axworthy: We have become quite used to the unworthy answers that we have received from the Minister. It is a serious question.

REQUEST FOR INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Considering that this is a matter that concerns the behaviour of a Canadian official in the Prime Minister's Office, has the Secretary of State for External Affairs properly investigated it to determine whether this is a violation of Canadian law? Is he prepared to report to this Parliament so that we know what our officials are doing in foreign countries, breaking the law?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can report categorically to the House of Commons of Canada that the contract approved was in accordance with the law of Canada and with the law of the United States. I can also express my regret that the Hon. Member, perhaps inadvertently—since that is his custom—has been twisting words on this matter in the House and outside the House. That is conduct unworthy of a Member who wants to have the respect of the House of Commons and the people of Canada.

Some Hon. Members: Hear, hear!

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HEALTH

MONITORING OF RADIOACTIVITY LEVELS IN CANADA FOLLOWING SOVIET NUCLEAR REACTOR ACCIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Canadians from coast to coast are deeply worried and

disturbed about the long-term effects of radiation from Chernobyl and the inadequacy of regional measurements here in Canada. Since we have now learned that some foods are being impounded and high levels of radiation are of concern in terms of some of the crops grown in the Vancouver area, will the Minister be submitting a claim to the Soviet Union for all costs and damages?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think there is one point that has to be made before the question is answered. In his preamble the Member mentioned that Canadians were concerned about the inadequacy of Canadian monitoring or testing. That is simply not the case. Our monitoring and testing have been very good by every measure, including my discussions with the European regional office of the World Health Organization from which we just had a telegram again yesterday. There has been full co-operation, both internationally, and domestically with the provinces. That must be said so that the people of Canada know they are being well protected. That is the first point.

Should a claim with respect to any compensation have to be made, I, as Minister of Health, could not answer that independently. The Cabinet would have to make a decision on that. It has not yet been discussed.

REQUEST THAT DAMAGES CLAIM BE SUBMITTED TO SOVIET UNION

Mr. Jim Fulton (Skeena): Mr. Speaker, there is only one area that has been tested in British Columbia. That is Vancouver. There are other areas of British Columbia.

An Hon. Member: Not true.

Mr. Fulton: Ketchikan, Alaska, gives reports every five hours, not once a week.

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

Mr. Fulton: My supplementary question is directed to the Secretary of State for External Affairs who, I believe, has the jurisdiction in this. On January 24, 1978, Cosmos 954 crashed here in Canada, causing $14 million in damage.

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

Mr. Fulton: Will the Secretary of State for External Affairs—

Some Hon. Members: Oh, oh!

An Hon. Member: That is not a supplementary.

Mr. Speaker: Order, please. The Chair obviously cannot tell if a question is supplementary until it has heard the question. May I hear the question, please?

Mr. Fulton: Based on the precedent of Cosmos 954, will the Minister be submitting to the Soviet Union for payment, all costs and damages affecting Canada that are attributable to the Chernobyl disaster?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if there are damages to Canada proven as a consequence of that terrible accident, we will certainly seriously consider the suggestion that the Hon. Member has made.

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NORTHWEST TERRITORIES

ABORIGINAL LAND CLAIMS BOUNDARY

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, my question is directed to the Hon. Minister for Indian Affairs and Northern Development. Last Friday, the Inuit, the Dene, and the Métis reached a tentative agreement on where their land claims boundary will be. If this agreement is ratified, will the Government of Canada accept this agreement as being conclusive on the extent of jurisdiction for each claim, and if the boundary is also acceptable among northerners as the basis for the division of the Northwest Territories, will the Government of Canada be prepared to accept this boundary for the creation of two new territories?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to thank the Hon. Member for raising the matter. It gives me the opportunity to congratulate those who were involved in the recent meeting on the progress they have made. The Hon. Member may know that the native leaders will be meeting with the Government of the Northwest Territories in Rankin Inlet in June. I hope there will be progress at that meeting as well. As always, the federal Government stands in a receptive mood to resolve the matter, especially as it is being developed by northerners, in the North. I also want to take the opportunity to thank the Hon. Member for his contribution.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—PRICE WATERHOUSE REPORT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. The Price Waterhouse study of the losses suffered by Japanese Canadians is now public and serves to demonstrate the severe magnitude of the problems inflicted on this very community. Rather than taking an indifferent and irresponsible view of the findings, as he has to date, will the Minister assure the House that he will use this report as the vehicle to begin meaningful

negotiations, as he promised in December, 1984, rather than taking to Cabinet an order that would run roughshod over the sensitive concerns of this community?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, without accepting the Hon. Member's preamble, I will say that the results of the Price Waterhouse study were not a big surprise to anyone. As a matter of fact, in preparing the options for Cabinet, the losses were taken into consideration. The Hon. Member should know that there is more to the redress issue than financial matters. There is a moral matter and, from a moral standpoint, this Party is doing the right thing. It is certainly not his Party, which wanted to do nothing at all for the Japanese Canadians.

GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, it seems that the malaise that has gripped the Government has now paralyzed the Minister as well because he knows that what he said is not true.

Some Hon. Members: Order.

Mr. Marchi: I want to ask the Minister—

Mr. Speaker: Order, please. The Hon. Member may disagree on the facts but he cannot accuse the Minister of saying something that he knows not to be true. The Hon. Member knows he is moving into the area of unparliamentary language and I ask him to withdraw it and simply put his question.

Mr. Marchi: I disagree with the Minister's interpretation.

Some Hon. Members: Withdraw.

Mr. Marchi: I would like to ask—

Mr. Speaker: I ask the Hon. Member to withdraw his statement, please.

Some Hon. Members: Sit down.

Mr. Speaker: Order on this side as well. I ask the Hon. Member simply to withdraw his comment and put his question.

Mr. Marchi: I withdraw, as you instruct me. Why did the Government break its promise of December, 1984, when it said two things: first, that it would negotiate; second, that it would do it with and through the NAJC? Why has that not happened? Why can you not have the decency to use this report as the basis for genuine discussion?

Mr. Speaker: Order, please. The Member is being long.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, it is very obvious that the Hon. Member is doing nothing but grandstanding. He knows very well that I, as the Minister representing the Government, have gone through the widest possible terms of negotiations and discussions with the Japanese Canadian community. I have put options before the Cabinet, and in recent days I have been asked by Mr. Miki, President of the NAJC, to meet with him to discuss the results of the Price Waterhouse study. I have accepted his invitation and I look forward to meeting with him and bringing any new evidence to the cabinet table for consideration.

• (1500)

Mr. Speaker: Order, please. I am in receipt of at least one request for a question of privilege arising out of Question Period and at least one Point of Order also arising out of Question Period. I intend to invoke our precedents with regard to a different matter of privilege before hearing those matters and recognize the Hon. Member for Terrebonne (Mr. Toupin) on a question of privilege.

* * *

[*Translation*]

HOUSE OF COMMONS

MEMBER FOR TERREBONNE—CHANGE OF POLITICAL ALLEGIANCE

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I should like to tell the House about my decision. I will simply read the self-explanatory letter I wrote to the Prime Minister: Mr. Prime Minister, I hereby advise you of my decision to leave the ranks of the Conservative Party of Canada. You may rest assured that I made this decision after long and serious consideration. There have been and there are still basic and now irreconcilable diverging views between your Government, your Party and myself concerning major issues. Henceforth I shall therefore sit as an Independent Member for the greatest benefit of all my Terrebonne constituents.

[*English*]

Mr. Speaker: Accordingly, the House will know that the Chair will find the appropriate way as early as possible to change the seating arrangement.

I am in receipt of a notice of a question of privilege arising out of Question Period from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). For clarification, the Hon. Member for Windsor West (Mr. Gray) has submitted a question of privilege relating to yesterday which I will have to hear at the end of matters arising out of today's Question Period.

PRIVILEGE

STATEMENT BY MINISTER—ALLEGED UNTRUE STATEMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to draw to the attention of the Chair what I believe is a question of privilege. I want to indicate that if the Chair decides I have a *prima facie* point of privilege, I am willing to move the appropriate motion to send it to the appropriate parliamentary committee.

As the Chair is aware, the rules in Beauchesne state we are not to accuse other Hon. Members of making untrue statements in the House of Commons. That is found on page 114 of Beauchesne's Parliamentary Rules and Forms, Fifth Edition, as decided by your predecessors on June 21, 1977 and November 16, 1977.

The point I want to bring to the Chair's attention is that a document was tabled in this House on September 9, 1985 from which I have quoted verbatim today in the House of Commons. In view of the fact that this document was tabled in this House, it is therefore a document in your possession, Mr. Speaker. I want you to investigate as to whether or not the declaration I made today in quoting from that document was untrue as alleged by the Deputy Prime Minister (Mr. Nielsen) when he answered a question in Question Period. He alleged I had made to you and to this House untrue statements relating to the letter of the Prime Minister (Mr. Mulroney) which was tabled in this House on September 9, 1985.

Mr. Speaker: Order, please. I think the Hon. Member knows that is not in fact a question of privilege but a point of order. Second, I think the Hon. Member is asking the Chair to investigate the facts with regard to an allegation. He knows the Chair does not do that.

The question he is asking me to determine is whether the Deputy Prime Minister (Mr. Nielsen) was out of order in his suggestion that something was untrue, that a fact was not a fact. I think that, as the Hon. Member knows, is a matter of debate and not a matter of privilege or of order.

The other point of order I received was from the Hon. Parliamentary Secretary, or would he prefer that I hear the other point of order first? The Minister of National Health and Welfare (Mr. Epp) is also rising on a point of order. Would the Parliamentary Secretary prefer that I hear the Minister of National Health and Welfare first?

Mr. Lewis: Yes.

* * *

POINTS OF ORDER

STATEMENT BY MEMBER—TESTING FOR RADIATION

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I rise on a point of order. Today in Question Period I was asked a question. A supplementary question was then directed to the Secretary of State for External Affairs (Mr. Clark). Before the supplementary question itself was posed, the Hon. Member for Skeena (Mr. Fulton) put into the preamble something which I think is very damaging, not to me, but I think it is very important when we are dealing with issues of health and safety and radiation that accurate statements be made in the House.

The Hon. Member indicated that we were only testing in Vancouver. We are testing in three other locations in British Columbia. I think it is important that the House have that information in view of people's anxiety about this issue.

Mr. Speaker: Order, please. This is exactly the same as the other case. It is not a point of order.

INTERRUPTION OF QUESTION—CONTINUATION OF TRANSLATION—*HANSARD* CONTENT

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to raise a point of order arising out of Question Period. During the second question asked by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) the Chair found it necessary to rise to interrupt him, presumably because the question was too long. I was listening to the translation and trying to follow the question in French. Although you rose, Mr. Speaker, and in effect cut off the Hon. Member's microphone in the middle of his last sentence in French, the English translation continued and was completed.

Although I was not listening to the series of questions asked by the Hon. Member for Skeena (Mr. Fulton), I wonder if the same thing happened. I want to be very clear that everyone in this House from all Parties has the greatest of respect for the people who work in the translation booths. We all realize it is a very difficult job.

However, I want to put a question to you, Mr. Speaker. If a Member of Parliament is to be disciplined by being interrupted, and, therefore, is interrupted by Telecast and by microphone, should that discipline not continue—and I say this with respect to Ministers and Members of the Government as well as Members of the Opposition—should that procedure not continue, if possible, through the translation and also in *Hansard*?

I must admit, Mr. Speaker, that the point has never before occurred to me, but if that discipline does occur, live as it were, should it not occur in translation and also in *Hansard*? I do not know the answer to the question. I thought it should be posed.

Mr. Gauthier: On the same point of order, Mr. Speaker, I just want to bring to your attention that translation sometimes has a delay time. Perhaps the Hon. Member does not recognize that. The translators are not translating, they are interpreting so that the interpretation could be different from the translation as a means of communication.

I caution the Speaker that in a case such as this the interpretation of what was said by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) could have taken perhaps a little more time. I cannot see any point of order.

Mr. Speaker: I will look at the point of order raised by the Hon. Member. However, I think the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is right in the sense that I would assume, and I will look into it, that once I turn off the microphone the connection between the Hon. Member and the translation booth is broken. I would assume, therefore, what is happening after that is what is left over from what has already gone through the microphone system.

With regard to *Hansard*, I would be happy to look into it. However, I think the Hon. Member will know that *Hansard* picks up whatever *Hansard* picks up from whatever source, which is not always simply the microphones. It may not be possible to create that interruption.

I appreciate the point the Hon. Member is trying to make and I will look into it.

I have received notice of a Question of Privilege from the Hon. Member for Windsor West (Mr. Gray).

* * *

PRIVILEGE

CONFLICT OF INTEREST—APPOINTMENT AND TERMS OF REFERENCE OF INQUIRY—ALLEGED INTIMIDATION

Hon. Herb Gray (Windsor West): Mr. Speaker, on Monday 11, 1986, the Minister of Regional Industrial Expansion (Mr. Stevens) announced that, in the face of allegations of conflicts of interest raised in the House and in public, he had resigned from the Ministry and he asked for a public inquiry into the allegations in question. The Prime Minister (Mr. Mulroney) in the Far East, and the Deputy Prime Minister (Mr. Nielsen) in the House of Commons, have indicated that the Government has agreed to such an inquiry outside this House, presumably under the Inquiries Act. But the person or persons who are to undertake this inquiry are not yet appointed and their terms of reference have not yet been made public.

It has been the contention of the Opposition that while an inquiry is most certainly required, the proper place for such an inquiry, since it directly involves the privileges, procedures and Members of the House of Commons, is the House itself, likely through one of its committees. The validity of this assertion has been proven by statements in the House during Question Period both yesterday and today by the Deputy Prime Minister concerning the proposed inquiry. These statements have underscored the unsuitability of an inquiry outside of this House under the Inquiries Act or otherwise, in this case, and the statements alone, I submit, violate the privileges of this House. In particular, the Deputy Prime Minister said yesterday, as recorded on page 13225 of *Hansard* for May 13, 1986:

> —I have given Hon. Members the assurance that whatever statements or allegations have been made in the House of Commons, however temperate or intemperate, will be the subject matter of those terms of reference.

Later, on the same page, he is reported to have said:

> Surely he would want to clothe the impartial person with the broadest possible terms of reference . . . including all of the matters which have been raised in the House of Commons with respect to these circumstances—

Today in the House of Commons the Deputy Prime Minister said, and I think I have reported it accurately: "The investigation will take into account allegations made in the House of Commons both temperate and intemperate". These remarks make it clear that the Government is seeking through executive action to call into question statements made by Members of the House of Commons in Parliament in a place that, if it involves the Inquiries Act under statute law, has the power of a court of record. This is a clear violation of the privileges of Parliament recognized as long ago as the 14th century and, in fact, codified in Article 9 of the English Bill of Rights of 1688 as follows:

● (1510)

> The freedom of speech and debates, or proceedings in Parliament, ought not to be impeached in any court or place out of Parliament.

The applicability of this principle to Canada is clear. I draw your attention, Sir, to the 1971 case of *Roman Corp. v. Hudson's Bay Oil & Gas Co.* wherein Mr. Justice Houlden of the Ontario Supreme Court, after citing the aforementioned Article of the Bill of Rights, held:

> The court has no power to inquire into what statements were made in Parliament, why they were made, who made them, what was the motive for making them or anything about them—

The judgment was upheld on appeal by the Ontario Court of Appeal, wherein Mr. Justice Aylesworth held, in part:

> I respectfully agree with the learned trial Judge that the respondents cannot be called upon to plead to or defend against, in any ordinary Court of law, the allegations concerning statements they made in the House of Commons. For more than one hundred years no such Court has entertained an action based upon such statements, declaring it to be within the absolute privilege of the House itself to deal with them as the House may see fit.

This case was appealed to the Supreme Court of Canada. Mr. Justice Martland specifically upheld the statements made in both the trial and appeal judgments that applied to statements made in Parliament.

This fundmental principle has also been upheld in the courts with respect to proceedings in provincial legislatures. For example, the Chief Justice of Quebec in the Quebec Court of Appeal in the case of *Lavergne v. Le Club de la Garnison de Québec* dealing specifically with this point said:

> This freedom of speech was originally intended as a protection against the power of the Crown.

Erskine May's Nineteenth Edition, Chapter VI, provides lengthy and learned defences of these positions. It is of particular interest to note its commentary on page 84, respecting Article 9 of the Bill of Rights cited previously:

> There are three principal matters involved in the statement of law contained in this Article:—

1. The right of each House to be the sole judge of the lawfulness of its own proceedings;

2. The right implied to punish its own Members for their conduct in Parliament.

Further—

This point is not directly relevant to what I am submitting.

Further, there is the question,

3. What is the precise meaning of the term "proceedings in Parliament"?

In any event, it is the first two of these principles with which we are concerned here.

As of this moment it is true that no inquiry outside of Parliament has attempted to improperly examine any statements made in Parliament; nor has the Government yet published any Order in Council under the Inquiries Act. However, the Deputy Prime Minister (Mr. Nielsen) has made it clear that the Government intends to do so and, in so doing, intends to instruct such inquiry, quite improperly and in breach of the privilege of the House, I submit, to call into question statements made by Members in the House.

Freedom of speech in the proceedings of Parliament, however, is so fundamental to the constitutional role of the House of Commons, that so clearly expressed an intent, the intent to cause an appointee of the Crown to infringe upon the freedom of speech of the House of Commons, must surely in itself constitute a breach of privilege.

There is also another breach of privilege in the statement of the Deputy Prime Minister. His statement that the Government intends to appoint an inquiry outside of the House of Commons into the proceedings of the House of Commons and statements made therein is a clear threat to Members of the House, if they do their duty as they have been doing, and as they intend to. The Deputy Prime Minister has clearly attempted to intimidate Members from saying and doing in the House what they consider to be the proper thing. He has threatened them with what could turn out to be an external kangaroo court investigation of whatever they say in the House if it does not please him, the Prime Minister (Mr. Mulroney) and the Government.

Citation 71 of Beauchesne's Fifth Edition clearly states:

Direct threats which attempt to influence Members' actions in the House are undoubtedly breaches of privilege.

I conclude by saying that the Deputy Prime Minister has therefore clearly breached the privileges of the House on at least two scores. First, he has stated his intent to cause an appointee of the Crown to infringe on the freedom of speech of the House, a freedom so fundamental to the constitutional duty of Parliament that to express intent alone must surely constitute a breach of privilege. Second, his words constitute a clear threat in an attempt to intimidate Members in the exercise of their duties.

By way of conclusion I say that if the Deputy Prime Minister wants to have examined statements by Members made in this House, then surely it is an argument for our position that this can only be done in the House, or one of its committees. If the Government wants to have an investigation sufficiently broad to examine what Members say in this House, then it should agree with our position—there should be an inquiry in one of the committees of this House.

I submit there has been a *prima facie* breach of privilege. If you agree, Mr. Speaker, I have an appropriate motion to move.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, of course, I did not have any prior notice of this question of privilege. After hearing the House Leader of the Official Opposition (Mr. Gray) I am glad that I did not.

Mr. Gauthier: We will see how smart you are.

Mr. Hnatyshyn: There is absolutely no foundation with respect to the contention made by the Hon. Member that there is a question of privilege in this particular matter. If we were to follow the logic of the Hon. Member's submission, then any inquiry with respect to any item which is the subject matter of debate or questioning on the floor of the House of Commons would somehow be interpreted as being an infringement on the rights of Members with respect to the deliberations of the House of Commons. Clearly, this is not the case.

Indeed, if Your Honour were to search the record you would see that this is the paradox of the whole situation. During the course of Question Period, not only were members of the Opposition demanding information with respect to this matter, they were demanding—and I believe it was the Hon. Member for Gander—Twillingate (Mr. Baker), as well as other Members—that there be an independent inquiry with respect to this entire matter.

Mr. Gauthier: Parliamentary.

Mr. Hnatyshyn: Of course, it is now a parliamentary inquiry. I want to make what I have to say brief because I understand the political point that has been attempted to be made by the Hon. House Leader. Clearly, this is a political position put forward by the opposition Parties. I accept that as a political position. However, as far as being a question of privilege is concerned, I would like to make two points. The first, in a procedural sense, is that the whole question of a Code of Conduct for cabinet Ministers is not a matter which is normally within the scope of the activities of the House of Commons. It is extra-parliamentary, if I may put it that way. It is a matter within the prerogative of a Prime Minister—

Mr. Foster: That's a new theory.

Mr. Hnatyshyn: —just the same as it was with the predecessor to the present Prime Minister (Mr. Mulroney). There is adequate authority and precedent—

Mr. Foster: Name one!

Mr. Hnatyshyn: —with respect to this matter. If Hon. Members opposite will give me a few moments, and some notice, I would be glad to quote chapter and verse out of Bourinot's and out of—

Mr. Foster: Quote it, then!

Mr. Hnatyshyn: I know there are precedents, Mr. Speaker, because I have observed them on a number of occasions with respect to different cases. I recall the case of John Pallett, MP, wherein there was a question of his activities and an allegation made with respect to those activities in 1959. The Speaker at that time held that matters that occured outside of the House of Commons, not in the capacity of a Member of Parliament, were not matters of privilege.

Mr. Gauthier: That's not the point!

Mr. Hnatyshyn: So the question here with respect to the Code of Conduct—Mr. Speaker, I listened very carefully to the Hon. Member for Windsor West (Mr. Gray)—

Mr. Gauthier: No, you did not. Evidently you did not.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Perhaps they would do me the courtesy of letting me complete my argument. I take seriously the position put forward by the House Leader of the Official Opposition. I think it is unfounded; but I listened to him and I allowed him to complete his argument.

What I am saying is that this matter is a matter in which there is an investigation. As a matter of fact, the Acting Prime Minister (Mr. Nielsen) has indicated the intention of the Prime Minister with respect to the process, which is outlined in the Code of Conduct set forth in his letter and the letter to Ministers which was tabled in the House of Commons on September 9, 1985.

I would like to conclude here. I simply say that this is not a question of privilege. It does not affect in any way whatsoever the ability of Members to conduct their affairs. It does not in any way constrain Members from carrying on debate. The question of privilege is one which impinges upon the ability of Members to carry out their responsibilities. There is absolutely no question with respect to the intent of this particular inquiry. It has to do with matters outside of the House of Commons and not the activities of Members of Parliament in this place.

• (1520)

Mr. Speaker: Order, please. I take it Hon. Members now wish to rise to debate the question of privilege? Hon. Members know that the Chair has been given notice of a desire to raise a *prima facie* case of privilege. It is our practice, when it is put by a House Leader, to allow a response from a House Leader. However, the Chair cannot allow debate on the question at this time without determining whether or not there is a question of privilege. I think Hon. Members know that. Does the Hon. Member for Burnaby (Mr. Robinson) wish to contribute somehow to the question of a *prima facie* case?

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I do wish to rise to speak to the question of *prima facie* breach of privilege in these circumstances. I would ask leave of the Chair to have an opportunity to make a brief submission on this very important question.

The issue here is clear and goes directly to the heart of Parliament itself. As has been suggested by the Government House Leader, we are not talking about actions which have taken place outside the House or this institution. The allegation of breach of privilege does not go to the actions or alleged actions of the former Minister of Regional Industrial Expansion or to the Code of Conduct. Rather, the allegation of breach of privilege goes squarely to the question of the words of the Deputy Prime Minister (Mr. Nielsen) and the centuries-old traditions of the House. I would suggest that that is the issue.

The Government House Leader has suggested that some obscure precedent from 1959 involving activities outside the House was not relevant here. He is absolutely right. That precedent has nothing whatsoever to do with the allegations made here.

The allegation made here is quite straightforward. Yesterday and again today the Deputy Prime Minister stated that an outside inquiry would be given any statements or allegations that had been made in the House of Commons.

Mr. Speaker: Order, please.

Mr. Robinson: Mr. Speaker, may I have—

Mr. Speaker: Order, please. The Hon. Member is making the speech he might wish to make if the matter were before the House. Could he bring himself to precedents with regard to a *prima facie* case, please?

Mr. Robinson: Mr. Speaker, in pursuing the question of the existence of a *prima facie* case, I would again remind the Chair that the privileges of which we are speaking here date back to 1688 and to the Bill of Rights. It is totally unacceptable and indeed a breach of the privileges of all Members of the House for any outside body, whether it be a judicial inquiry, a quasi-judicial inquiry or any other form of outside body, to be passing judgment on words spoken in this House. The opposition House Leader made reference to the precedents. He referred to the statements of Mr. Justice Houlden and others. That is the issue which is squarely before the House. No outside body has the right to pass judgment on words spoken here.

If any individual wishes to challenge words spoken in the House, the proper mechanism for doing so is surely within the House itself through the committee on privileges and elections. I suggest that the words spoken both today and yesterday by the Deputy Prime Minister, in and of themselves, constitute a breach of the privileges of all Members of the House.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I believe that my colleague, the Hon. Member for Windsor West (Mr.

Gray), has gone far enough in establishing precedents. In my brief contribution, I would like to draw the attention of the Chair to other occasions on which the Deputy Prime Minister (Mr. Nielsen) used language of the same kind. On May 12, as reported at the bottom of page 13171 of *Hansard*, the Deputy Prime Minister said the following:

> The impartial investigation which is being considered will be governed by terms of reference broad enough to encompass all of the accusations, allegations—unfounded or whatever—
>
> —that have come from opposition Members and, I might add, from the media.

I bring this up to add to what my colleague has already said. It is clear that it is the intention of the Government to have what has been said in the House of Commons scrutinized by an organization outside this House.

Mr. Speaker: Given the nature and length of the interjections, of course I will reserve on this and get back to the House as quickly as I can.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's responses to five petitions.

MORGENTALER CLINIC—ALLEGED RESTRICTIONS ON POLICE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I wish to present a petition on behalf of residents of Scarborough who call upon Parliament to require the Government of the Province of Ontario to remove restrictions in regard to laying charges under Section 251 of the Criminal Code concerning the Morgentaler clinic in Toronto.

ABORTION LAWS—REQUEST FOR CHANGE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present a petition on behalf of residents of the riding of Mississauga South who are urging that Section 251 of the Criminal Code be strengthened to make the law against abortion more easily enforced.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by some of my own constituents who claim that the deduction of the pension benefits from the unemployment insurance benefits is seriously interfering with efforts of employers in the community to create employment via early retirement pension packages and they ask that the House of Commons rescind that action by the Minister of Employment and Immigration (Miss MacDonald).

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have the pleasure of submitting a certified petition on behalf of a number of residents from Kamloops, British Columbia, who are concerned about the decision of the Minister of Employment and Immigration (Miss MacDonald) which is that after December 31, 1985, pension benefits are to be deducted from unemployment insurance benefits. They are simply calling upon the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without the deduction of pension income.

PRICE OF GASOLINE—REQUEST FOR REDUCTION OF TAXES

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I have the pleasure of presenting a certified petition which contains names gathered by the BCAA and asks that Parliament consider withdrawing the separate excise taxes on automotive fuel, reducing the federal sales tax applied on gasoline to a fixed level as it was prior to 1981 and calling a federal-provincial First Ministers' Conference at an early date to discuss the methods by which provinces could reduce respective taxation on automotive fuels.

GASOLINE AND HEATING OIL—REQUEST FOR BASE PRICE

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I have a certified petition signed by 950 residents of the Town of Chapleau, representing more than one-half of the adult population of the town, calling upon Parliament to urge the large gasoline companies to end the practice of having different gasoline and heating oil prices in zones that they themselves create artificially and to move toward a common base price for the Province of Ontario in both commodities.

[*Translation*]

REQUEST TO REFUSE THE ESTABLISHMENT OF A FIRING RANGE—SAGUENAY-LAC SAINT-JEAN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to table a petition signed by some 3,000 residents of the Saguenay-Lac Saint-Jean region asking Parliament to reject the establishment of a firing range in their area and demanding that this money be reinvested into true development programs such as job creation, education, health, social services and tourism. This petition has been organized by Mrs. Albertine Larouche and the committee against the firing range, based in l'Ascension, Quebec.

REINSTATEMENT OF KATIMAVIK PROGRAM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to table a petition which meets the requirements of Standing Order 106. The petitioners state that they are in favour of the Katimavik program which had proved a success both for the development of some 20,000 young participants over the past 10 years, and for the major community projects in which these young volunteers were involved. They ask the Government to reconsider its decision to terminate this program.

• (1530)

[*English*]

Mr. Speaker: Is the Hon. Member for Burnaby (Mr. Robinson) seeking the floor to present another petition? Our practice would normally be to hear his petitions all at once.

PRESERVATION OF SOUTH MORESBY AS NATIONAL PARK

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present to the House a petition which has been signed by several hundred residents of provinces across Canada, organized by Mr. Richard Pearson of Marie-Reine, Alberta.

The petitioners call upon the Government to preserve the South Moresby region of British Columbia as a national park in order to preserve the pristine nature of the virgin forest of that area.

Mr. Speaker: Before the Hon. Member continues, may I point out to him that the part of his remarks referring to the petition being organized by somebody is out of order.

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present petitions signed by several hundred residents of the constituency of Burnaby. They call upon the Government to ensure that the CRTC denies telephone companies such as B.C. Tel the right to impose a charge for each telephone call. Also they call upon the CRTC to order the retention of monthly rentals for telephones and to deny local measured service.

Mr. Speaker: Have all those petitions been certified by the Table prior to their presentation?

Mr. Robinson: Mr. Speaker, as always, they have been certified.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAYS

Mr. Hnatyshyn: Mr. Speaker, I rise at this point in time to announce the business for the balance of this week. I have given the matter serious consideration and, on the representation of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), I hereby designate tomorrow and Friday as allotted days.

Mr. Gauthier: I knew you would do it.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 518.

[*Text*]

SAINT JOHN SHIPBUILDING AND DRY DOCK LTD.

Question No. 518—**Mr. Murphy:**

Did Saint John Shipbuilding and Dry Dock Ltd. (Irving) at Saint John, New Brunswick have a 1 1/2 year lay-off and, if so, what amount was spent by the Department of Employment and Immigration on training opportunities for (*a*) hourly (*b*) salaried employees who were part of this lay-off?

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes, (a) $491,000, (b) $100,000.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you please call notices of motions Nos. 20 and 21, standing in the name of the Hon. Member for Ottawa—Carleton (Mr. Turner)?

[*English*]

Mr. Speaker: Does the Hon. Parliamentary Secretary want to present the responses?

Mr. Lewis: Mr. Speaker, unfortunately the Hon. Member for Ottawa—Carleton (Mr. Turner) could not be in attendance at this time. He asked that the responses be read into the record and then, if you would be so kind, to transfer them for debate.

AMERICAN EMBASSY—SITE SELECTION CRITERIA

Motion No. 20—**Mr. Turner (Ottawa—Carleton):**

That an Order of the House do issue for a copy of any report made to the Minister of Public Works concerning the site selection criteria for locating the new home of the American Embassy and all other embassies within the National Capital Region.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, to date there has been no report made to the Minister of Public Works (Mr. La Salle) concerning the site selection criteria for locating either the new home

of the American Embassy or other embassies within the National Capital Region. Selection criteria often vary with each case. The National Capital Commission has hired consultants to prepare a full proposal for the relocation of the U.S. Embassy based on site selection criteria developed by the United States Government and the National Capital Commission. If the consultants determine that the Mile Circle is indeed the appropriate location for the American Embassy, a report will be presented to the Minister for his review and consideration at that time.

I therefore ask the Hon. Member to withdraw his motion.

SECURITY REQUIREMENTS OF NEW AMERICAN EMBASSY

Motion No. 21—**Mr. Turner (Ottawa—Carleton):**

That an Order of the House do issue for a copy of any report made to the Minister of Public Works concerning the exact security requirements of the United States State Department and all Canadian investigations for the security needs of the proposed site for the new American Embassy within the Mile Circle in Ottawa, Ontario.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, to date there has been no report made to the Minister of Public Works concerning the exact security requirements of either the United States State Department or the responsible Canadian security authorities for the security needs of the proposed site for the new American Embassy within the Mile Circle in Ottawa, Ontario.

I therefore ask the Hon. Member to withdraw his motion.

Mr. Speaker: Further to the request of the Hon. Member for Ottawa—Carleton, Motions Nos. 20 and 21 are transferred for debate, subject to Standing Order 73.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—AGRICULTURAL STABILITY—IMPACT OF CANADA-U.S. FREE TRADE NEGOTIATIONS

Mr. Maurice Foster (Algoma) moved:

That this House urges the Government to take immediate and firm action on behalf of Canadian farmers to ease the burden of debt by introducing such measures as court-ordered debt review, a meaningful interest relief program and an increased commitment to research, and further urges the Government to make firm commitments now to Canadian farmers that they will not be harmed or their interests sacrificed in its comprehensive trade negotiations with the United States and to provide a strong response to difficulties expected as a result of the U.S. Farm Bill.

He said: Mr. Speaker, it is a pleasure to have the opportunity to speak this afternoon on the U.S. Farm Bill. I do not think there has been a time in the last 50 years when agriculture in Canada has faced a more difficult period. Clearly the motion is designed to draw the attention of the House to the gravity of the agricultural situation in Canada and in many ways around the world. We want to examine the lack of adequate response by the Government, and the direction the

Government is giving on the issue of agriculture. I will also talk about the impact which I think has resulted because of the Government's public relations technique in dealing with this grave situation.

Certainly the Government's commitment to agriculture has been called into question as the Standing Committee on Agriculture, the subcommittee on grain, and other agricultural committees have travelled across the country. Farmers have seen what the banking industry and others have received in the past year, but they have not seen the same action, commitment and reaction to the crisis which they face. I believe it really boils down to a lack of trust in the Prime Minister (Mr. Mulroney) himself.

A couple of weeks ago the Prime Minister announced some agricultural initiatives in Ottawa about which I will talk more fully later this afternoon. He flew to Vancouver and met with a few agricultural representatives, but he did not stop on the Prairies to discuss the details of his proposal. I suspect he did not do that because he knew it was a public relations job and there was very little in his announcement at that time.

Let us talk about the gravity of the situation faced by farmers. The latest figures of the Farm Credit Corporation show that some 39,000 or 40,000 farmers are in serious financial difficulty, and that 18,000 or 20,000 of them are in rather severe financial difficulty. These figures are out of a total of some 170,000 farmers with over $20,000 of production per year. If we look at the brief provided by the FCC to members of the Standing Committee on Agriculture, we see that the arrears situation of the corporation has increased dramatically during the past year. This is an indication that farmers simply cannot meet their payments.

This past week the agricultural committee on the domestic price of wheat visited Saskatchewan and was told that the farm income in that province had dropped every year since 1981. The Saskatchewan pool elevator group has indicated that net farm incomes have dropped below $5,500 a year on the average in that province. Farm debt in Saskatchewan has increased from $3 billion in 1982 to $5 billion this year. Those are devastating, frightening and concerning figures. It it clear that action is required by the Government of the day.

• (1540)

We are concerned with those figures indicating that net farm income has dropped by 14 per cent in 1985, because we have seen the international trade war for farm commodities, especially between the European Economic Community and the United States, accelerating during the past four or five months. We have seen the whole issue heat up with the United States Congress having voted an estimated $52 billion U.S. for subsidization and assistance to farmers over the next three years. In fact, some observers have suggested that figure may rise to $60 billion or $70 billion U.S., or $100 billion in Canadian funds, to subsidize and assist American farmers during the trade war over the next three to five years on commodities such as wheat, corn, red meat and so on. Our

farmers, on the other hand, go into a trade war without any commitment by the Government, or any deficiency payment such as American farmers will get.

The U.S. has set its loan rate at $2.40 a bushel American for wheat. The U.S. has guaranteed its producers $4.38 a bushel for wheat regardless of whether the price goes to $2.40 or $2 or $1.75. Producers are guaranteed $4.38 which, rounded out in Canadian funds, is $6. The whole situation for Canadian farmers is very uncertain. The Government's response has been to drop the initial price of wheat from $160 a tonne last year to $130 a tonne this year or 80 cents a bushel.

How then can farmers compete? How can farmers survive? They cannot survive unless the Government responds. The Government's approach at this stage has been to cut farmers adrift. The Tory attitude seems to be to let the system shake down. If we lose several thousand, 5,000, 8,000 or 10,000 farmers, that is acceptable to the Tories, but I do not think it is acceptable to the country at large. Most provincial governments have responded with tremendous financial assistance during this past six or 12 months, but so far we have seen very little response from the federal Government.

Beyond those deficiency payments, Mr. Speaker, the U.S. Farm Bill provides some $1 billion in a bonus program. When a country is buying commodities, grain, wheat, et cetera, for every three bushels provided by the market trader, one bushel is provided by the Government as a bonus program. This has a dramatic effect. The United States is crashing into traditional markets, not only that of the EEC, which apparently is the target of the Americans, but also into markets traditionally held by Canada. For example, Algeria where 100,000 tonnes of grain are being marketed in wheat, flour, table eggs and barley and other markets, like Egypt, Yemen and the Philippines. Some 700,000 tonnes of wheat are being marketed in Syria. The war is just beginning to heat up. The impact is not only on world prices but on Canadian sales, and it is just becoming apparent.

When the Prime Minister met with the President of the United States a couple of months ago he put out a very lovely glossy booklet which told about their trade discussions. It mentioned things like steel, softwood lumber, electric razors and all the issues which the Government was going to discuss with the Americans. But nowhere in the glossy lovely agenda with all the glossy pictures was there any mention of the U.S. Farm Bill. Without doubt, this will have a greater impact on Canadian farmers' income than any other piece of legislation passed by the United States Congress. I daresay it will have a greater impact on the Canadian economy than any other single piece of legislation.

A recent study carried out by Chase Econometrics indicated that net farm income will fall as a result of the United States farm Bill by 20 per cent in the coming year. In places like Saskatchewan, Manitoba and Alberta, and in some areas of Ontario where corn is produced in abundance, the impact will be far above a 20 per cent reduction in net farm income. I daresay it will be at least a 30 per cent reduction, perhaps even more.

Yet here we had the Prime Minister of Canada going to the conference without having that item on the agenda. The issue was raised in the House. He said that he was going to raise the matter at the summit meeting with the President. Apparently he did, but he came back empty-handed with no visible commitment that the U.S. bonus program would not be used against Canada in our traditional trading markets. There was no backing off.

Someone has described the price war going on between the United States and the European Economic Community like two guys who are out in a boat. One gets in a rage, shoots a hole in the bottom of the boat and the other one responds by shooting a second hole in the bottom of the boat and they start to sink. That summarizes the situation that the main agricultural trading nations like Canada, the United States, the EEC, Australia and Argentina, are facing in this current price war.

We were hopeful that the Prime Minister would have more success in his meeting at the Economic Summit conference in Tokyo, Japan. He gave a strong commitment to Canadian farmers that he would be raising the agricultural trade war. I believe he did raise it, but he certainly did not seem to get much response at the conference. The communiqué made no mention whatsoever of the agricultural trade war going on in which the U.S. has committed upwards of $100 billion over the next three years in Canadian funds to fight that war.

It would be interesting to know just how much the U.S. spent on the Second World War because it is certainly willing to commit a lot of funds battling it out with the European Economic Community. The summit conference did not seem to resolve that in any way. It did not even mention the trade war that will be so devastating for Canadian agriculture and other major grain producing countries such as Australia and Argentina. Nothing will be accomplished by it.

• (1550)

I attended the grain summit in January. One of the great hopes was that resulting from that, we might bring trade in agricultural commodities under the provisions of the General Agreement on Tariffs and Trade, the ministerial conference of which is being held in September or October this year. There was no mention whatsoever in the communiqué from the Economic Summit in Tokyo that agricultural products would be the subject of negotations. In fact, the United States Secretary of the Treasury, James Baker, said that there was no decision made in the meeting of the seven heads of Government to put agriculture on the negotiating table for GATT. That is clearly a tragedy.

Other things which the United States wanted on the agenda for the GATT negotiations, such as foreign investment, service industry, and intellectual property, were not included. We seem to be facing the terrible situation of preparing all our agricultural producers for an all-out trade war in agricultural

commodities for the next several years. The Canadian Treasury is very inadequate to cope with the Treasury in Washington or the European Economic Community.

I travelled across the country during the last several months with the National Liberal Task Force on Agriculture. No issue was of greater concern in any province, and especially in the Province of Ontario, than the prospect of a comprehensive free trade agreement with the United States. The American system of marketing, support and assistance of agricultural commodities is at great variance with the Canadian marketing system. Many countries around the world would like to have the marketing system which we have for dairy products, fluid milk, industrial milk products, eggs, turkey and broilers. Yet, our marketing systems could certainly be put into jeopardy if we enter into a comprehensive trade agreement with the United States. There has been much concern because it is not clear where the Government stands on this issue.

In response to a question which I asked him in the House on January 23, the Secretary of State of External Affairs (Mr. Clark) indicated that our marketing boards and stabilization programs would not be on the negotiating table. It is interesting that only two days later the Minister got a thorough tongue-lashing by the American administration in an article in *The Globe and Mail*. The article reads:

> "First it was going to free trade, then it was free except for culture, then culture and provincial exclusions, and now it's agriculture," one senior Reagan administration official said yesterday. "We're not even talking yet, and Ottawa keeps changing the rules."

It is clear that the Minister of External Affairs was not reflecting the views of the Reagan administration. A couple of days later the Minister of Agriculture (Mr. Wise) indicated in an interview which was carried in the Winnnipeg *Free Press* that in fact agricultural commodities, marketing boards, and so on would be on the negotiating table. There is grave concern about exactly what the government position is with regard to our marketing boards and stabilization programs. Through all of our difficulties with agriculture in this country, the supply management and marketing boards have been among our most successsful mechanisms for marketing our farm commodities.

Nothing demonstrates the Government's approach to problems better than the commodity-based mortgage. On Budget night $700 million at 6 per cent interest was announced for this purpose. It sounded exactly like what people wanted. When we got into it we found that the $700 million was over two years and that it was not new money but $700 million of loan money to replace $700 million of existing loan money. We learned that the interest rate would probably be 13.5 per cent in most cases rather than 6 per cent. In any event, it has been described by the Canadian Federation of Agriculture as a "complex, risky and complicated farm mortgage system which should be withheld by the Government".

There are many examples that I wish I had time to present to the House this afternoon, but that is clearly not possible. There is a need for a greater commitment by the Government, not only in interest relief and in farmer-creditor arrangement legislation, but in research. The Budget for agriculture research has been cut by $42 million. Yet, the Government is dribbling away $10 million on a crazy scheme with a bunch of New York investors on Dreamstreet. Surely it is time for the Government to get its act together and provide the kind of stabilization assistance which agriculture in Canada needs and is entitled to, due to the importance, diversity, and advantages which this industry can provide for the country.

Mr. Sid Fraleigh (Lambton—Middlesex): Mr. Speaker, I am pleased to rise today to participate in this debate. I look forward to it. First, I would like to commend my colleague, the Member for Algoma (Mr. Foster), for bringing this issue before the House. It offers rural Members a chance to debate and point out the issues facing agriculture today. Members representing rural ridings fully understand the agricultural problems of today. I believe it is our duty to impress upon our urban counterparts here in the House of Commons, and the urban population, the dire straits which agriculture faces.

At the outset, I would like to point out a misunderstanding on the part of the Member for Algoma. I understand that the leaders of every major farm group in the country were invited to the meeting in Vancouver. Every report of that meeting which I read indicated that it was an outstanding success and showed the Prime Minister's (Mr. Mulroney) commitment for agriculture.

The motion points out the broad waterfront of problems which face agriculture. I would like to take a minute or two of my time to list some of those. The Farm Debt Review Board was first announced in the February Budget by the Minister of Finance (Mr. Wilson). Money was allotted for the establishment of Farm Debt Review Boards. At the same time there was a commitment to revise the bankruptcy laws. I suggest that the second part of that commitment may be as important as the first part. For too long farmers and fishermen have been treated somewhat differently than other businesses in this respect. It is time that the law was changed and farmers and fishermen placed in the same position as other businessmen.

• (1600)

The commitment in the Budget has since been backed up by the Minister of Agriculture (Mr. Wise), and then the Prime Minister (Mr. Mulroney) when in Vancouver he committed this Parliament to bringing forward legislation which will allow farm debt review panels to be put in place, and legislation to change the bankruptcy laws.

I would like to take a minute to talk about some of the ramifications involved in those two changes. It is my feeling that the farm community wants to be heard. Those people in dire financial straits want to be heard by an independent body of their peers. It is my feeling that the debt review board will allow this to happen and I look forward to the upcoming legislation.

The second point raised in the motion concerns interest rates. I think everyone on both sides of this House would agree that the worst enemy of agriculture was the rapidly escalating interest rates of the early 1980s which put a great many farmers with floating interest rate mortgages into the mess they are in today. When this Government was elected in 1984 it took action to correct these problems. The Farm Credit Corporation had a large number of customers locked into high interest rates. The Minister of Agriculture managed to persuade the Cabinet to waive the rules so that the effective interest rate for those people was reduced to 12 per cent.

This Government has done other things to help the farm community. First we had the introduction of a shared risk mortgage program which allowed the farmer to reduce the risk of carrying his mortgage. He shares the risk with the Government. In bad times the Government absorbs part of his loss. In good times, he pays some of it back.

The second change implemented by the Minister of Agriculture was a moratorium on FCC mortgage foreclosures. One Member opposite said the situation is a disaster. I would be the last one to try and play down the seriousness of the situation facing Canadian farmers today. However, I want to point out that there were less farm bankruptcies in 1985 than there were in 1984 under the previous Government.

Lastly, this Government introduced the commodity-based mortgage. I am the first to admit there has been a great amount of confusion and misunderstanding in the country concerning this move. The Minister of Agriculture made a commitment that if changes were needed in that program, he would see they were brought in. To me that seems more than fair.

I would now like to move to the third part of the motion which deals with trade. Most of the concern raised by opposition Members has dealt with bilateral negotiations with the U.S. There is some concern as well over the upcoming comprehensive negotiations under GATT. It is my belief that this Government has put together the best trained negotiating team this country has ever had for both rounds of negotiations.

The Canadian farming community has no apologies to make to anyone. We feed our population as cheaply as any country in the world. We do a lot of things in Canada and do them well. It bothers me somewhat to hear the doomers and gloomers saying that we cannot compete. Many parts of our agricultural industry have been competing with the Americans with a wide open border for years. Over the last 25 years Canadian cattle producers have in effect had an open border with the U.S. For all those years Canadian beef producers have been winners. The pork industry has been in the same position, and in 22 of those 25 years we have been winners.

I think the major concern of a great number of people in our farming community is the recent action in the form of protectionist measures in the U.S. They have been a concern to us all. However, this Government is committed to having everything on the table. It is our belief that is the only way we can get a truly meaningful negotiation going. However, there has been a commitment by this Government that farm commodities will be negotiated commodity-by-commodity.

It has been said that this Government does not have a commitment to its farmers. Obviously that is not the case. Just today a release came across my desk which said that Canada will host a meeting of the major grain exporters of this world to try and resolve some of the major problems facing grain exporting nations. Right from our election in September of 1984 the Government recognized agriculture as a top priority. Despite severe budgetary restraints, we have been able to announce farm measures worth almost $4 billion, of which $1.5 billion have gone directly to western farmers.

I think the Canadian farm community has shown a great deal of understanding for the plight encountered by our western colleagues who were hit not only by drought but by low prices and grasshoppers to boot. In February, when the Budget stressed the need to cut back in all areas of spending, this Government recognized the plight of our farmers and announced a $195 million farm relief package. On April 30 the Prime Minister took a lead role in addressing the concerns of Canadian farmers, and I want to go through some of the things he promised to leaders of all major farm groups in this country. He promised an increase in the price range of domestic wheat for human consumption, rising from $5 to $7 to a range of $6 to $11. The farmers' share of grain freight rates was frozen for the 1986-87 season. All federal sales and excise taxes on diesel and gasoline for farm use were effectively removed through an increase in the federal rebate on federal fuel taxes. I urge all Members to co-operate in streamlining this so that hopefully the Government will be able to totally eliminate the rebate program and rid the farm community of a bureaucratic mess that has existed for years.

• (1610)

As was mentioned earlier, the Government will make every effort to pass farm debt review legislation before the House rises for the summer.

I want to address the impact of the U.S. Farm Bill and what the Government will do to try to counteract that impact. Canadian farmers are efficient, productive and quality conscious. Western wheat producers must be, because 80 per cent of their production goes off shore. As a result, they are most vulnerable to world market prices.

The unfortunate aspect of the dilemma facing our producers is that the problem is not of their own doing. Our farmers are the innocent victims of the costly madness of subsidies which has gripped the European Economic Community and, in response, the United States.

Canadian farmers are not competing with farmers of other nations. If we were, I can assure you that we would not have a fear in the world. The fact is that our farmers are competing with the treasuries of other nations, particularly those of the EEC. The respected forecasting firm of Chase Econometrics

has pegged EEC export restitution payments at $120 per metric tonne which they say is a conservative estimate.

The U.S. Farm Bill is the American administration's response to the common agriculture policy of the EEC. It is an attempt by the Americans to regain markets lost to the EEC which, over the years, has gone from being a large importer of many commodities to a large exporter in almost every agricultural commodity. We cannot predict when this escalating subsidy war will end. Each nation is concerned about the subsidies of the other, but Canada is even more concerned because we rely more heavily on exports than the United States or the EEC. We question their methods and we have serious reservations with respect to their actions. There is no question that we cannot match either of their treasuries.

The dangers of competing in a treasury war are evident. Governments spend a lot of money, the international price is driven down and the farmer's rate of return is severely reduced. As well, a transfer of wealth occurs with the exporting nation on the losing end and the importing nation coming out the winner.

Let me point out an even worse result. Third World countries will become dependent on the supply of food while neglecting their own agricultural sector at the same time. Many people in this country do not realize that the Continent of Africa has more arable land than any continent other than Asia. That continent is quite capable of feeding itself, were it not for government intervention.

The Prime Minister made agriculture his priority at the Tokyo Summit. The last people to whom he spoke before leaving for Tokyo were Canadian farmers. He sought their advice and counsel before presenting their case in Tokyo. This is the first time that I can recall a Prime Minister of this country raising the agriculture issue at a summit conference. In Tokyo, the matter of agricultural subsidies was put on the agenda and was addressed in the leaders' final communique. This is a very important start but we will not rest until the issue is resolved.

Today's announcement by the Minister responsible for the Canadian Wheat Board (Mr. Mayer), at a major meeting of all wheat exporting countries that we hosted, is a first important step in that direction. The Minister of Agriculture (Mr. Wise) has taken Canada's case to the EEC and the Federal Republic of Germany where he is meeting with their Ministers of Agriculture this week. These initiatives are part and parcel of Canada's commitment to freer and fairer trade. We are working on many fronts internationally to promote this commitment.

Our negotiations with the United States, while beneficial from a bilateral position, will also form the basis for our multilateral talks. In terms of agricultural trade, current sales of our farm products south of the border account for about 10 per cent of all farm cash receipts. If we exclude grains and oilseeds, more than half of our exported farm products flow to the U.S. market.

When it comes to agriculture, the aim of the discussions between Canada and the United States is to settle our disputes and achieve a better understanding of each others' farm programs and how they affect prices, production and cross-border sales.

In conclusion, ours is a Government that cares about our farmers. We recognize and respect farmers' contribution to the Canadian way of life and the Canadian economy. We are studying every avenue that might be taken in order to assist our farmers, and we are making every effort on their behalf.

Mr. Foster: Mr. Speaker, I enjoyed the speech by the Hon. Member for Lambton—Middlesex (Mr. Fraleigh). He talked about the free trade debate with the United States. He talked about hogs and beef. We all know that there is essentially free trade in these commodities now. Would he like to see the marketing boards and stabilization programs which are so important to many parts of our country placed on the negotiating table?

With respect to farm creditor arrangements legislation, last July 10, the Minister of Agriculture said that in September he would introduce legislation with real teeth, like that which was before the House in June, 1984. However, at the end of January he indicated he would only be introducing legislation that would provide for negotiation, with no actual court authority to negotiate reductions in payments. Which approach does the Hon. Member favour and which approach will be used by the Minister of Agriculture?

Another important question is the Commodity-based Loan Program. Clearly, Members on both sides of the House were very concerned when it was presented to the Agriculture Committee a few weeks ago. Most of the mortgages under this program will have a rate of approximately 9 per cent rather than 6 per cent. It entraps people in an interest rate program that could well be over 13 per cent. Although the Minister said he would listen to representations, the President of the Ontario Federation of Agriculture indicated to me this week that no changes in the program had actually been made.

• (1620)

My final comment is in regard to the Prime Minister's announcement last week which really boils down to a reduction of 2.5 cents per litre in the excise tax on farm fuels. We pleaded with the Government not to put that tax on last September. The farm debt crisis was just as bad last September as it is now. The tax was put on in September and the farmers paid it during harvest and they paid it on the fuel used for planting. It is now being taken off as of September 1. We are glad the Government stopped the larceny on May 1 but we believe it should not have been put on at all. We suggest the rebate be made retroactive to last September.

The Hon. Member knows the freeze on freight rates is strictly a recalculation of the number of bushels being shipped down from 31 million tonnes to about 28 million tonnes. It really comes down to a smoke and mirror show. If the

domestic price of wheat is raised, of course, it will be paid by the consumers and not by the Government of Canada.

Mr. Fraleigh: Mr. Speaker, I welcome the intervention of the Hon. Member. It gives me a chance to straighten out some very serious misconceptions he apparently has in his head. I am in full favour of all commodities being placed on the table during the upcoming bilateral negotiations. I will place most of our agricultural commodities against like commodities in the United States any day of the week and we will do very well against them, thank you very much.

Mr. McDermid: You bet.

Mr. Fraleigh: The power of the farm debt review board is based on the model which is in place in the Province of Saskatchewan. In the case of the Saskatchewan model, the experience has been that negotiations between the review board, the farmer and the lenders, in 99 per cent of the cases, have resolved the problem without it ever going to court. There is a great constituency out there which is very nervous about court imposed settlements with regard to mortgages.

With respect to commodity-based mortgages, I want to say that I do not know how more open the Minister could be than he has already been. He has indicated to the House publicly that if that program can be improved, he is prepared to do so. The Hon. Member indicated that most of the mortgages would be at 9 per cent. I assure him that that is not the case at all. Commodity-based mortgages will be allowed to the farm community on the basis of the equity farmers have in their own operations. Those farmers whose equity is between 20 per cent and 40 per cent will be eligible for 6 per cent mortgages, and those who have 40 per cent to 55 per cent equity in their operations will be eligible for 9 per cent mortgages.

With respect to the fuel tax rebate—talk about smoke and mirrors—that was a tax imposed on the farmers which had been in effect for years and years. The Hon. Member was in Government at that time and he never did anything to reduce it, not once.

Mr. Foster: You put it on last September.

Mr. Fraleigh: We did not.

Mr. Foster: Sure you did.

Mr. Fraleigh: We certainly did not.

Mr. Caldwell: Mr. Speaker, I was very pleased to hear the speech of the Hon. Member for Lambton—Middlesex (Mr. Fraleigh). I am glad that someone is finally putting the record of this Government straight as far as agriculture is concerned. It is rather unfortunate he did not have a little more time to explain some of the other programs the Government has put in place over the past 18 or 19 months.

I would like to ask the Hon. Member a question of concern to me, and I know it is of concern to him because he is also a soya bean and corn producer. Recently we have heard a great deal about the assistance given to western Canada and its grain producers. I wonder if the Hon. Member could tell us why we have not seen any assistance for soya bean and corn producers who are also facing severe difficulty in our particular area of the province?

Mr. Fraleigh: Mr. Speaker, I welcome the opportunity to respond to that question. As I indicated in my remarks, I thought all of the farm community had been very understanding about the plight of the western farmer. We have addressed those problems with some haste. We have been told that the Department of Agriculture and the Minister have been thoroughly reviewing the thought of a like program for the eastern Canada corn and soya bean producers. I think in all probability before the summer is over we will have an advance payment for corn and soya beans.

We made commitments to the farmers of this country at Prince Albert in 1984. We have lived up to every one of those commitments. In my memory, I cannot remember one government, particularly a Liberal Government, which has run on a platform and then carried out every one of its promises. I think it is a record of which we can all be proud. We as Conservative Members of Parliament are particularly proud of that record.

Mr. Deputy Speaker: The Hon. President of the Privy Council (Mr. Hnatyshyn) has designated Thursday and Friday of this week as allotted days. Therefore, there will be no Private Members' Hour on those two days. I have instructed the Table to reschedule those items of business and put them at the bottom of the order of precedence.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak about agriculture because it is only on Opposition days, when the Opposition brings a motion before the House on agriculture, that we have this opportunity. I thank the Hon. Member for Algoma (Mr. Foster) for providing this opportunity at this time. Had I put the motion I would have added a little more to it, and I may have the opportunity to do so.

What we are really talking about is a farm crisis. Just the other day the Standing Committee on Agriculture met with Dr. Lillian Walker and Dr. James Walker. The topic of discussion was stress. The learned doctors wanted an opportunity to put before the committee and to the people of Canada, to some extent, what they had learned in a study of farmers, particularly those in western Canada, and what was affecting them and causing the amount of stress from which they were suffering. Their paper contained a litany of reasons why the farmer is in trouble and feeling stress. The study came to the conclusion that modern farming may be one of the most stressful of occupations. We all think of the farmer as a relaxed individual; these days he is anything but.

Let me go through the top 10 stresses very quickly. They are rising expenses; low commodity prices; concerns about continued financial viability of the farm; pressures in having

too much to do and too little time; increased workload at peak times; Government policies and regulations; long work hours; crop loss due to weather; machinery breakdown at a critical time and the Government's cheap food policies. If one reads that list carefully, one will recognize that a good portion of every one of those stressors can be affected by the policies of the Government in power. What has happened in the last four or five years has increased each of those stress factors; rising expenses, and commodity prices and the Governments' cheap food policy. The paper presented also suggested a number of effects of this stress. Farmers who might be listening to this debate, or those who might read it at some later time, will recognize the effects of this stress. They are: chronic tiredness, trouble relaxing, forgetfulness, the losing of one's temper, disruptions in sleep patterns, arguments with family members, frequent back pain, difficulty making decisions, frequent headaches, changes in health, problems with children, discouragement about the future, less satisfaction with life than before, thoughts of suicide, and depression from mild to severe. These are the types of things which are decimating the farm population.

• (1630)

About three weeks ago representatives from the Ontario Federation of Agriculture appeared before the caucuses of the Parties of the House. They indicated a very surprising, but in some ways a very telling, statistic. They told us that out of 295 farm deaths last year, 95 of them were registered as suicide. This figure does not count deaths caused by car accidents, the pick-up truck running into a telephone pole, or anything like that. Those are cases in which the cause of death cannot really be determined. One-third of the farm deaths in Canada last year were suicides—the results of stress.

I am trying to place before the House the reasons why we have a real and broad responsibility to do something about the farm crisis. The manifestation of the stress being placed on farmers is resulting in members of the farm population going as far as committing suicide. So we are losing productive farmers, not only as a result of suicide, other deaths and illness, but as a result of bankruptcy as well.

The Farm Credit Corporation suggested that in 1984-85 some 478 bankruptcies occured. The corporation estimates that this year, 1985-86, there will be some 375. The reason for the reduction is that the corporation has ceased taking any action against farmers. It has ceased to take action with regard to bankruptcies, whereas the year before it would have taken legal action. There was a moratorium placed on farm foreclosures several months ago. However, there were still 375 actions taken by the Farm Credit Corporation. As I stated before, these figures deal only with farmers who are dealing with the Farm Credit Corporation. The corporation suggests that the level is approximately one in four. Some 25 per cent of the farmers in the country are finding themselves in financial trouble and may be forced off their farms next year unless the Government takes some action with respect to commodity prices.

As the Hon. Member for Algoma (Mr. Foster) pointed out, last year there was a 17 per cent reduction in farm incomes. In April of this year, the Minister of State for the Canadian Wheat Board (Mr. Mayer) announced that the Wheat Board will be paying 17 per cent less for the initial price of wheat. I am referring to No. 1 wheat, that which is 13.5 per cent protein, the best possible wheat that we have. That was bad enough. It was suggested that the price of other grains will drop by 25 per cent to 30 per cent. Just last week we were presented with the rest of the prices for grain. If we thought that the 17 per cent drop for No. 1 wheat was bad, the price for the feed wheats, No. 1, No. 2, and No. 3 utility, is being reduced by 25 per cent to 30 per cent. In other words, in considering the basket of grains, the reduction in terms of the price is around 27 per cent. It could be as low as 27 per cent in terms of the initial prices. Hopefully, we will receive less of a reduction in the end, but that is the reduction which we can expect.

I know that all Members are not farmers or wheat growers. However, the situation with respect to other commodities is not that much different. I refer to the markets for potatoes, fruits, pork and beef.

There was a 17 per cent reduction in income last year and there will be a 25 per cent reduction in income this year. That amounts to a grand total of 42 per cent in just two years. Two years ago most farmers found themselves in a pinch. They were just getting by. Since that time they have had to deal with a 42 per cent reduction in income. At least that is what we are expecting by the end of this year. If they felt pinched before they will really feel the squeeze now.

We have been trying to convince the Government to do something about this situation over the last several months. We want the Government to relieve the financial pressure on farmers. The Government has said that it will make some moves. It has done some things, but it has talked about a great many others. It is taking responsibility for some measures which were already in place. Most of the efforts of the Government in terms of helping agriculture have been talk.

Two weeks ago the Government made an announcement that there would be something initiated which would be of great help to farmers. In 1984 the Government promised that it would remove the tax on gasoline and diesel fuel. It did this. That was supposed to be a great move for farmers. That is something for which we asked. In fact I have a Private Member's Bill before the House suggesting just that. Why make such a big deal about the amount of money being rebated to farmers? The 5.5 cent per litre decrease on diesel fuel and the 7 cent per litre decrease on gasoline leaves less than 1 cent of tax on each of those products. That sounds great. We can thank the Government for that. However, just exactly how much do these decreases amount to?

In my area of the country it costs approximately $100 an acre from preparation to harvest. That is what it costs me at the absolute most. Some 20 litres of fuel is needed per acre. So the 2.5 cents per litre which was added on last week results in

less than 50 cents an acre of that $100. However, it is something because the margin is small and 50 cents might make a difference. At 7 cents an acre, the figure would be $1.50 or $1.30 out of the $100. That is a start. I recognize that the Government has moved to fulfil the promise it made in September of 1984.

The second big government statement was with respect to a freeze on freight rates. It was suggested, although never proven, that the freight rate would move from $6 per tonne to $7.50 per tonne. The Minister had that frozen. However, the original freight rate was established with over 30 million tonnes in mind, but no one believes that we are going to ship that many tonnes in the next year. Therefore, the $1.50 increase per tonne is a false figure. Even if it were not a false figure, it is not government assistance.

• (1640)

If I am lucky, I might harvest a tonne of grain per acre. Therefore, even if there had been a reduction in the freight rate from $6 to $4.50, something which I would have accepted as being a reduction rather than simply a holding off on an increase, that would have saved me $1.50 per acre out of the $100 per acre it costs me to farm the land. However, now I will have a reduction only of $3 per acre.

The Prime Minister (Mr. Mulroney) also said that he or the Government would bring up the plight of farmers at the Tokyo Summit at which seven nations were represented, at the OECD which represents 24 nations, and at GATT which represents 91 nations. To his credit, we understand that he did bring it up at the Tokyo Summit. We hope he will bring it up at the next meeting of the OECD since agriculture was not discussed at the last OECD meeting. We also hope that he will bring it up at the GATT.

Conservative Members suggested that the matter of agriculture will be brought up at the next GATT round of negotiations. However, according to *The Globe and Mail*, the Organization of Economic Co-operation and Development has only said that it might study the issue. Everyone except for Margaret Thatcher and the Canadian Prime Minister has suggested that there is no commitment to discuss agriculture at GATT. In any event, we have not done particularly well in the agricultural sector at GATT negotiations in the past. Our negotiators have always given away the best deals. They have traded off agriculture for deals in manufacturing or the sale of other products.

We should not feel too secure that this particular Government, any more than the previous Government, will put GATT agriculture discussions at the top of its list to make sure that agriculture does not get traded away for some other industry. We hope that the words spoken by government Members will still be in their minds so that they will put agriculture at the top of the list when they begin to negotiate at GATT.

The fourth matter brought up by the Prime Minister was the change in the price spread for two-price wheat from $5 to $7. Again, I thank him for that action. If that regulation is put in place, it will allow for something to be done, but in itself it does nothing. It allows the price spread of domestic wheat to go from $6 to $11.

Traditionally, until last year, the price spread was established by the world market. If the price on the world market was $7, our price went to $7, but if the world price went higher than $7, our price usually stayed at $7. It was a guarantee for the consumers of Canada that they would never have to pay more than $7 and less than $5 for wheat. The new price range is from $6 to $11. If it wishes to do so, the Government does have the authority to put the price of wheat at $10 or $11 if it goes before a special committee.

Because we have not been able to get a commitment from the Government to very specific payments, I would like to move an amendment to this motion. I move:

To remove the period after the words "farm bill" and insert the following therefor:

"by accepting the proposal by the Canadian farm groups that deficiency payments be made to keep Canadian prices at the farm gate equivalent to prices received by their American counterparts."

I know we are not voting on this motion, but I do wish to add this amendment to the motion put by the Hon. Member for Algoma (Mr. Foster). It would suggest to the Government that it can talk about all the things it has said it is going to do, but unless it actually gives the farmers some belief that at the end of this year they will receive enough for their product to pay for the cost of production, 25 per cent of farmers will decide that there is no reason to grow grain.

Mr. Deputy Speaker: The Chair has received a copy of the amendment proposed by the Hon. Member for Prince Albert (Mr. Hovdebo). However, if the Chair recalls correctly, the Hon. Member for Prince Albert seconded the motion moved by the Hon. Member for Algoma. That means that the Chair cannot accept an amendment from the Hon. Member for Prince Albert.

Mr. Hovdebo: Mr. Speaker, could you accept that amendment with the unanimous consent of the House?

Mr. Deputy Speaker: Certainly. Does the Hon. Member have that unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent.

Mr. Fraleigh: Mr. Speaker, one point on which the Hon. Member and I could agree is that in the past, we have not done well at GATT. However, there are a couple of points he raised on which I would like to question him.

In closing he said that farmers wanted to be given something. Farmers do not want to be given anything. All they want is to be treated fairly. I attended the same committee meeting the Hon. Member attended the other night at which the

psychologist was present. Does the Hon. Member not think that if the same survey had been done 10 years ago, 20 years ago or 30 years ago, it would have received exactly the same responses?

Could the Hon. Member point out all of those things that the Government has done to assist the western grain grower? There have been two advances under the Western Grain Stabilization Act and disaster relief went not only to the grain farmers but to western livestock farmers as well. Could the Hon. Member expand on those things in his response?

The Hon. Member made light of the freezing of the freight rate and of the farm fuel tax rebate. Surely he was not suggesting that the Government should not have taken those measures.

Mr. Hovdebo: Mr. Speaker, first, my statement about what farmers need was very specific. I said that they need to know that at the end of the year they will receive enough for their grain to pay for the cost of production. That statement was a very specific one. Whether it is done by a deficiency payment or by establishing the price of grain in some other way, it is one of the requirements. Otherwise, we will lose 25 per cent of those farmers in the next year.

• (1650)

Referring to the statement which suggested that the results of the psychiatrist might have been the same 20 years ago, there have been a few years when that was possible. For example, 1972 was one of the best years farmers have ever had. There was no doubt in my mind or in the mind of any farmer 12 years ago. Farmers were out there expanding their operations as quickly as they could have five years ago, and there was no doubt in their minds. There have been such occasions, but for three years now we have been faced with the same situation, and it is becoming worse every year.

I mentioned a couple of the things that have been done. I congratulated the Government on making the move on oil prices because it was promised and it was a worth-while move. Also the Government changed the Western Grain Stabilization Program allowing for payments to be made on an interim basis. However, to most farmers that points out the extent of the crisis. The program was not supposed to solve the deficiency in farm incomes last year. It was set up as a replacement for a reduction in income. It was an insurance policy for which farmers paid a certain amount, and it was paid back to them. It has been in existence since 1977. The very fact that it was called upon is a good indication of the kind of crisis faced by agriculture. The fact that it will be needed again next year and the fact that the program will be deficient in funds next year are indications of how badly we need the deficiency payments which have been suggested.

As far as disasters and the attempts by the Government to help out in disaster areas are concerned, it is an accepted tradition of all Governments. It did not occur last year because a Conservative Government was in power. It has been a tradition of all Governments of the country for many years. It was the least that could be done. It was too bad that it took as long as it did to pull it out of the Government.

Mr. Caldwell: Mr. Speaker, I will be very brief. I rather enjoyed the comments of the Hon. Member for Prince Albert (Mr. Hovdebo). I notice that he is having more difficulty, as these debates take place once every few months, trying to criticize the Government for some of the things it is doing. As he pointed out, he had a Private Member's Bill calling for the elimination of fuel taxes, and of course the Government met that request. Of course we understand that the Liberals will continue to complain; they did not do anything when they were in power.

The Hon. Member sort of said that the elimination of the fuel tax was good but that it did not go far enough; that the Government should have done this or that. He had a Private Member's Bill calling for its elimination and, now that it has been done, why is he still not satisfied? It is somewhat like the NDP philosophy. We took the capital gains off farm land, and the next thing we know, members of the NDP are complaining about that. I am just wondering where they actually stand on some of these issues. I would like to hear the Hon. Member thank the Government a little more rather than hear his condescending tone during debates.

Mr. Hovdebo: Mr. Speaker, I like to give credit where credit is due. I have never failed to congratulate the Government when it has made a move. I just wish the Government would do it a little faster. The Minister of State for the Canadian Wheat Board and the Minister of Agriculture (Mr. Wise) have indicated twice that they would look at a deficiency payment. Farmers are holding their breath because they need to know that there will be enough money coming out of the next crop, as do the credit unions and banks. If the Government intends to make a deficiency payment, why is it dragged out? It would be much more valuable politically for the Government to do it now.

Mr. Deputy Speaker: Resuming debate with the Hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Blais).

Mr. Boudria: Oh boy!

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I must say the cordial welcome I am getting from my colleague from Glengarry—Prescott—Russell (Mr. Boudria) inspires me.

I was listening earlier to my hon. Opposition colleagues, and I really wonder what we could give them, what we could "put on the table" to make them really happy. Even the Member who spoke just a moment ago said he never failed to acknowledge the moves this Government made for Canadian farmers. I

must have a poor memory, because in the last 20 months there were very few favourable comments on the part of the Opposition, following the series of measures, more than 200 of them, that were taken by this Government—the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer)—to help farm producers.

The motion presented by our hon. colleague from Algoma, Mr. Speaker, raises several problems. Obviously, they "put everything on the table". In fact, they had to put a lot on the table to find any negative aspects that were contrary to this Government's policy. All the—

Mr. Boudria: Oh my God!

Mr. Blais: The Hon. Member for Glengarry—Prescott—Russell may well invoke his God.

Mr. Speaker, all Members will readily admit that a number of Canadian farmers are now in a financial predicament. That is obvious, everybody knows about their financial difficulties stemming from the economic slump which began a few years ago. Still I think it is important to reassure our friends and remind them of the positive measures taken by our Government. Quite a few have already been implemented and others will be launched in the near future to relieve as much as possible our agricultural producers of the difficult and, in some cases, intolerable circumstances besetting them.

In response to the motion of my Liberal colleague, Mr. Speaker, I intend to touch on several issues, including indebtedness, interest rates, research, the U.S. Farm Bill and, finally, wheat prices.

With respect to indebtedness, Mr. Speaker, I would be tempted to ask my colleague from Algoma where he was when the Minister of Agriculture, along with many of my colleagues and myself, held a number of public meetings throughout Canada to discuss this issue with various farm groups. Hardly a week ago, just before flying off to Tokyo, our Prime Minister (Mr. Mulroney) met with all Canadian farm leaders to seek their views before joining with the major world powers and asking them to put the agricultural situation on the agenda for consideration.

Had the Hon. Member been able to meet with Canadian farm producers, perhaps he would now be in a better position to appreciate the unacceptable consequences which would flow from the kind of proposition he has made.

Mr. Speaker, the proposed court-ordered debt review would not solve the problem of farm producers. Instead we would recommend—and this is clear, I think—the establishment of committees to review the farm debt. As our Minister has already pointed out, these committees would help farmers refinance their debts and make some arrangements with their creditors.

• (1700)

It takes a lot of nerve to give advice on farm credit after making Canadian farmers pay 18 and 20 per cent interest on their loans and holding them hostage as it were for a number of years.

Mr. Speaker, I believe that thanks to the economic policies we introduced, interest rates have reached far more acceptable levels and all Canadian producers can appreciate this development. Our approach, combined with other measures announced last February, reflects this Government's firm and steadfast resolve to do everything in its power to remedy a situation that developed under the previous Government.

Mr. Speaker, agriculture is certainly one sector where the Government's action has been speedy, with a host of measures being taken to deal with various problems simultaneously.

The work we have accomplished in the past 18 months is certainly nothing to be ashamed of. Those who should be ashamed and who should be shamed into silence after their many years of inaction are the people in the Opposition. I realize my colleagues in the New Democratic Party may, on occasion, have raised a number of ideas that were both new and innovative. It is much easier for them, since they know they will never sit on the Government benches and be in a position to introduce Government policies. There is many a slip between the cup and the lip, and it is not always easy for a government to reconcile the kind of problematic economic situation we were left by the present Official Opposition with the need for finding the funds to help farmers in distress.

As for interest rates available to farm producers, may I recall that on April 1, the Minister announced the fourth drop in 18 months in the rates on loans provided by the Farm Credit Corporation to its customers. Interest rates had reached their lowest level in more than seven years. The Opposition didn't mention that. It didn't mention the drop in interest rates which is continuing even now. Farmers have also benefitted from a similar easing of rates on loans provided by financial institutions in the private sector. This trend is being felt across the country, Mr. Speaker.

Through the Minister of Agriculture (Mr. Wise), the Government has repeatedly indicated its firm resolve to reduce the burden on our farmers. This is what we are determined to do, Mr. Speaker, and I think that we have taken a step in the right direction. I find it unacceptable for people to say that nothing has been done and that we prefer words to actions. That is completely false. In spite of a difficult economic situation, we have succeeded in implementing new programs for farmers, especially as concerns farm loans. We were the first to innovate in years.

The special farm loans program of the FCC amounts to $700 million.

Mr. Boudria: Who wrote that?

Mr. Blais: What I have said, dear friend from Glengarry—Prescott—Russell, is written in my heart and my mind. It is not difficult when you know what is going on. If you had listened earlier, you would have understood the meaning of what I was saying instead of only hearing the words.

Mr. Boudria: I understand quite well. I simply find it incredible!

Mr. Blais: Incredible, is it? When you return home after the next elections and want to go back into agriculture, you might be eligible for a FCC loan. Since you did not listen in this House, we can send someone from the FCC who can explain to you how it works, perhaps better than someone from the New Democratic Party who cannot do so, at the moment, but who should.

On February 16, the new commodity-based loans system was announced. Indeed, if I am not mistaken, the details of this program were released to all FCC offices in Canada in the last couple of days or weeks. There are already many applications and I think that we should soon be able to implement this program which will help all farm producers. It is an innovative program. Like always, it will take a certain time for the people to get used to this new idea and for it to become truly effective. Rather than criticizing us before we have taken even a single step, I think that the Members opposite should give a chance to this program which will make $700 million available to farm producers. If we want to be fair and honest and to help farm producers, we must give this program time to work.

Conversely Mr. Speaker, research happens to be the best way to support our agricultural food industry and turn it into a powerful and leading sector. The results of work done in our stations throughout Canada continue to be a major contribution. We were able to slow down the growth rate of our expenditures without affecting the inherent value of our programs. Various ongoing projects and others to be announced shortly attest to our Government's obvious intention to promote the interests of this sector.

As the Hon. Member for Glengarry—Prescott—Russell suggests, it is true that certain projects had to be put off because—

Mr. Boudria: I did not say that.

Mr. Blais: Had the Hon. Member been in his place, I might have been able to refer to the other Member, but since as usual you never stop talking while I make a speech, I thought you were the one who had interrupted me once again.

In any case, it was simply because of sheer mismanagement that we ended up with a $200 billion deficit which prevented us from going ahead with some research projects. Instead of trying to blame us for such delays, you should own up to your mistakes and remember that we are forced to put off investment programs because you left us in a precarious financial position. Some of our Government's decisions were not easy to make, Mr. Speaker. Considering that we have to pay $75 million a day in interests on the debts piled up by the previous administration, no wonder we have to put some investment plans on the back burner. We are not doing this for the fun of it, Mr. Speaker, and that is something they ought to realize and understand.

Regarding our trade negotiations with the United States, we have said many times this is an important challenge we must meet. The United States is our main trading partner, and instead of keeping our distance like the previous Government, we have decided to co-operate and work together with our main partner. I think that is a legitimate and normal desire. They are our friends and we must work together. It makes sense when 75 per cent of our trade is with the U.S. I think that the challenge we have to meet is a challenge . . . We must try to provide markets not only for our agricultural sector but for all our Canadian industries. However, repairing the damage they did by scaring off everyone everywhere is not done in a matter of days. Nevertheless I think it is feasible through frank and honest discussion and by starting a normal debate with the parties concerned. Anyone in this House or elsewhere who has ever taken part in negotiations knows or should know that negotiations involve sitting down and looking at the various arguments and points that are put on the table.

Mr. Speaker, for several months, our Government, and more specifically the Prime Minister (Mr. Mulroney), the Minister of Agriculture (Mr. Wise) and the Secretary of State for External Affairs (Mr. Clark) have made it clear that we are certainly not going to put agriculture on the block. In recent months, the Official Opposition has once again been raising the spectre of fear and using scare tactics to keep that fear alive. Why, Mr. Speaker? Well it's quite obvious. In fact, I was with the Hon. Member for Glengarry—Prescott—Russell, who doesn't always go to Southeast Asia, when he went to the U.S. on one occasion.

We met with U.S. Members of Congress. We found that they understood our situation and that they had problems of their own. And using scare tactics here in the House is not going to help one bit when the Americans are putting protectionist legislation before their own Congress.

As parliamentarians and representatives of our farm producers, we must go and see them or invite them here to discuss with them and find ways which will enable us to set up the appropriate mechanisms to share our markets and strengthen our economic relations to the satisfaction of both countries. Canada and the United States are two developed countries and our previous relations have been positive, although they had begun to deteriorate before we were elected. I think everybody was prepared to admit that, including Members of the Opposition. We have taken over and we are in the process of putting the ship back on an even keel. They should help and encourage us because the interests of Canadian farmers have precedence over the interests of the Party in office or the Government. The outlook might be somewhat more promising if only Members of the Opposition were to rise to the defence of Canadian farmers, and the speeches heard in this House indicated that we are not here to debate meaningless issues, but to uphold the interests of our agricultural community.

I would suggest that the common agricultural policy as set forth in the U.S. Farm Bill has given rise to the escalating war of subsidies. Every country is concerned about the measures taken by its partners, as evidenced by the fears expressed by the United States and the European Economic Community countries. This week our Minister of Agriculture held negotiations and discussions on this particular issue with our European Economic Community partners. We have every reason to be concerned, of course.

Canada is definitely not immune to the concern which is now being felt worldwide. Our country depends on export trade a lot more than do the United States and the European Economic Community.

It may be that when the European Economic Community countries established their agricultural program they had no intention of creating huge agricultural surpluses. That was not their objective, but they are now facing a situation which is having a very negative impact in Canada, in the United States, and even in Europe. We must find a solution, Mr. Speaker.

Half of our farm revenues come from export sales. We too are worried, and we believe something must be done.

The dangers inherent in a financial war such as this are obvious, Mr. Speaker. The various Governments spend enormous amounts of money, the prices on international markets are subjected to downward pressures and Canadian farmers' income is reduced. We are all aware of that, Mr. Speaker. This commercial war is not the only factor involved. The international market is undergoing rapid change. We must adapt to changes and live with the international financial situation. The global supply and demand fluctuations exert a far greater influence on Canadian agriculture than any other factor.

Mr. Speaker, we must secure our markets, and I think we have already started doing this. There is a factor which appears very important at this stage: Are the countries of the world . . . At this time, one needs raise the issue more as a global attitude.

Mr. Speaker, I personally had the opportunity to raise this issue during a meeting of the World Health Organization; because environment, health and education are all sectors that are connected with agriculture, this organization had chosen this year to focus on the interrelations between agriculture and the various other sectors.

We should ask ourselves a question. I have asked it myself in this House, Mr. Speaker. When one-third of mankind, perhaps a little less, is faced with enormous farm surpluses, and when two-thirds of mankind have needs which we cannot fully satisfy with the international system which we have now, there is cause for concern.

I have raised this issue. It appears in the official report of the particular workshop on agriculture of the World Health Organization, because it is absolutely necessary for every country, while not forgetting to defend its own interests, to take into account the needs of the other countries of the world. We are in a situation—I understand and will conclude with this, Mr. Speaker—where we must take into account the markets of other countries. Our Government is very sensitive. I believe our Prime Minister went to Tokyo to tell exactly that to the representatives of the other countries. They have understood. We have seen this in the reports which have been mentioned, in the report of the Economic Summit in Tokyo.

That is indeed already a first step and it is Canada which has taken it. Mr. Speaker, you can rest assure that our Government will continue in this way in the forthcoming weeks and months.

• (1710)

[*English*]

Mr. Foster: Mr. Speaker, it was nice to hear from the Parliamentary Secretary who spoke in his rambunctious fashion this afternoon. I noted that during the last election campaign the Tories suggested that they would expand agricultural research and development by providing greater assistance for agriculture, more funding for research, and so on. Yet, the budget for this year is down about $40 million from previous years.

I had the opportunity to visit the broiler research facility in Kentville, Nova Scotia. That very important research facility burned down last June. I wonder if the Parliamentary Secretary, who speaks on behalf of the Minister and the Government, can give a commitment this afternoon that funding will be provided to reconstruct that facility, which is absolutely essential, not only to the poultry industry in Nova Scotia but to the entire Maritimes.

I ask that because the Government has agreed to contribute at least $10 million to a research project funded by a group of wealthy investors on Wall Street in the United States called Dreamstreet. Some people say it is $50 million, but it is at least $10 million. If there is funding available for that program, which was apparently approved by the Department of National Revenue in spite of the protestations of the Department of Agriculture and the various Canadian Holstein organizations, to do research, which has been categorized as being almost useless, can the Government provide $350,000 for the reconstruction of the Kentville agriculture research facility which is dedicated to poultry research?

The Hon. Member for Perth (Mr. Brightwell) and I have made many representations about Dreamstreet. In fact, we have asked to have it put before the Standing Committee on Agriculture and to have the key promoters of it brought before that committee so that we can investigate it. It is interesting that I received a memorandum from Dr. Ken E. Leslie, the dairy co-ordinator for the Ontario Ministry of Agriculture. He comments about the Holstein project which the Government is funding to the extent of $10 million, perhaps a great deal more. Concerning the determination of physiological differences and the profitability of red and white Holsteins, he says that generally the protocol has poorly-defined objectives, superficial background documentation, inadequate experimental methods, and an ambiguous approach to analysis. He says that the motives of this project clearly extend beyond the objectives of the study and the methods are very suspect.

• (1720)

Is the Government willing to provide funding through the Scientific Tax Research Credit Program for that purpose if it is willing to provide funding for the reconstruction of the Kentville Poultry Laboratory?

[*Translation*]

Mr. Blais: Mr. Speaker, of all research programs in Canada, it is clear that a number—and as you know there is not only one—that one in particular, I have no details, but I was struck by the figure that was indicated to me about the $40 million cutback. This is approximately one half of what we are paying in interests every day on the deficit built up by your Government. You are in a position to realize indeed . . . You should not, I cannot understand why the Hon. Member for Glengarry—Prescott—Russell, Mr. Speaker, insisted on my speaking before him. I fear if it was in order to heckle during the remaining of my remarks. If he wanted to speak first, he should have said so and spoken in his turn, rather than asking me to speak before him.

Mr. Tardif (Richmond—Wolfe): It was in order to put the records straight after hearing your falsehoods.

Mr. Blais: Did you hear that, Mr. Speaker? Again, that has no sense. Anyway, we will have to get used to it.

Mr. Tardif (Richmond—Wolfe): We want the question answered.

Mr. Blais: We will have to get used to it, Mr. Speaker, because comes the next election, we will have 17 more. This is what is cheering me up, Mr. Speaker, to a certain point. I am saying to myself that at the next election, we will have to work to have those people replaced by others capable of coming here in this House and understanding reason, rather than uttering comments such as: You are lying, you are saying ineptitudes, as we have heard again this afternoon in this House. We are here to make serious comments on investment projects, Mr. Speaker, but listen to those ungracious remarks! One might think this is a circus. Fortunately, you waited until those young people who attended the debate, who were here behind the Chair, who were there part of the afternoon . . . I would be ashamed of uttering such nonsense, Mr. Speaker.

Mr. Boudria: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on a point of order.

Mr. Boudria: Mr. Speaker, I am certain that you have noted what is happening and that you are certainly aware with your great knowledge of the rules of this House that Members must not refer to people in the gallery.

Mr. Deputy Speaker: Would the Hon. Member for Bellechasse (Mr. Blais) conclude his intervention?

Mr. Blais: There is no one in the gallery, Mr. Speaker. You are speaking about people who are not in the gallery. I shall come back to my comments.

What I said, and I want to come back to it because the Hon. Member does not seem to have understood . . . First of all, he was not sitting in his place and kept talking all the time I was making my speech. If he had listened, he would have understood that what we have tried to do in the area of research is to protect what we have because they put us in a difficult economic situation. It is extraordinary that we have been able to maintain as we have research programs throughout Canada, and it has long been an asset in this country that research programs are decentralized. Because of their irresponsible financial behaviour, they have forced us to tighten the purse strings if we want to pay our bills. Naturally, since we are responsible people and a responsible Government, Mr. Speaker, we shall eventually straigthen out our finances and certain research projects will be able to go forward with some delay. The Members opposite should understand this because $40 million is exactly half of what it is costing us each day to pay for their deficit. We may have cut back this amount in one year, but it is costing us twice as much each day in interest charges because of them.

[*English*]

Mr. Foster: Mr. Speaker, I wonder if the Parliamentary Secretary could comment on the commodity-based mortgage. Is there any new money or does this program essentially take an existing mortgage and replace it with a new mortgage? There is a lower interest rate provided the commodity price stays low. However, if a potato farmer in Prince Edward Island takes out a mortgage with potatoes at 2 cents a pound and the price goes up to 6 cents a pound, about the break-even point, then the mortgage principal increases three times. Although the Government said it was providing $175 million over two years, the literature says that there is no subsidy. The Government plans to get back all the money it puts in at the full rate of interest which the FCC provides for. The other problem is that it is only available to people who have—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted has expired.

[*Translation*]

The Hon. Parliamentary Secretary may reply briefly.

Mr. Blais: Mr. Speaker, I would like to answer. This is certainly an interesting question and these matters will be examined further in the coming weeks. However, I am glad that the Hon. Member has spoken about the potato issue in the Maritimes because I checked some facts this morning and found that what we have done in the case of potatoes, for instance, which was to implement a diversification program, has had a very positive effect on the market. In one month, the price nearly doubled in certain sectors. This has provided additional income for the farm producers. That is to our credit, but they do not talk about such good news.

An Hon. Member: Speak about the potato issue in Quebec.

Mr. Blais: Change places if you want to speak more nonsense. I shall not name him, but he is not in his place. You should ask to be recognized later if you have something to say. If you have a question to ask, stand up and ask it.

[*English*]

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to thank my hon. colleague from Richmond—Wolfe (Mr. Tardif) for showing the Parliamentary Secretary this afternoon once again how inadequate this Government's measures are.

[*English*]

I would also like to congratulate the Hon. Member for Algoma on a very thoughtful and appropriate motion. Let me remind the House about this motion and how important it is for all of us to consider. I am sure that although you remember it vividly, Mr. Speaker, the Tories have forgotten it by now. The motion says:

[*Translation*]

Consideration of an Opposition Motion—That this House urges the government to take immediate and firm action on behalf of Canadian farmers to ease the burden of debt by introducing such measures as court-ordered debt review, a meaningful interest relief program and an increased commitment to research, and further urges the Government to make firm commitments now to Canadian farmers that they will not be harmed or their interests sacrificed in its comprehensive trade negotiations with the United States and to provide a strong response to difficulties expected as a result of the U.S. Farm Bill.

Mr. Speaker, I think it is obvious the Hon. Member for Algoma (Mr. Foster) gave this motion a great deal of thought, since it includes many of the problems facing our farmers today, problems the Government should have dealt with but, once again, did not.

Mr. Speaker, I would like to comment briefly on interest rates. The Government, through its Members, has been bragging almost daily about present interest rate levels. It has taken every opportunity in the House to make the point that interest rates today are lower than ever.

I would like to draw the attention of the House to the fact that real interest rates, in other words, the difference between the inflation rate and the rate a farmer can expect to pay on a loan, that this difference commonly referred as the real interest rate is higher today than it was during the worst of the economic recession two or three years ago. Why is this situation allowed to continue? Do we see the Government bragging about the level of real interest rates? Of course not, Mr. Speaker. By failing to raise this point in the House, Government Members from agricultural ridings are acting irresponsibly. Fortunately, however, for the House and for our farmers, Opposition Members are going to keep on showing this Conservative Government that this problem cannot be ignored.

• (1730)

[*English*]

You will recall, Mr. Speaker, that the Tories made many promises during the last election campaign. You will recall that there were 338 Tory promises. Let me refresh your memory about the promises that were made with respect to agriculture. Being the non-partisan person you are, Mr. Speaker, you had to listen to those Tories make all these promises which they knew they could never fulfil. The Hon. Member for Lambton—Middlesex (Mr. Fraleigh) will undoubtedly recall those promises.

These particular promises come directly from a book of promises which even has the PC logo on it. These promises were made in Sherbrooke, Quebec, on July 26, 1984. One states:

We will establish an Agri-bond Program to provide loans at reduced rates to producers. A tax exemption for earned income on these bonds will be provided to encourage people to invest in this program.

I challenge Tory Members in the House to stand up and tell me and my constituents of Glengarry—Prescott—Russell what happened to the agri-bond program. Was it a promise? Yes. Was it a broken promise? Yes.

Mr. Siddon: Be patient.

Mr. Boudria: It was a Tory broken promise.

Let me read another promise just in case I have not convinced one or two Conservative Members, although I know their numbers are declining daily. Promise No. 7 that was made in Sherbrooke, Quebec, is:

Since many producers find their economic viability threatened as a result of being locked into long term high interest rate loans, we will immediately allocate the necessary funding to assist producers in refinancing their loans at more reasonable rates.

Mr. McDermid: We did.

Mr. Boudria: Some Members across the way say that they did. Where was this immediate initiative to refinance existing loans?

Mr. McDermid: It's done.

Mr. Boudria: There are farmers in my riding who are locked into long-term loans, and it is certainly not those Tories opposite who have done anything to get them out of those loans. They made promises to the Canadian people but did not deliver on them. The Tories promised to take this action immediately.

Let me quote Promise No. 9 that was made in Sherbrooke. It states:

We will change Section 31 of the Income Tax Act, as it applies to farmers, to reflect the principles of equity, neutrality, simplicity and certainty.

I quote further:

In addition, the strong arm and confrontationist tactics presently practised by the Department of Revenue will be immediately abolished and a practice whereby the taxpayer is treated openly and honestly will be instituted.

While that is an elaborate promise stated by the Tories, where are the modifications to Section 31?

Shortly after the election, the Minister of Finance (Mr. Wilson) published a White Paper on farm financing, Section 31 and the Agri-Bond Program. An all-party committee of the House studied those issues and came to the unanimous conclusion that there should be an agri-bond program and there should be modifications to Section 31 of the Income Tax Act. If you believe that is a partisan statement, Mr. Speaker, you would be incorrect because that committee included members of the Conservative majority. What political weight did those Conservative back-benchers who sat on that committee have with the Government? They had no weight because nothing was done. The Minister of Finance blocked his ears and did not read the report. He did not listen to the Tory back-benchers.

Mr. McDermid: You would make a good stable boy.

Mr. Boudria: It is another broken promise. Let me read promise No. 12.

Mr. McDermid: You can shovel it.

Mr. Boudria: The Member across the way says a shovel was required to shovel those promises during the last election.

Mr. McDermid: You would make a good stable boy.

Mr. Boudria: He is correct to say that this is all it is. We have a lot of what these promises are made of behind the barns in my riding. I thank the Member opposite for bringing that to our attention this afternoon. He is quite correct in saying that we have to shovel promises like that because that is what they are. Let me read promise No. 12. It says:

A PC Government will develop a healthy Canadian agricultural industry by providing a strong agriculture research base through greater assistance for agricultural colleges, more funding for agricultural research and development and amending tax policy to encourage private sector investment.

What is the reality behind that promise? My colleague, the Hon. Member for Algoma (Mr. Foster), pointed out very eloquently earlier today that the same Conservatives who made these promises cut back on agricultural research. He gave an excellent example of the poultry research facility in Kentville. That important facility burned down. It is not a matter of constructing a new facility but of replacing one which already existed. The Government does not even have the political will to replace an important facility that burned down, let alone live up to its campaign promise to build more facilities.

Furthermore, not only will the Tories not fulfil their promise to build more facilities, they are actually cancelling the previous Government's commitment to research facilities.

Earlier today, my colleague, the Hon. Member for Richmond—Wolfe (Mr. Tardif), referred to the Government's expenditures and program review of 1984. That document was tabled in the House on Black Tuesday in November, 1984. In it, the program to build a facility in Victoriaville was cancelled by the heartless Government across the way. As you can see, Mr. Speaker, the Government has broken its promise of the sacred trust.

• (1740)

With respect to free trade, during the election campaign free trade came up as an issue. Canadians were asking the various political candidates what their position was on free trade. When they asked the Conservative Leader, he said, and he said it again in a speech made in the Province of Quebec: "Fair trade but not free trade". Those were the words used by the Leader of the Conservative Party. What happened to him? Why did he have this change of heart? What made him sell out the interests of the people of Canada in this way? Perhaps Hon. Members opposite at some point in the future will explain this irrational behaviour on the part of the Prime Minister (Mr. Mulroney).

I would like to quote from a statement made to the federal Liberal Task Force on Agriculture in Charlottetown on March 19, 1986. This is not a Liberal group. This is a very objective, well known and respected organization.

An Hon. Member: Oh, oh!

Mr. Boudria: Perhaps my colleague opposite thinks otherwise. Let him put it on the record if he thinks the National Farmers Union is other than the way I have described it. The representative of that organization said, and I quote:

Under Canada-U.S.A. Bilateral Free Trade package we may have to support an American domestic or military protectionist stance. ... Even though the Right Honourable Joe Clark is quoted as saying that the existing Canadian Supply Management Marketing Boards would not be a part of the Free Trade Negotiations, the reality is, if other sectors (i.e., processing of turkey, chicken, dairy, eggs, et cetera) are negotiated, the real danger is that the processing industry (mainly American-owned) will move south of the border resulting in massive Canadian unemployment—

Not only does the National Farmers Union have a concern about the agricultural industry in terms of farming, it has a second concern which relates to the processing of agricultural products as well. Some Hon. Members opposite, partisan as they are, do not want to believe what the National Farmers Union is saying. Let us see if they can criticize my next quote from the New Brunswick Milk Marketing Board. Even Tories would find it hard not to believe that organization. Other provincial milk marketing boards have said the same thing. The National Farmers Union talks about the potential of loss of supply management under a comprehensive bilateral trade agreement, and I quote:

The removal of supply management and trade restrictions would see a reduction in price to the New Brunswick consumer for milk and dairy products. The consumer would have access to a wider variety of imitation dairy products (imported) than is the case at present. Milk producers would have susbtantially reduced incomes. They would be faced with two decisions: (1) to get out of the dairy business, or (2) increase production in order to maintain cash flow.

As you know, Mr. Speaker, with the large dairy surplus in the United States right now, it being larger than the total Canadian production, what would we gain by over-production, what would we gain by over-producing in order to try to regenerate the income which would be lost by the potential loss of our supply management system? I would like to hear the views of Hon. Members opposite as to whether or not we should have a comprehensive bilateral free trade agreement which would cover agriculture. Do they think our supply management system is worth retaining? I believe it is.

In the very limited moments I have left, I would like to elaborate on that further.

[*Translation*]

Mr. Boudria: In my riding of Glengarry—Prescott—Russell, Mr. Speaker, there are a great many dairy producers who are quite concerned about free trade. You will recall that I have tabled in this House petitions on this issue signed by some 4,000 Glengarry—Prescott—Russell constituents. From the Conservative Government, they ask for, request and demand the assurance that their milk quotas will be maintained . . . I should like to remind the Hon. Member who is vociferating over there that the quota system was an initiative of a Liberal Government. Our Party set up that quota system and we are not going to let this Conservative Government terminate it. As long as I sit in this House, I shall try the utmost to protect the dairy producers in my riding.

[*English*]

Let me say very briefly that the farmers of Canada are not pleased with the February 26 initiative concerning commodity-based mortgages. They have said very clearly they want no part of it and that this measure is unfair and, by and large, useless to the agricultural industry. It is not the panacea which the Tories pretend it is.

[*Translation*]

Had I had more time, Mr. Speaker, I could have developed further this point and several others aspects of the farm industry.

To conclude, I should like to congratulate the Hon. Member for Algoma (Mr. Foster) for his excellent initiative of bringing this dossier to the attention of the House of Commons. It is hoped, Mr. Speaker, that the Government will listen and will act along the lines suggested by my colleague, the Hon. Member for Algoma.

Mr. Deputy Speaker: The Hon. Member for Champlain (Mr. Champagne) for a question or comment.

Mr. Champagne: Mr. Speaker, first of all, when the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) speaks about promises made in Sherbrooke and broken by our Government, I would like to point out that he is forgetting to mention many promises which were kept. They appear in the document and he voluntarily omitted them. The first concerns the long-term dairy policy. Mr. Speaker, we had promised this during the electoral campaign, and when the Hon. Member for Glengarry—Prescott—Russell says that the quotas were implemented by his Government, I can tell him that he is quite wrong because the quotas were implemented by the farm producers themselves. That is what all Canadian farm producers want.

Second, Mr. Speaker, in 1981 the Liberal Government promised to sign a long-term dairy policy. Who broke that promise? The Liberals did. We signed the policy, and we paid for the 1983 crop losses because the Liberals did not want to take action, they did not want to pay. They simply forgot all about Quebec agricultural producers. We paid, Mr. Speaker, not the Liberals. They had nothing to do with it. Who lowered interest rates which peaked at 22 per cent under the Liberals, and who drove Quebec and other Canadian farm producers right into the ground? Again the Liberals, and none of them stood up to defend the interests of our agricultural community, least of all the Hon. Member for Glengarry—Prescott—Russell.

Mr. Speaker, Canadian farm producers know how the Liberals operate, and indeed the Hon. Member for Glengarry—Prescott—Russell was supposed to come to Trois-Rivières, but he did not show up, he did not have the courage to come and repeat the misleading statements of his Government before the agricultural producers of my riding. In concluding, Mr. Speaker, I would urge the Hon. Member for Glengarry—Prescott—Russell to learn to read and be at least honest enough to admit that our Government has done some good; he should stop criticizing the constructive measures taken by our Government.

Mr. Boudria: Mr. Speaker, I have just grasped the Conservative mentality. I have just grasped the Conservative mentality.

Some Hon. Members: Oh, oh!

Mr. Della Noce: If you have grasped it, do not cross over.

Mr. Deputy Speaker: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) should reply.

Mr. Boudria: Mr. Speaker, the Conservative mentality means that if you promise a great many things and deliver a few, you will be forgiven for all your broken promises. You see, Mr. Speaker, all a Conservative has to do is to promise the moon and the moment he delivers something, he can say that the objective has been met because something has been done.

The Canadian people will not allow themselves to be deceived by the Conservatives. I will point out to Hon. Members that, at the going rate, the Government will need

until year 2026 to live up to the 338 promises it made and which I have enumerated in the House on a number of occasions. And if the Hon. Member opposite is satisfied with this, Mr. Speaker, I, for one, am not, and neither are my constituents of Glengarry—Prescott—Russell.

• (1750)

[*English*]

Mr. Riis: Mr. Speaker, a number of Members who have spoken this afternoon have indicated that interest rates are critical to the farm community. They mentioned the fact that interest rates have been very high. Of course, interest rates are still excessively high. It has been said that they have caused problems. Will the Hon. Member explain why he believes the Government has stood idly by, in a sense, when one looks at real interest rates in Canada today? Real interest rates are the difference between the prime rate and the rate of inflation. Today, real interest rates in Canada are among the highest in the world. They are higher today than they have been in the past number of years. As a matter of fact, the highest rates were in the years 1984 and 1985.

Mr. McDermid: Nonsense!

Mr. Riis: The Hon. Member says that this is nonsense. I dare him to stand up and explain why real interest rates today in 1986 are higher than they were in 1980, 1981, 1982 and 1983. I will sit down and he can stand up to explain the situation.

Mr. Dick: They were 11 per cent in 1981.

Mr. Riis: Today, real interest rates in this country are the highest in the world. In 1985 they averaged out at 6.58 per cent. In 1984 they were 7.66 per cent.

Mr. Dick: They were 11.5 per cent in 1981.

Mr. Riis: I am trying to get a question out, but I am having some difficulty.

I challenge Members opposite to challenge my statistics. I challenge one of them to stand up and put it on the record publicly.

Mr. Dick: It is on the record.

Mr. Riis: No, it is not. The Hon. Member must stand in his place and be identified by the Speaker.

I challenge Hon. Members to challenge my statistics. I challenge them to say that interest rates in Canada, in real terms, are not the highest in the western world and that they are not higher today than they were during the Liberal regime. Can the Hon. Member explain why the Government has failed to take action in this respect?

Mr. Boudria: Mr. Speaker, I guess the mistake made by the Hon. Member for Kamloops—Shuswap (Mr. Riis) was that he did not explain his position slowly enough in order for Conservative Members to understand. What the Hon. Member says is quite correct. He has referred to real interest rates. I will explain what it means, slowly, in order for Members opposite to understand.

Mrs. Sparrow: You don't have to do that!

Mr. Boudria: Maybe the Hon. Member for Calgary South (Mrs. Sparrow) knows, but others in her Party do not since they have been asking questions. The difference is that the spread between the rate of inflation and the rate at which one can borrow money is greater today than it was at the height of the recession. What is even more difficult to understand is the fact that this high real interest rate has been offered to Canadians by the same Government which made Promise No. 7. I will remind Hon. Members of that promise. It states that since many producers find their economic viability threatened as a result of being locked into long-term high interest rate loans, the Government will allocate immediately the necessary funding to assist producers in refinancing their loans at more reasonable rates.

What have members of the Government done thus far? They have established the highest real interest rates that we have seen in this country in many years—in decades. That is what the Tory regime has done. I am sure it is a record of which Members opposite are ashamed. They should hang their heads in shame for even trying to justify these actions.

Mr. Fraleigh: Mr. Speaker, I would like to point out to the Hon. Member for Glengarry—Prescott—wherever he is from—that if he thinks that his turning this debate, which started out very seriously, into a zoo will impress very many Canadian farmers, he is out by a mile. I have a document in my hand which contains a list of ten agricultural policies. We have acted on nine out of ten of these policies. I wish to tell Hon. Members who proposed these policies. The document is entitled "Turner Agricultural Plan Unveiled". Nine out of the ten points promised in the Liberal platform have been acted upon by this Government. Will the Hon. Member comment on that?

While he was on his feet he made a statement about the processing—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the last minute in the ten minutes provided for the question and comment period will go to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I am glad to see that the Hon. Member for Lambton—Middlesex recognizes that the ideas which members of his Party have are not all that great and that occasionally they steal good Liberal ideas. That is probably the only good thing this Government has done since it took office.

I would like to tell the Hon. Member that if he thinks his government initiatives are appropriate, the brief I have in my

hand from the Nova Scotia pork industry sets out the disappointment which that association feels. It states:

> Our Association was extremely disappointed that the February 26th federal budget contained no referral to the feed grain problems in the Maritimes.

The document goes on to criticize the Budget.

In closing, I wish to remind the Hon. Member that the name of the riding which I represent is Glengarry—Prescott—Russell. The people of my riding are proud of the name and they hold dearly to it.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, having sat here all day, for three minutes—

Mr. McDermid: I thought you were giving me the floor.

Mr. Riis: Mr. Speaker, I decided against giving my spot up to my hon. friend.

In three minutes I wish to raise what has become a very serious issue in southern British Columbia, that is, in spite of the Government's decision to extend drought relief to the hard-pressed cattlemen in southern British Columbia for feed bought between September and which was most recently extended to the end of March, it has unfortunately left most of the cattlemen still in need. I refer to those who bought feed prior to September of 1985 and those who bought feed after March 31, in other words, those who bought feed during the month of April. Unfortunately, so many cattlemen looked ahead and saw the difficulty coming in terms of the drought that they went out and bought feed prior to the dates for which they would be eligible for drought support. Since the situation in central and southern British Columbia was brought about as a result of a very difficult spring and people had to go out and buy feed again during the month of April, there are literally hundreds and hundreds of cattlemen who have been kept out of the government relief program.

I wish to raise this critical concern during the debate today. I plead with the Minister of Agriculture (Mr. Wise), his Parliamentary Secretary and department officials who may be listening today to consider extending the dates, thus enabling hundreds of cattlemen in southern British Columbia to qualify for the $30 per tonne rebate for feed purchased above and beyond their normal requirements.

In the closing moments of the debate I would simply like to add my voice to that of my friend, the Hon. Member for Prince Albert (Mr. Hovdebo), who moved a motion earlier. I would like to move the following amendment:

> To remove the period after "Farm Bill" and insert
>
> "by accepting the proposal by Canadian farm groups that deficiency payments be made to keep Canadian prices at the farm-gate equivalent to prices received by their American counterparts".

Mr. Boudria: Of course, I second that motion, Mr. Speaker.

Mr. Deputy Speaker: The Chair finds the amendment to be in order.

It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12), the proceedings on the motion have expired.

It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 15, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to the following three petitions: Nos. 331-474, 331-478 and 331-483.

POSSIBLE CHANGES TO CANADIAN FORCES SUPERANNUATION ACT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is my honour and duty to present a petition signed by 81 residents of the National Capital Region who humbly pray and call upon Parliament to make no changes to the Canadian Forces Superannuation Act without first consulting fully with annuity recipients and those presently contributing to the fund.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, if question No. 365 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 365 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CONTRACTS AWARDED BY DEPARTMENT OF PUBLIC WORKS

Question No. 365—**Mr. Malépart:**

1. Since September 4, 1984, how many (*a*) professional (*b*) other services contracts, were awarded by the Department of Public Works and what is the name and address of each individual or company?

2. Which contracts were awarded (*a*) to the lowest bidder (*b*) without tender?

Return Tabled

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—REQUEST FOR PUBLIC INQUIRY—NUCLEAR POWER

Mr. Jim Fulton (Skeena) moved:

That this House urges the Government to immediately initiate a full public inquiry into the future of nuclear power.

• (1110)

He said: Mr. Speaker, I am pleased to have the opportunity to lead off the debate today. As I am sure Hon. Members have noticed, the wording of the motion before the House today is taken from the PC Campaign Handbook for the 1984 election in which it is very clearly stated:

We advocate a full public inquiry into the future of nuclear power—

That is precisely what we will be debating today. It goes on further to state:

—and have opened the nuclear power approval process to the public.

I think that today's debate is really the debate of our times. It is something which involves the survival of all life. It really depends on our will to learn, to understand and to act on this issue if we are to survive the rest of the century.

On October 22 of last year my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), introduced a Private Members' Bill entitled the "Nuclear Power Act" which provides for three specific Acts to be taken by Parliament. The first is to invoke a moratorium on the new construction of nuclear facilities in Canada; the second is to hold a public inquiry; and the third is to hold a national referendum on the issue of nuclear power and nuclear energy in Canada.

Why have a full public inquiry? I think the Chernobyl accident has raised the concerns of many Canadians and made many of us realize why it is so important. I think that today it is important in the debate to hear what the alternatives are in terms of energy alternatives in the soft energy path. We should consider why we should be looking more carefully at the issue of safety and why we should be looking at the issue of mining and its affects on workers who have been involved throughout the whole of the nuclear cycle from cradle to grave. We should

consider the issues of transportation, storage, disposal, nuclear power itself, the movement of a lot of this material into nuclear weaponry and the effect of accidents.

I would like to begin my remarks this morning by dealing with the Chernobyl accident. I think it has raised the interest of many scientists and certainly of many people around the world.

When I first contacted the Department of National Health and Welfare and, in particular, the Atmospheric Environment Service, I was advised that because there are 28 atmospheric testing sites in Canada which had demonstrated an ability during the 1950s to give fairly accurate readings when atmospheric bomb testing was taking place in the Soviet Union, the United States or elsewhere, that, similarly, those 28 sites would provide accurate atmospheric and rainfall information throughout Canada. We found out that that, in fact, has not been the case.

In fact, just yesterday the Minister of National Health and Welfare (Mr. Epp) rose in the House to indicate that new test sites will be opened in Terrace, Prince George and Revelstoke. Up until now the only information available from British Columbia, for the whole of British Columbia, has been from the tests taken in Vancouver. The majority of those tests were brought here to Ottawa to be tested, the information then being made available through the so-called hot line. As those who work on the hot line have pointed out, many of the staff members are left with the same basic information for two days. So if a person calls on two consecutive days they are getting essentially the same information. As I pointed out yesterday small communities in Alaska, such as Ketchikan, have had installed on-site equipment which can provide background readings, both atmospheric and rainfall, on a five-hour basis to be provided to the residents of Alaska.

Clearly, the proposal which was put forward by the Government on May 5 has not been adequate in terms of providing accurate information to Canadians. However, I must say that the information which has come to be available is not something about which Canadians should be overly alarmed, at least not enough to cause them to go out and drink iodine or take similar measures.

What we have to do is learn from what has happened in Chernobyl and take the type of intelligent steps which we should as a Parliament, particularly in light of the promise made by the Conservative Party prior to the last election. These promises were carried in headlines across the country in Toronto, Vancouver and elsewhere. They stated that one of the priorities of the new Government would be to call a full public inquiry into the nuclear industry, something which is very much needed.

As I learned under the administration of Mr. Trudeau from committees and in the House, it was impossible to obtain updated information. Every attempt taken by either the Conservatives or by the New Democrats to have an inquiry or to obtain accurate, updated information on what AECL and AECB were really up to was blocked by the Liberals. I do not think many of us have forgotten the amounts of money which have historically been squandered in this area of concern, and the heavy water plants in Cape Breton are an example of that. Over $100 million of taxpayers' money went to keep those heavy water plants going while there was no use for that heavy water in Canada and no sale for it offshore.

The Conservatives seem to be changing ground rather quickly on the issue—

Mr. Friesen: I rise on a point of order, Mr. Speaker. The Hon. Member for Skeena (Mr. Fulton) has just said that Canada was testing in only one place in Vancouver and planned to test in three others. I would quote from yesterday's *Hansard* wherein the Minister stated that—

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member. I would point out to him that in this debate there are 20 minutes allowed each speaker to be followed by a ten-minute period of question and comments. I am sure the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) will take a great deal of interest in the question and comment period.

Mr. Fulton: Mr. Speaker, in reponse to the campaign promise made by the Conservatives the Minister of Energy, Mines and Resources (Miss Carney) wrote to one of my colleagues on June 4, 1985, and indicated the she did not intend to broaden her consultations beyond the industry and the provinces in relation to a full public inquiry into the nuclear industry. She went on to state:

—it is my view that a national inquiry on this topic is not a high priority at this time.

That is what the Minister of Energy had to say on behalf of a Government which clearly ran on a campaign promise to have a public inquiry into the nuclear industry.

It is also interesting to look to see what the present Minister of State for Science and Technology (Mr. Oberle) had to say in a wire story which states:

Progressive Conservative MP Frank Oberle (Prince George—Peace River) said handling nuclear wastes from other countries could become a "lucrative business".

Now we can see why the Conservative Government is tending to shy away from the very important campaign promises which it made.

I would now like to quote from a 1982 issue of *The Canadian Business Review*. It is an excellent article written by Gordon Edwards, someone who long ago should have been given the Order of Canada for his work in relation to the nuclear industry. In his article he quotes from the draft of an internal Government review which states:

—it is doubtful "whether the nuclear industry will survive the 1980s".

The chart provided in *The Canadian Business Review* points out what the energy consumption by fuel type is in Canada. It

is well worth taking a look at these figures. Energy consumption directly from oil accounts for 52 per cent of our energy. With respect to natural gas, the figure is 23.5 per cent; coal is 3.9 per cent; and wood pulp 4.1 per cent. The total with respect to electricity is 16.5 per cent. Hydro is 11.4 per cent and coal-fired is 2.4 per cent. Nuclear power accounts for 1.3 per cent while oil-fired accounts for 0.7 per cent. Gas-fired accounts for 0.6 per cent and wood and others account for 0.1 per cent. Nationally, it is interesting to note how small is the amount of energy provided by nuclear power. Yet there are tens of billions of dollars which go into directly subsidizing this particular industry.

Under the section on energy in *The Canadian Business Review* article Mr. Edwards points out a number of key points, around which I think the debate should revolve, as to why there should be a full public inquiry. I refer to reactor safety studies. I think we must learn from Chernobyl and Three Mile Island that although many people for many years have told us that CANDU is the safest and best protected nuclear fission technology in the world, it is an area about which we need to study more closely. This should be done in a public inquiry where witnesses can be protected in giving evidence.

With regard to radioactive waste disposal, I recently had a chance to listen to Morris Udall, as did you, Mr. Speaker, who is now putting together what he himself describes as probably the largest, grandest scale project in the history of the United States. This project is the movement of nuclear waste from their sites to storage areas perhaps immediately below your own constituency, Mr. Speaker.

Mr. McDermid: That has been ruled out.

• (1120)

Mr. Fulton: The issue of radioactive waste disposal is very important. It is a crucial issue in the United States. The Americans are trying to deal with it by the year 2000. We have no plans like that and there is certainly nothing before Parliament to deal in a parallel way with what is going on in the United States.

Regarding the issue of the highly radioactive wastes produced by the reactors, there exists in excess of 100 million tonnes of highly toxic low level radioactive waste called tailings. The amount of tailings at Elliot Lake alone would cover the Trans-Canada Highway three feet deep from Vancouver to Halifax. Those tailings are sitting there waiting for Canadians to come up with a way of dealing effectively with radioactive waste.

Regarding the decommissioning of nuclear facilities, there is a requirement to develop techniques and tools for the dismantling of the highly radioactive structures left at the end of the useful lifetime of a reactor. We know, for example, that Gentilly I is awaiting that kind of proper decommissioning. The argument about workers being thrown out of work if we were to have a moratorium on nuclear power and start decommissioning our nuclear industry simply does not stand up under the scrutiny of economists and scientists who have looked at the amount of work required in the decommissioning of the existing sites. Similarly, specialized tools and skills would be needed to simply retube reactors during the period of a moratorium in order to keep the operations going as safely as possible.

Regarding energy self-sufficiency, Dr. Edwards made an important comment about evidence given by Sir Brian Flowers. He said the following:

> Canadians should carefully weigh the advice of Sir Brian Flowers, a prominent British nuclear physicist, who warned in 1976 that "a major commitment to fission power and a plutonium economy should be postponed as long as possible." The reason for this is fundamental.
>
> Plutonium appears to offer unique potential for threat and blackmail against society because of its great radiotoxicity and its fissile properties.
>
> The construction of a crude nuclear weapon by an illicit group is credible. We are not convinced that the Government has fully appreciated the implications of this possibility.

That evidence was given in Great Britain before a royal commission. Many years ago, the Britons took this issue much more seriously than we do.

The Select Committee on Ontario Hydro Affairs took a look at the issue of accidents recently and had the following to say about the devastating and irreversible consequences of a major accident in a CANDU reactor:

> It is not right to say that a catastrophic accident is impossible.
>
> —The worst possible accident would involve the spread of radioactive poisons over large land areas, killing thousands immediately, killing others through increasing susceptibility to cancer, risking genetic defects that could affect future generations, and possibly contaminating large land areas for future habitation or cultivation.

Dr. Edwards goes on:

> According to the Ontario Royal Commission on Electric Power Planning, the most realistic probability for a complete core meltdown in a CANDU reactor is about 1 in 10,000 per reactor per year.

It is interesting that that is precisely the same figure used by the Soviets in relation to Chernobyl, a state of the art graphite reactor built only a few years ago. The quote goes on:

> With 23 reactors now committed in Canada, each expected to operate for 30 years or more, the over-all probability that a catastrophic meltdown will occur at one of these plants in the future is greater than 1 in 15—more than twice the probability of rolling a twelve with two dice—
>
> Even non-catastrophic accidents can have a crippling impact. The cleanup following the Three Mile Island TMI accident in Pennsylvania is expected to take about ten years and cost $1 billion to $2 billion, but there is no assurance that cleanup efforts will be successful.

It is also interesting to look at the calculated probabilities for accidents in CANDU reactors. This information comes from the Atomic Energy Control Board itself as given to the Royal Commission on Electric Power Planning. The calculated probabilities for accidents are as follows: for loss of coolant, with one reactor it is one in 100 annually; with one reactor it is one in four over the reactor's lifetime; with 20 reactors, it is one in five annually, and with 20 reactors it is 99.7 per cent over their lifetimes. On core meltdown, something which has already occurred here in Canada, the probability is one in 10,000 for one reactor annually; one in 300 for one reactor's

lifetime; one in 500 for 20 reactors annually, and one in 15 for 20 reactors over their lifetimes.

The probability calculated by the Atomic Energy Commission itself is that one is as likely to roll a 12 with two dice as we are to have a meltdown at some point during the life of the reactors we have here in Canada. Again, that is a very important reason why there should be a full public inquiry into the issue of safety of existing complexes and wastes in Canada.

The only legislation for the protection of Canadians in and near nuclear sites, places like Toronto, is the Nuclear Liability Act passed by this House limiting off-site liability to a maximum of $75 million for each nuclear site. Comparable legislation in the United States, the Price-Anderson Act, an Act which is in the process of being amended, provides $560 million per site. It is now being suggested by the U.S. General Accounting Office that that liability should be increased far above $1 billion. That certainly appears to be a good example for us to follow. Financial institutions, not only in North America but in most of the world, are now reticent to finance nuclear reactors. As well, there are no insurance companies of which I am aware that are prepared to give liability insurance to any facilities in the world.

In British Columbia, the very excellent Bates Commission looked into the whole issue of uranium mining particularly but looked at the nuclear cycle as well. It had a number of interesting suggestions to make in relation to that. Regarding radioactive material in relation to Chernobyl and others, the U.S. geological survey had this to say:

> High-level radioactive wastes produced by reactors are capable, in principle, of causing "millions to billions of fatal cancer doses . . . an admittedly unlikely scenario." The U.S. Geological Survey has pointed out that there isn't enough fresh water in the world to dissolve these wastes to "acceptable" levels of concentration.

That is something that concerns many Canadians right now, even though the addition of radioactivity from the Chernobyl accident is only one-twentieth of background levels. However, it is that amount that is added to already existing background levels that is of concern. This clearly raises the possibility of serious medical problems for people throughout Canada.

Dr. Edwards goes on:

> The B.C. Medical Association considers it "irresponsible in the extreme for the Government of Canada to allow the further development of uranium mining and reactor construction until a safe, proven, permanent waste disposal technology is developed for the wastes that have already been produced."

If we as legislators do not listen to the evidence given by physicians before a Royal Commission on the effects of these kinds of contaminants on the general health and wellbeing of Canadians, to whom are we supposed to listen? Should we only listen to those who are promoting the technology? I think not, and I think for that very reason we should be moving vigorously and quickly toward the full public inquiry that was promised by the Government before the election.

The issue is very crucial. I know that my time is running out so let me end by reading what Dr. Edwards said about Dr. Bernard Feld:

> Dr. Bernard Feld, Assistant Leader of the Critical Assembly Group in the World War II Atom Bomb Project, is one of many who have warned that the spread of nuclear technology will soon advance beyond the ability of human societies to control it:
>
> Let me tell you about a nightmare I have. The mayor of Boston sends for me for an urgent consultation. He has received a note from a terrorist group, telling him that they have planted a nuclear bomb somewhere in central Boston. The mayor has confirmed that twenty pounds of plutonium is missing from Government stocks. He shows me the crude diagram and a set of the terrorists' outrageous demands . . . I would have to advise surrender.

The issues surrounding the nuclear fuel cycle from cradle to grave are vast and important. I would like to end my remarks by talking about what I consider to be the other part of this issue that is rarely looked at by Parliament, parents, schools and physicians, and that is the effect of nuclear fear on young people in Canada and around the world.

According to a recent poll taken in British Columbia, 80 per cent of students fully expect to die a nuclear death and 80 per cent of them want to do something about it but do not know what to do. Clearly, during this period of time in the history of the world, one of the things this Government can do, in good faith since that is its policy, is hold a full public inquiry to investigate what is happening to uranium miners, nuclear wastes and the wastes being stored at CANDU facilities. That alone would fill a hockey rink waist deep with highly radioactive waste which is being improperly stored. Also, it should deal with the questions of radiation, its effect on individuals and its effect on the psyche of young people and people around the world.

• (1130)

Generally Canadians are not people who will get out and march, although in Vancouver close to 100,000 or more march year after year on the issue of nuclear energy. They demonstrate their desire for some kind of realistic investigation of it by the Parliament of Canada.

In my closing remarks I want to stress that it is important to understand the nuclear nightmares of young people, to understand the nuclear fear out there, and to act responsibly rather than irresponsibly and unresponsively to this very real issue, one of the most crucial issues of our time.

Mr. McDermid: Mr. Speaker, I would like a clarification from the Hon. Member for Skeena (Mr. Fulton). He seemed to mix two things today. He talked about nuclear war and tried to tie it in with the peaceful use of nuclear power in Canada. As he knows, there are no nuclear weapons on Canadian soil. In fact, we use nuclear power for peaceful purposes, such as the generation of hydroelectricity and isotopes which are used in the health field. If the NDP had its way, we would not have any of that expertise in Canada. By the way, we are a leader in that field.

Is the Hon. Member really being fair when he tries to tie in the peaceful use of nuclear energy with the phoney issue of it somehow being tied in with nuclear war?

Mr. Fulton: Mr. Speaker, I will deal first with the issue of nuclear medicine. As a matter of fact, the last time there was an opportunity to debate the issue in the House, I was unfortunately in hospital in Ottawa. Fortunately I had the opportunity for nuclear medicine to be of great assistance to me. It proved to be of great benefit. There is no one in my Party or in any Party who opposes the peaceful use of nuclear technology for medicine in particular. However, in tying the issues together, I think we have to understand that so far as we know the Chernobyl reactor was being used for peaceful purposes as well. It was being used to provide power to the City of Kiev and to the outlying area.

The issues before us are mixed. Approximately 85 per cent of the uranium mined in Canada is exported. A great deal of it goes to the enrichment plants in the big four—in France, Britain, the Soviet Union, and the United States—for enrichment to weapons grade material. The overwhelming majority of that is going into the 50,000 plus nuclear weapons which are constantly being upgraded around the world.

The Hon. Member said that there were no nuclear weapons on Canadian soil. That is a bit of a shell game. The Hon. Member knows full well that nuclear weapons are frequently tied up in downtown Vancouver, in Esquimalt, in Halifax, and in various areas. The only difference is that there is a rope tying the boat to the dock. Often there are nuclear weapons in the downtown areas of many Canadian cities. That has never been denied by any Minister in the House or by anyone in the United States. In fact, those weapons are being brought in.

The reason there is a link between the issues is partly because of the Chernobyl incident. It is also because of the evidence which came forward from the Royal Commission in Great Britain. The expert evidence given by witnesses there such as Dr. Feld and others was that the real concern was that Governments were not scrutinizing as carefully as they should the highly radioactive plutonium waste which is sitting, for example, next to all our reactors in Canada. It is not being moved to be stored carefully and properly, perhaps in plutons or perhaps in other areas. I am sure we will have to develop a technology, a routing, and a system to get that waste to a proper long-term storage basin.

As those witnesses pointed out, there is linkage between peaceful sites or the peaceful utilization of nuclear material for electrical energy and for other uses and the no longer so remote possibility that terrorists will make use of plutonium and highly radioactive materials associated with peacefully used plants around the world. It is precisely for that reason we require a full public inquiry.

As the Speaker and myself learned at a meeting in the United States from Morris Udall, who is carrying this process forward for the U.S. Congress, probably the largest single industry between now and the turn of the century in the United States will be the decommissioning of reactors and the removal and safe containment of waste. It will be larger than the industries involved in the construction of highways and buildings in the entire United States. It will be a massive industry.

For a variety of reasons our country is not looking at the possibility of terrorist activity. We are not looking at the need to deal with the hundreds of millions of tonnes of low-level radioactive waste or at dealing effectively with the whole concept of technology for decommissioning and proper long-term safe storage of the nuclear waste we already have at our nuclear sites.

Mr. McDermid: Mr. Speaker, I have a supplementary question. I think the Hon. Member really does not have his facts together. He knows full well that probably one of the finest research projects is ongoing now in Canada on the safe storage of nuclear waste, and that the Americans, thank goodness, have contributed to and are participating in that research. We want to assure ourselves in Canada that not only do we have safe storage of nuclear waste but that they have the same technology and are storing it as safely as we are and in areas which are safe. I think the Hon. Member is being very unfair when he says that there is none of this going on. One of the most extensive research projects is going on in Whiteshell now on this very matter. Had he come to the Standing Committee on Energy, Mines and Resources to hear what was going on, as did his hon. friend behind him, maybe he would change what he just said. I wish he would correct the record.

Mr. Fulton: Mr. Speaker, I have not seen the Hon. Member in my committee for years and years and years; "ta, ta, ta". This issue is a very important one. Government Members constantly want to slide away from the real issue. They ran an election on having a full public inquiry, and now they are thumbing their noses at the public of Canada and saying "ta, ta, ta".

Mr. McDermid: Answer the question.

Mr. Fulton: I have looked at the budget, what is being spent in this country and in the United States on investigating technologies for safe and proper storage. It is piddling, compared with the taxpayers' money being spent to prop up a basically bankrupt industry. There are many other ways of providing energy safely over the long term in Canada, such as wind, tidal, peat, oil and gas. We have all kinds of alternatives which are far better. Even in Ontario there are far better alternatives than nuclear.

Because of the centralized control of a number of financial institutions and certain vested interests, that Government over there is not prepared to live up to its campaign promise. That is the root of this debate. There are Canadians from coast to coast who want a full public inquiry into the safe and proper utilization of technologies for the storage of the waste, the decommissioning of those reactors, and dealing from cradle to grave with the whole issue of the nuclear cycle in Canada. That is what the debate is all about.

Mr. Kempling: Mr. Speaker, would the Hon. Member be kind enough to advise the House of the financial institutions and industries which he says are sort of combining and co-operating to keep the nuclear industry going? Who are these people about whom he is speaking? What information does he have, or is it just another blatant rumour which the NDP is trying to throw out at the people of Canada? Name them.

Mr. Fulton: Mr. Speaker, I am surprised that the Hon. Member for Burlington (Mr. Kempling) is not aware of the large number of small and large contractors which are directly involved in creating and providing all the technology to keep these existing facilities going. Their concern, whether it is in relation to the tube reactor systems, the cement work or any of the work that has gone on at the site for construction and revamping, is about how Parliament is going to respond to the issue of decommissioning reactors and how Parliament is going to respond to the safe, proper storage and handling of uranium on its way to the sites and the wastes, to be stored properly over the long term.

• (1140)

I am saying that a full public inquiry is the way to go about providing assurances to those tens of thousands of workers in small and large corporations that are associated with the nuclear industry which, as the Member knows well, has been almost entirely funded by public dollars through Ontario Hydro, through AECL, or through our own public watchdog, the AECB.

I am talking about the need to provide accurate information to those small and large corporations associated with the industry so that the old red herring: "If we have a full public hearing and they talk about decommissioning, all you guys are going to be thrown out of work" will not be hurled. It is not true at all, as Morris Udall pointed out at our meeting in the United States. This is going to be an enormous project in the U.S. that will employ not just tens but hundreds of thousands of Americans in the process of decommissioning and the proper safe storage of nuclear waste in the United States.

Mr. Kempling: Mr. Speaker, the Hon. Member in his remarks before replying to my question implied that there was a conspiracy of financial institutions, of contractors, of engineering firms and so forth to keep the nuclear industry going. I want him to define and name the people in the conspiracy.

Mr. McDermid: Yes, name who is in the conspiracy.

Mr. Fulton: Mr. Speaker, it is not a deep hidden secret or conspiracy. Those are the words of the Hon. Member for Burlington. Perhaps he would like to pursue that a little further. What I am saying is there a deep vested interest in the nuclear industry to preserve and expand it.

When I went after the Secretary of State for External Affairs (Mr. Clark) last year about the issue of putting nuclear reactors in the North he tried to downplay it, but that information came out of the general accounting office and the budget from the United States. The Minister denied it in committee, but then he wrote to me a little while later and said: "Oh, yes, the information that you were pursuing in the committee was all factual. AECL has been operating with the United States."

The Acting Speaker (Mr. Charest): Order, please. Debate.

Mr. Kempling: The Member shifts his ground.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Mr. Speaker, I have been listening to the debate back and forth. It is all very interesting. When the Tories were in opposition, according to their handbook, they called for a public inquiry in words something like this, to be found, I think on page 113 of the handbook:

> We advocate a full public inquiry into the future of nuclear power and have opened the nuclear power approval process to the public.

In a summary of promises kept and not kept, according to the June 8, 1985 issue of *The Toronto Star*, one of the broken ones was to provide continued support for Canada's nuclear industry. In the article it said that there were severe cut-backs of the order of $50 million or $100 million, especially at the AECL facilities at Deep River—

Mr. McDermid: Chalk River.

Mr. Foster: —at Chalk River. This is unfortunate because the nuclear industry in Canada has played a vital role and will continue to play a vital role in providing electrical energy.

AECL has done an excellent job in nuclear medicine and in giving assistance to industry. When you include mining and refining, the nuclear industry employs 36,000 people. AECL designs reactors and supplies heavy water. It takes the lead in export marketing. Provincial utilities, like Ontario Hydro, New Brunswick Hydro, Quebec Hydro make the decisions on new capacity and undertake management of these facilities.

When the present facilities are completed and into production around the end of this decade, Ontario will have some 50 per cent of its hydro provided by nuclear energy. It will provide the base load of energy for the Province of Ontario for close to 10 million people by that time. Balanced against that 50 per cent, which will be provided by nuclear reactors located at Douglas Point in Bruce County, at Pickering and Darlington, another 50 per cent of the energy required will be provided by hydro.

These two forms of energy are compatible. They are probably less harmful to the atmosphere than oil fired or coal fired thermal generating stations. The base load is provided by nuclear energy; the peaking power by hydro. In Ontario that is especially important. We have vast supplies of hydro and uranium which fuel nuclear reactors.

Private sector industries throughout Ontario have provided the principle components for the CANDU reactor and they

perform the engineering services in Canada and abroad. In 1982 the Government undertook an extensive review of the whole nuclear industry. A 359 page report was issued called "*Policy Review. Background Papers.*" There were 16 papers covering a range of reviews of public concern including questions of health, safety, environmental impact, waste management, reactor exports and non proliferation treaties.

In the nuclear industry as in the petroleum industry we have seen dramatic cut-backs in the amount of electricity needed, just as we have seen dramatic cut-backs in the amount of petroleum needed in the past eight or 10 years since the energy crisis. We have seen cut-backs in the number of nuclear reactors constructed.

At the Lennox generating plant, a massive 2,000 megawatt oil fired generating plant which has never produced any electricity for any sustained period of time was under construction in the early 1970s. It was completed in the mid-1970s. This oil fired electrical generating plant was designed to use bunker C or heavy residual oil which would have created enough electricity to provide half the needs of the City of Toronto. It was made obsolete because the price of oil went from $2 a barrel in 1971 or 1972 to $35 to $38 Canadian in the years 1979-80-81-82, which has dropped back to $13 or $14 U.S. I do not know what the cost of that plant was, but several billions of dollars were spent. It was made totally obsolete as a result of oil prices. We see Ontario moving to a supply of nuclear energy balanced by hydro electric energy.

My constituency has always been especially concerned about nuclear energy because Elliot Lake, a town of some 20,000 people, was developed and built around the nuclear industry. The plant at Elliot Lake produces vast quantities of uranium which is sold, not only to Ontario Hydro, and the United States in past years, but as well to Japan, France, the United Kingdom and West Germany.

That industry in Elliot Lake is facing fairly severe cut-backs over the next few years because the present contracts established in the mid-1970s will not all be needed. A couple of weeks ago we received word that a factory in Algoma will have to cut about 200 jobs during this calendar year. That is as a result of the restructuring of the contracts between Ontario Hydro and Rio Algoma mines. I hope that that cut-back can take place over a 12 or 18 month period so that the lay-off of 200 people at Stanley Mine can be accomplished through attrition with people taking early retirement or taking up new careers in order to avoid dramatic lay-offs, especially of young workers.

• (1150)

I call upon the Minister of State for Mines (Mr. Layton), who is very concerned about these workers being laid off, to put a great deal of pressure on the Minister of Employment and Immigration (Miss MacDonald) to change the UI regulations. If there is a generous program provided by Rio Algoma mines and Ontario Hydro, a lot of older workers would probably take early retirement. However, with the present regulations they would have to sacrifice unemployment insurance benefits for a year. We just went through that in Sudbury where the youngest person in the labour force will probably end up being 45 years of age. If we had left the old provisions in place, allowing people to receive severance pay and early retirement benefits as regular income, older workers who are approaching 60 or 64 years of age would take early retirement, thus allowing younger workers in their 20s and 30s to retain their jobs.

Surely we need a more satisfactory method of making those large industrial adjustments. I cerainly hope that that provision of UI will be changed so that if Rio Algoma and Ontario Hydro come forward with a policy for retirement the benefits will not be treated as regular pay. They should not be. We are making adjustments for early retirement to facilitate industrial adjustments such as we are seeing in the nuclear industry.

People opposed to the nuclear industry will talk about the number of reactors which have been spun out over a longer period of time. That is happening in all energy industries. Although we do not like to see people laid off in any industry, we know that the conservation methods which Canada and other countries have implemented are in the best interest in the long term. We use so much petroleum and we know that resources of petroleum are finite and will eventually be used up.

Eldorado Resources, a uranium refinery in my constituency at Blind River, Ontario, is very active in the nuclear industry. It employs 180 people. It refines uranium from yellowcake to uranium dioxide which is then transported to Port Hope for upgrading to uranium hexafluoride. That industry is very, very dependant on the further upgrading policy of the Government of Canada which has been in place for many, many years. That is why I was very pleased by the Minister's comments which were carried in *The Toronto Star* on November 8, 1985. He indicated that the Government was going to toughen its policy. Elliot Lake, Ontario, and northern Saskatchewan are the two principal uranium mining areas in Canada and they are very dependant on that industry for jobs with the United Steel Workers of America at the various refineries. The Minister indicated that he was going to toughen his stand and ensure that those jobs were retained in Canada. That was very good news.

I am glad that the Minister of Energy, Mines and Resources (Miss Carney) happens to be in the House today. I was very concerned when I read an article in the April 21, 1986, edition of *NuclearFuel*, the main journal of the nuclear industry. The headline is very disturbing to people in the uranium mining communities in Saskatchewan and Ontario. The headline reads: "Canada may drop uranium upgrading policy". The article suggets that Canada is changing is negotiating position on that. The article reads:

> The Canadian government is apparently moving to drop its upgrading policy for uranium exports. According to sources, Canadian government officials agreed in principle at a meeting with U.S. officials in Washington April 16 that the upgrading policy should be abandoned. "Both sides felt satisfied," according to one knowledgeable source. He did not say definitely that the upgrading policy

would be abandoned or when, indicating only that the action is "more likely to happen now."

Late last year, the Mulroney Government reaffirmed its commitment to the upgrading policy, which requires Canadian uranium to be exported as UF6 unless there are "exceptional circumstances," such as a customer's prior contract for conversion with a non-Canadian converter—

Although both the Mulroney and Reagan administrations are eager to negotiate a comprehensive free-trade agreement, the discussions of abandoning the upgrading policy are not directly tied to that effort, sources said. The U.S. has been pressing Canadian officials for almost two years to modify its upgrading policy. But only in March of this year at a meeting in Canada with U.S. officials did the Canadian government indicate a willingness to consider the issue, according to a U.S. source.

According to sources, Canadian officials are concerned that the existence of the upgrading policy is providing ammunition to Sen. Pete Domenici (R-N.M.) and others who want to restrict Canadian uranium imports to the U.S. Sources also indicate that the U.S. side raised for the first time at the March meeting its concerns that the upgrading policy may violate the General Agreements on Tariffs & Trade.

That article was written by Michael Knapik of Washington. I certainly hope that when the Minister of State for Mines speaks in the House today he will be able to indicate that this report is false, that the policy, as he announced it last November, is the policy that the Government will pursue, that it will maintain the 500 jobs which are being created in the riding of the Hon. Member from Port Hope and the riding of Algoma, and that there will be no secret deals made to trade off that nuclear upgrading policy.

The jobs are the most important aspect but, as well, the Government has spent some $200 million through Eldorado in developing state-of-the-art uranium refining facilities in Blind River and Port Hope, Ontario. They are world class facilities which can handle some 18,000 tonnes a year. There are about 175 or 180 jobs in Blind River and 340 jobs in Port Hope, a total of approximately 500. The economic activity generated by those two uranium refining and upgrading facilities amounts to about $100 million. There is the additional benefit of $16 million worth of exports. I hope that that will not be walked away from. To trade off those excellent facilities in some secret negotiations, as the report in *NuclearFuel* of April 21 suggests, would be a very bad action by the Government.

• (1200)

Of course, there is ongoing concern in all of those communities that somehow the uranium refinery and upgrading facilities in Blind River and Port Hope will be traded off in the free trade negotiations. That would be a disaster. We have often been accused of being hewers of wood and drawers of water. If we make that trade-off, we will become just that. We will be selling yellowcake to the U.S., Japan and West Germany in its unprocessed state and we will lose some $100 million worth of economic activity and 500 jobs. I must say that I have a very personal commitment to seeing those jobs saved.

Those are the concerns I want to put before the House today. The nuclear industry provides some 36,000 jobs. In Ontario by the end of this decade nuclear energy will provide fully 50 per cent, as I understand it—

Mr. McDermid: Sixty per cent.

Mr. Foster: —of our energy. In other provinces like New Brunswick and Quebec it will provide cheap, reliable and efficient electrical power for the future.

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

Mr. McDermid: Mr. Speaker, I listened with great interest to the Hon. Member for Algoma (Mr. Foster). I might assure him that the report he referred to regarding upgrading is false. There is no intention on the part of this Government to follow along those lines. So I will set his mind and those of his constituents at ease in that regard.

The NDP would like to stop all research and other work going on into the peaceful use of nuclear energy. They would like a moratorium on the building of nuclear reactors to provide electrical power. They would like to freeze everything right now and have this full-blown inquiry. The Hon. Member did not quite come out and say it but is he for or against that?

Mr. Foster: Mr. Speaker, I am impressed with the Hon. Member's comments that our uranium upgrading policy is not going to be bargained away in the free trade negotiations. Although I do not think he went quite that far.

Mr. McDermid: No, I did not go that far.

Mr. Foster: I would be much more reassured if he or the Minister could indicate that there will be no more exemptions to the upgrading policy this year. During the past year and a half there has been a massive number of exemptions and that destroys the viability of our facilities. They are designed with a 15,000 tonne or 18,000 tonne annual capacity. If they are operating at only 6,000 tonnes capacity, you do not even meet your overhead costs. I would really be pleased if that announcement were made, and I hope we will hear it. Not that I doubt his word, but the Minister could add to the strength of his comments.

The Hon. Member was asking about the Liberal Party's commitment to nuclear energy. It was the Liberal Party that provided most of the funds since 1947 for research and development into the peaceful uses of nuclear energy. The CANDU reactor has played and is playing a leading role in electrical power generation in Canada. Certainly it will supply at least 50 per cent of that power generation in Ontario by the end of the decade, and the Hon. Member suggested it may be more.

Of course the Liberal Party supports the peaceful use of nuclear energy. We think it was a bad decision to cut back research. I have forgotten the exact figures, but I think it was something around $50 million or $100 million in cut-backs. The Hon. NDP Member from B.C. indicated in his comments that we have to continue our research, not only into the peaceful uses of nuclear energy but to develop a solution to the problem of nuclear waste disposal. If we cut back on that

research, then we of course inhibit our ability to come up with an adequate solution.

Mr. McDermid: He still did not say whether he was in favour of what the NDP wanted to do, Mr. Speaker. Apart from that, I can tell him that research is ongoing. The amount of money has been increased because those who are going to benefit from the research are now paying for it. I think that is only fair. We should not expect the Canadian taxpayer to foot the Bill for research which will benefit other countries. The U.S. is now participating in the major research project at Whiteshell on the safe storage of nuclear waste. They are putting millions of dollars into it and we are pleased they are doing so. Although Government expenditures may have been cut back, funds are coming from elsewhere for research which we think is beneficial. The ones who benefit should help pay for it and I think the Hon. Member would agree with that.

Mr. Foster: I certainly agree with that, but I recall quite a violent reaction from the people who work for AECL in the Chalk River research facilities over the massive cut-backs. It seems to me that Ontario Hydro has a great deal of responsibility for the research into development and improvement of reactors. However, much of the medical research into isotopes, which are used in industry as well, tends to lend itself more to Government support.

Clearly the research into the development of safe nuclear waste disposal really boils down to being the responsibility of the Governments of Ontario, New Brunswick and Quebec. However, the federal Government still has a lot of responsibility in this field and I would be surprised if adequate research is carried out if the federal Government bows out. It seems to me that practically all of the research is being done by the Ontario Government, the Department of Energy, and the federal Government. I do not see the nuclear supply industry being coerced into doing very much research in that regard. If Canada cuts back Ontario will probably not do it on a 50-50 basis, or even less. They will not likely take up the slack. Although they do not envisage, as I understand it, actually planning to commission such a nuclear waste disposal facility until around the year 2000, clearly doing the research now and reassuring people that such a facility and technology is adequate should be done now. The cut-backs in AECL research are probably very harmful to the industry. I would caution the Parliamentary Secretary that, although he may be very happy with the research cut-backs, many people in the industry are not.

• (1210)

I wish it was closer to Black Thursday, November 8, 1984, when these cut-backs were made, because it was very clear in my mind exactly the level of cut-backs which had taken place. I recall that they were quite massive.

The Acting Speaker (Mr. Charest): A very short question.

Mr. Fulton: Mr. Speaker, I just wanted to make sure that the House was aware that the early remarks of the Parliamentary Secretary were, of course, misrepresentative and false about the NDP position. My question is to the Member who was previously speaking. I would like a clear definitive answer from him on the Liberal Party's position on a full public inquiry into nuclear power in Canada; are they for it or against it?

Mr. Foster: Mr. Speaker, our Party has not called for a full public inquiry. The NDP has, and the Tories did so before the last election. There have been many inquiries in the nuclear industry. There was a massive review completed in 1982. There were extensive public inquiries; one of the most massive that I can recall was into uranium mining carried out by the Ontario Government back in the 1970s, into the whole question of the development of those mines, to which the Ontario Government was putting some $700 million of investment. That inquiry had to be complete before that mining could go ahead.

The Hon. Member has mentioned the public inquiry in British Columbia which has been carried out. There has been a public inquiry in Nova Scotia. It seems to me—

The Acting Speaker (Mr. Charest): Order. Period for questions and comments is now over. Debate.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, like many Canadians I have concerns about some of our advanced technology, such as nuclear power. The tragic accident at Chernobyl brings home to all of us that no technology is entirely free of risks.

Before we launch a new and extensive public inquiry we have to look at nuclear power in a comparative way. We have to look at the benefits they bring, such as those that have been enunciated by the previous speaker, the Hon. Member for Algoma (Mr. Foster). We must look at the risks, and try to reach a balance.

We must focus on specific situations. The nuclear power program in Canada is different from those in other countries, and in many ways more successful. Nuclear power reactors in Canada achieve a level of safety comparable to the best reactors in the world. They are licensed by an effective independent regulatory agency with expert staff, the Atomic Energy Control Board.

Reactor operators, such as Ontario Hydro, are responsible for the safety of their nuclear plants. They must also convince the AECB that they meet stringent safety requirements before they are allowed to operate those plants.

There are some basic differences between the CANDU reactors and the Chernobyl reactors and the way in which they are operated. I think we need to focus on those differences. The Chernobyl reactor would not meet the AECB safety requirements, and could not and would not be licensed in Canada. The Chernobyl reactor has a graphite moderator which can and did burn. The CANDU reactor has a cool

water moderator which removes heat. In contrast, the Chernobyl reactor does not have a containment building which would satisfy Canadian safety requirements. CANDUs have effective containment.

Nuclear power reactors in Canada embody defence-in-depth. All systems must perform to high standards. Major failures are still assumed to be possible, but highly reliable safety systems are included to ensure that, even with those assumed failures, workers and the public are still protected.

An accident identical to Chernobyl cannot happen in Canada. The CANDU reactor is different in many ways from the Chernobyl reactor. Serious nuclear power reactor accidents in Canada are extremely unlikely. The stringent Canadian safety requirements, such as effective containment, ensure that Canadians are adequately protected against accidents. There is always some residual risk with any endeavour, but it is extremely low for the CANDU reactors developed by Canada.

The benefits from our nuclear power program are large, and they more than offset that very small risk. The Government of Canada is fully committed to sustaining the CANDU reactor as a safe, reliable and competitive nuclear power system.

Some critics have noted that the authorities in the Soviet Union told their people that a serious nuclear accident was extremely unlikely, and so these critics asked why we should believe ours when they say the same thing. My response is that the Soviet Union has a highly secretive regulatory practice.

Mr. Waddell: So does Canada.

Miss Carney: The Canadian nuclear system has operated in an open and public manner. Information about it is widely available. It is regulated by an independent body with an expert staff.

The Hon. Member for Vancouver—Kingsway (Mr. Waddell) is overreacting to my speech, Mr. Speaker. I should point out to him that for the last six years the AECB has made available, upon request, information dealing with all licensing decisions and the supporting safety analysis, but there has been very little demand for that kind of information.

Mr. Waddell: Why did Joe Clark sue them once for information?

The Acting Speaker (Mr. Charest): Order.

Miss Carney: May I continue, Mr. Speaker? All unusual incidents at nuclear power plants, however minor, are reported to the AECB, and the reports are available to the media and the public, including even the NDP should it ask for them. In the reactor safety field there is an ongoing review to ensure that we work with lessons learned from normal operation and accidents.

Although Chernobyl is very different from the CANDU reactors, Canadian officials will study that accident, along with their international partners, to determine if there are any lessons for Canada. This is one reason why we have requested information from the U.S.S.R. on the accident. Until we have received more complete information on the causes of the Chernobyl disaster no meaningful review is possible.

A great deal of technical analysis of the accident and its consequences will be necessary before conclusions can be drawn. I am asking the AECB, and other responsible Canadian agencies, to participate in the international assessments of the Chernobyl accident, and to report fully on its implications for us.

The resolution calls for a full and immediate public inquiry into the nuclear industry in Canada. I understand there are serious public concerns about the Chernobyl accident, and we must deal with them in an effective way. The Government has already taken the following steps. It has offered assistance to the U.S.S.R. and extended our sympathy to the victims, while expressing serious concern about the lack of timely information provided. It has ensured that Health and Welfare Canada is monitoring conditions to protect the health of Canadians. It has decided that Canadian reactor safety experts will participate in international reviews on the Chernobyl accident to determine if there are lessons to be learned and applied for Canada. It has requested information from the U.S.S.R. to enable review by Canadian experts.

The Prime Minister (Mr. Mulroney) and his colleagues at the recent Tokyo Summit called for international measures to strengthen systems for early warning and mutual assistance in cases of severe accidents like Chernobyl. The Russian proposals yesterday seemed to support these initiatives. We must deal with these problems through international co-operation.

• (1220)

I think these actions speak loudly for the Government's concern and that they represent an appropriate response. The decision to proceed with the public inquiry into nuclear power should properly await the conclusions of the work in progress. The CANDU nuclear power system has already been the subject of two extensive public inquiries, as the Hon. Member for Algoma has noted. The Royal Commission on Electric Power Planning in Ontario, the Porter Commission, found that the CANDU was safe. The select Committee of the Ontario Legislature on Ontario Hydro Affairs found the CANDU was acceptably safe. Parliament and its committees provide an adequate forum for public discussion of issues such as this. The Government in turn will accept its responsibilities and make appropriate decisions. Further public inquiries into nuclear power are not likely to add significantly to our knowledge of the safety of the CANDU nuclear generating system at this time. The Government believes that the system was safe before the Chernobyl accident and it is safe now. Nevertheless, we want to learn as much as possible about the accident, and the proper procedure is for Canada to participate in international studies of the accident and its implications, then to draw the right conclusions and apply them.

I appreciate the concerns of the public about the tragic reactor accident at Chernobyl. We dealt with the immediate

consequences of that accident and there is no threat to the health or safety of Canadians. Our own nuclear power program is very different in design, operation, regulation and public scrutiny from that of the Soviet Union. The Government believes that the CANDU reactor is a safe and reliable generating system and that it is properly regulated. We want to learn as much as we can about the Chernobyl accident. We will work together with our international partners to do just that.

Nuclear power has become an important part of Canada's energy mix. We have abundant energy in Canada and most of our electricity comes from hydro power. It is the main source in Labrador, Quebec, Manitoba and British Columbia. We have cheap lower sulphur coal in Saskatchewan and Alberta. Coal from Cape Breton is the main source of electricity in Nova Scotia. These areas may not need nuclear power for many years to come.

In Ontario and New Brunswick, for example, most of the low cost, large-scale hydro power sources are already used. In those provinces, nuclear power is the preferred source. It provides over 40 per cent of the electricity. It saves over $400 million each year compared to the cost of coal. The federal Government has worked with the private sector and with the provinces, especially Ontario, to develop nuclear technology for Canada. The scientists and engineers at Atomic Energy of Canada and Ontario Hydro can be proud of their achievement. The CANDU reactor is a Canadian success story. It uses Canadian technology and resources, adding diversity and security to our energy supply. In today's volatile energy world that is not something to be lightly dismissed.

In Ontario, when the Darlington Station is finished, nuclear power will provide 60 per cent of the electricity for Canada's industrial heartland. Nuclear power helps to keep Canada's electricity costs among the lowest in the industrial world. Electricity is an efficient and productive form of energy and it will continue to increase its share of the energy market. As the Hon. Member for Algoma has already noted, it also provides some 36,000 jobs for Canadians.

Nuclear power is a high technology industry which attracts other advanced industries such as General Motors' proposed $2 billion high tech Autoplex Plant in Ontario. Modern factories need cheap and reliable electricity and nuclear power supplies it in Ontario.

The CANDU reactor is an extremely safe and reliable technology. Ontario Hydro's CANDU's have been among the world's top performers in terms of reliability and electricity costs. Their high performance is not just due to the operational skills of Ontario Hydro. The CANDU at Point Lepreau in New Brunswick was second in performance among over 100 large power reactors in the world in 1985. The CANDU in South Korea was fifth in the world in terms of performance. The CANDU can be operated reliably by smaller utilities as well.

In most of the industrial countries, nuclear power supplies a larger share of electricity than it does in Canada. The nuclear share is over 30 per cent and increasing in France, Sweden, Belgium, Switzerland, Finland and West Germany. Nuclear power is the leading source of power in Japan. Nuclear power plants in industrial countries displace the equivalent of six million barrels of oil per day. This has been a major factor in reducing oil demand and bringing down the price.

A recent study by the OECD showed that nuclear power was cheaper than coal in most of the industrial countries of the world by a margin of 40 per cent or more. The only exceptions were the western regions of Canada and the United States where coal plants can be built closer to load centres. The industrial countries will have to make sure that nuclear power plants are built and operated safely but they have indicated they are not going to give up that energy option. Nuclear power is here to stay on a worldwide basis.

There have been cases where nuclear power has not worked out well. Some projects in the Unites States have run into cost overruns and some have been abandoned. But many utilities in the United States have very successful nuclear power programs. Like any technology, it has been managed properly, and in Canada we have done it well.

In conclusion, I want to stress that we have a safe, reliable nuclear industry in this country. I do not believe that a public inquiry into nuclear power is useful until such time as we have the product of our reports on the disaster in the Soviet Union.

Mr. Waddell: Mr. Speaker, I have two questions. I would like to ask a simple question first, and then ask a supplementary, if I can. The Minister was instrumental in writing the Conservative energy policy. Why did she put in the energy policy these words: "We advocate a full public inquiry into the future of nuclear power"? Why is she now saying we do not need an inquiry when she put those words in then?

Miss Carney: Mr. Speaker, I should report for the record that the New Democratic Party's motion is almost word for word lifted out of the Conservative campaign material.

Mr. Waddell: Exactly.

Mr. Fulton: You are really wide awake today.

Miss Carney: I have already noted that I am not ruling out a full-scale inquiry at this point, but I made it very clear in my speech that that decision should await the work we are doing with other international experts in assessing the Chernobyl incident. We assume that all countries can learn from the fact that this disaster happened. Our system is very different from the system used by the Soviet Union. As I pointed out, the nuclear reactor at Chernobyl would not be licenced, nor could it be operated in Canada. It seems to me it would be much more useful to await the conclusions of the work we have committed before proceeding on the basis of the motion of the New Democratic Party.

Mr. Foster: Mr. Speaker, I wonder if the Minister of Energy, Mines and Resources could comment on an article in *Nucleonics Week* Magazine of April 21, written by Michael Knapik of Washington? It states, and I quote:

> The Canadian Government is apparently moving to drop its upgrading policy for uranium exports. According to sources, Canadian Government officials agreed in principle at a meeting with U.S. officials in Washington April 16 that the upgrading policy should be abandoned. "Both sides felt satisfied," according to one knowledgeable source. He did not say definitely that the upgrading policy would be abandoned or when, indicating only that that action is "more likely to happen now."

Would the Minister indicate whether the policy of the Government of Canada has changed and if there will be any exemptions given to the upgrading of uranium this year, that is, upgrading outside of Canada?

Miss Carney: Mr. Speaker, the Hon. Member has already been told in the House by my Parliamentary Secretary that the article he has quoted from is not accurate. I presume he is quoting from the same article?

Mr. Foster: Yes.

Miss Carney: It is not accurate. We have no plans to drop our upgrading policy in Canada and I think the Hon. Member knows that. In terms of exemptions, I can only add that I do not know whether there will be exemptions granted this year. However, the policy does provide for exemptions under specific and very constrained circumstances.

• (1230)

Mr. Kindy: Mr. Speaker, I would like to ask a specific question of the Minister. Yesterday, I was in attendance at a meeting of the Standing Committee on Justice at which time a Freedom of Information Commissioner appeared before us. I asked the commissioner whether the Atomic Energy Control Board releases information to the public. Last year there were some eight requests made for information. I was told that some of the information was not given out because it was classified. Does the Minister feel that this information should be released to the public? I believe that the public has the right to know what is happening in the area of atomic energy.

My second question for the Minister concerns the price of oil. The Minister said that she believes nuclear energy is a source of energy on which we should be working. As an Albertan I believe we should be looking to oil and other sources of energy to power our electrical power stations.

Miss Carney: Mr. Speaker, the Hon. Member's second question was not really in the form of a question but in the form of a statement. I can reply to it, however. As I said in my speech, and as I have said on many other occasions, we have a balance of energy resources in Canada. I do not know whether the Hon. Member was in the Chamber when I made my speech. However, I noted in my speech that we have a variety of energy resources, including oil and gas, coal, hydroelectricity and nuclear power. I pointed out that some provinces are more dependent upon nuclear power than are others. It is my belief that nuclear power will continue to be an energy resource, particularly in areas such as Ontario where it supplies the industrial heartland and where there is already a market served by natural gas.

In terms of the AECB, I cannot specifically reply to the Hon. Member's question concerning the eight requests for information since I do not know what those requests were. I will look into the matter and report back to the Hon. Member.

Mr. Fulton: Mr. Speaker, now that the Minister has admitted that the position of the Conservatives during the last election campaign on which they garnered front page headlines across the country advocating a full public inquiry into the future of nuclear power is false, I would like to ask her a question. It concerns comments she made in her speech concerning the fact that the Atomic Energy Control Board is wide open and that information is easy to obtain and so on. In 1976 the Auditor General's report revealed that on top of the $100 million loss, Atomic Energy of Canada Limited had committed major financial indiscretions. During the last Parliament the House brought officials of AECL before the Public Accounts Committee. At that time the committee launched an investigation which was blocked by the Liberal majority which denied the power of subpoena to the committee. AECL refused to present its books and its top officials refused to answer questions. Members of the committee called the AECL witnesses "reluctant, evasive and unco-operative". The committee concluded:

> —the successful concealment, by complex and sophisticated payment and banking procedures in foreign countries, of the identities of the ultimate recipients of the funds and the nature of services rendered, leads your Committee to suspect that some of the payments were indeed used for illegal or corrupt purposes.

Does the Minister not think that in light of that comment there was a great deal of support across the country for the Tory promise to hold a full public inquiry? The Minister is now backing down. In fact, what the Conservatives ran on during the campaign was false.

Miss Carney: Mr. Speaker, in view of the heated rhetoric of the Hon. Member from the NDP, I should point out that I have not made the statements which he has attributed to me. If he had listened carefully to my speech, he would have learned that that is not my position.

In terms of 1976, I remind the Hon. Member that this is 1986. As I have already explained in my speech, the operations of the AECB are much more public. In terms of AECL, I personally tabled in the House the annual reports and the corporate plans for AECL. I believe that Mr. Donnelly, the President, has been made available, or will be made available, to appear before committees should they want to call him before them. I cannot recall from memory if he has appeared before the standing committee or not, however, that is my understanding.

Mr. Fulton: Mr. Speaker, the Minister says that the reason she is not calling a full public inquiry into nuclear power in

Canada now is because she wants to find out what happened at Chernobyl. I would like to remind the Minister that at Chernobyl it was a graphite cooled system. The CANDU reactor systems in Canada are heavy water cooled. There is absolutely no relationship between the Chernobyl accident and the 1984 campaign promise of the Minister and her Party. Does the Minister stand by the promise for a full public inquiry? She promised it two years ago. Her Government is now halfway through its mandate. Will there be a full public inquiry or is this just another false Tory promise?

Miss Carney: Mr. Speaker, I am amazed that the Hon. Member is asking me questions without having listened to my speech. I pointed out in my speech that the CANDU reactor is quite different from the one in Chernobyl. I also pointed out that our system uses heavy water and not graphite. I am surprised that the Hon. Member should feel it necessary—

Mr. Fulton: So why did you deceive Canadians?

Miss Carney: —to raise this matter at this time.

Mr. Waddell: When are you going to have the inquiry, then?

Miss Carney: Mr. Speaker, if members of the NDP are not interested in my answers, I do not see why I should be required to supply them.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to participate in this very important debate. It is a debate on a system—a very dangerous and expensive system—which essentially boils water. It is dangerous because accidents—and accidents do happen—result in radiation being spread across the planet. It gets into the ecosystem and into the food system and can last for thousands and thousands of years. It is an additive process. It is a system in which one cannot afford to make mistakes. It is a system which has to be 100 per cent mistake proof. Unfortunately, as we know, there is no technology which is 100 per cent safe. As well, there are no social institutions which can deal with this technology.

I find that the Minister and spokespersons from the Liberal Party are arrogant in assuming that they, their bureaucracies and our technologies in this country and in others are sufficiently developed that we can place at risk the generations and generations yet to come. I find it arrogant that these Hon. Members are able to rise in the House with such tremendous confidence to speak as though we have the ability and the capacity to ensure that generations to come will not be put at risk. It is this type of arrogance which makes me doubly convinced that the uraniuman and nuclear option is not a proper option for development at this time. When one listens to the speeches of Hon. Members, such as the Minister, one begins to realize that thinking has not developed to a point where it can even deal with technology such as nuclear technology, let alone social institutions.

Hon. Members have spoken about the Chernobyl accident. Indeed, it is a catastrophe, a catastrophe for the whole human race. There are important lessons to be learned from this accident. First, I would point out that there are some similarities between the bureaucracies which are in charge of nuclear power plants in the United States and in democratic countries, and the bureaucracies which are in charge of nuclear development in Soviet countries and in the centrally planned economies. We begin to realize that there is not much difference between them. It is essentially a policy based on protecting one's ass.

• (1240)

The people who were in charge of the plant in Chernobyl thought that they could contain it and that they would not bother to tell the guys up top. That began the cycle of misinformation and lack of information. It was a natural human and bureaucratic response designed to protect the bureaucracy and its jobs. It is not much different from the events surrounding the accident that occurred at Three Mile Island. It took quite awhile, in fact I understand almost three days—

Mr. Fretz: Mr. Speaker, I rise on a point of order. I wonder if you could make a ruling on suitable language to be used in the House of Commons. During his speech, the Hon. Member used a phrase which I think is unacceptable in the House.

Mr. Keeper: What phrase?

Mr. Fretz: He said "covering one's ass", and I think it is unacceptable for Hon. Members to use a phrase such as that in the House.

The Acting Speaker (Mr. Charest): I am informed that the expression itself has not been ruled, *per se*, to be out of order.

Miss Carney: So rule, Mr. Speaker.

The Acting Speaker (Mr. Charest): No, I do not intend in this specific case to rule. However, I do think that the Hon. Parliamentary Secretary brought up a very legitimate point about the level of language used in the House of Commons, a level that applies generally in all debates. All Members should be reminded of the level of language that we are all expected to use.

Mr. de Jong: Mr. Speaker, let me withdraw the remark.

Mr. Fretz: Thank you.

Mr. de Jong: You're welcome. Let me also point out that if that is what concerns the Hon. Member about this very important debate, I would suggest that he should go somewhere else. That pettiness in the midst of a very important debate is, I think, very unbecoming of the Government Member.

Mr. Fretz: Mr. Speaker, I rise on a point of order. The use of words is part of debate. If the level of debate is lowered to the point at which we are using gutter language, then that affects the quality of the debate.

Mr. de Jong: That's not a point of order, Mr. Speaker. Make the guy shut up and sit down.

The Acting Speaker (Mr. Charest): Order. Having already ruled on the issue, I address myself to both Hon. Members. I think we would do well in pursuing the substantive arguments of debate.

Mr. de Jong: Mr. Speaker, the point I was trying to make was that it really does not matter very much what type of bureaucracy is in charge of nuclear power plants and development. Whether it is the centrally planned type of bureaucracy found in the Soviet Union or the bureaucracies found in the United States, France, Sweden and the more developed industrialized, technological and democratic societies, the attitude is essentially one of protecting the bureaucracy. Because of this, generally misinformation and lies occur. Reassurances are given by the industry on a continuous basis.

The lesson to be learned from the major accident at Chernobyl is how similar the bureaucracies are and how irresponsible and incapable they are of dealing with nuclear technology. The essential point is the inability of those bureaucracies to deal with nuclear technology. Whether it is the case of the United States, where the low bidder gets the contract, or the case of the bureaucratic state, in which the bureaucracy at times produces unsafe structures, it is all the same.

There was a tremendous amount of hysteria in the western press when the Chernobyl accident first occurred. Again, it is unfortunate that Washington chose to use this as an instrument of the cold war. Certainly Washington was in no position to level the types of charges it did when the accident first occurred.

Now Washington and the international community are condemning the Soviets, and rightly so, for not giving proper information to neighbouring states and for not giving that information fast enough. Again, I would ask the same question about Three Mile Island. It took the Americans around three days to inform Congress that a major accident had occurred. It took the United States several days to inform the world that a major accident had occurred. I wonder if the United States ever informed Canada of the danger of a radiation plume moving north and affecting Canadian soil. Certainly Canada is much closer to Three Mile Island than Sweden and Norway are to the site at Chernobyl.

I repeat the point that the bureaucracies and Governments on both sides have shown their irresponsibility and have proven that as a human institution, they are not capable of dealing with nuclear matter.

The other aspect of this accident which makes it so tragic for all of us is the amount of nuclear radiation that has now spread throughout the world. We hear continuous assurances that certain levels of radiation are safe because those levels are compared to what is called the background radiation. They tell us that we are always exposed to radiation, that the rocks and the soil have radiation and that there is natural radiation. It is true that this natural radiation exists. However, I wonder what the natural radiation level was at the turn of the century before there were above ground nuclear explosions in the testing of bombs and all the nuclear accidents of which Chernobyl is now the latest. The background radiation has increased and the accident in Chernobyl will increase that background radiation even further.

Our generation and the generations to come are guinea pigs. We do not know what effect this accident will have on the health and wellbeing of the world population. I am amazed when I hear members of the Liberal Party and the Minister rise to tell us that everything is all right with the nuclear industry. What gall that these Hon. Members can rise in the House to say that everything is safe while generations yet to come have been placed at risk.

I want to deal as well with the whole question of nuclear proliferation. This is tied very closely to the nuclear industry. We know that Iraq wants its own bomb. In fact, it came pretty close to developing a bomb until it suffered a pre-emptive strike.

When I read about the development of the bomb in Iraq, I found some of the factors involved very interesting. The leverage Iraq used on France and Italy was that it promised those countries a long-term, secure supply of oil in exchange for which it got the nuclear technology. It is interesting to see how this blackmail occurs and how the transfer of material for peaceful uses can very easily be used in the production of war materials.

The case of Iraq is a classic case, but of course Iraq is not the only country involved. Through the use of Canadian technology and our good friends who developed the CANDU reactor, we know that India was allowed to develop its bomb. Pakistan wants to develop its own bomb. Rumours have it that Israel has its own bomb. South Africa wants its own bomb. Brazil and Libya want their own bombs. From where will they get the technology and the material to develop these bombs, if not through companies and countries involved in "the peaceful development of nuclear energy"?

• (1250)

The proliferation of nuclear weaponry is a real threat to the human race. One can only shakes one's head in fright and fear at what the development and usage of nuclear weaponry in the Middle East would do. We are concerned about the effects of radiation in Canada coming from the accident at Chernobyl. Let me tell the House that that accident is child's play compared with what would happen if a bomb were exploded anywhere in the Middle East. It would have effects on the milk and food we eat in Canada, not to mention the hundreds of thousands of people who would suffer and even die in the Middle East, in Europe, and in other surrounding regions.

Another area of concern is nuclear proliferation and how the peaceful use of nuclear energy leads to the use of nuclear

material for weaponry. It is a major concern which a public inquiry should address. It should also address what is the nuclear cycle, for example, how uranium mined in Saskatchewan is refined and shipped somewhere else. It should inquire into how the networking occurs and how, on occasion, shipments of these materials become lost or stolen. There are holes in the system through which countries can illegally obtain questionable material, obviously to be used for the production of bombs. It is another area which has to be properly investigated, and hopefully a public inquiry will do that.

I should now like to deal with the economics of nuclear energy. We heard the Minister tell us of the need for expanding nuclear energy. It is the same type of bureaucratic mentality which was supplied to her by her Department and her bureaucrats that overestimated the demand for oil and the price of oil, so that we are now stuck with the many big lemons we will be paying off. It is the same type of mentality as that endless, boundless growth which now saddles Ontario Hydro with billions of dollars of debt and has the entire utility industry in the United States on the verge of bankruptcy. It is bad business planning. Yet from listening to the Minister, no lessons have been learned; it is gung-ho ahead with a mentality which will mean more losses in the future.

I wish to place some figures on the record from the World Watch Institute report of 1986 on how the demand for nuclear energy has diminished. For example, in 1970 the OECD projected that its members would have 568,000 megawatts of nuclear capacity by 1985. The actual total was only about 180,000 megawatts. Plans for nuclear plant construction world-wide levelled off in the mid-70s, and the expected capacity has dropped by more than 100,000 megawatts since 1978. This is largely due to the cancellation of 111 plants in the United States. However, orders have also slowed in Europe, in the Soviet Union, and several Third World countries. The 30 or so U.S. nuclear plants now being completed will have an average cost of close to $3 billion, or $3,000 per kilowatt. The bill for the power they produce will be approximately three times the average wholesale cost of electricity in the United States today.

If we were to decide the fate of nuclear energy just on its economics we would shut it down so fast it would not even be funny. It is amazing that the so-called business-minded Conservatives cannot appreciate the simple fact that the nuclear industry has been a boondoggle. In fact, the estimates are that by the year 1990 the Canadian nuclear industry will have run up a debt of some $60 billion.

Alternatives are available. I am reminded of the statement that if we took the same amount of money it would cost to build a nuclear plant and put it into conservation, we would save more electricity than that nuclear plant would ever produce. However, we have two different lines of development. One is capital intensive. It produces very few jobs. Consumers do not benefit, only the banks and utilities benefit. The other choice is to go the soft path to alternate energies and conservation. Consumers benefit from increased conservation and the saving of that electricity. It is not the banks, but it is the consumers or the people. It makes us as people more self-reliant and self-sufficient rather than dependent upon the nuclear industry. It is environmentally much sounder, yet this Government and the Government before it decided for and continues to place its bets on the nuclear industry. It is a shame and a tremendous mistake for which we will continue to pay in the years ahead in terms of a wasted environment, as we have in northern Saskatchewan where uranium is mined, and in terms of ongoing high charges for our electrical power just to pay off the debt. It will be the people who pay, and it will be the banks and the industry which benefit.

A proper inquiry into the cost, the safety, and the whole question of proliferation is urgently needed. I urge Hon. Members of the House to support our motion.

Mr. Friesen: Mr. Speaker, I listened with care to the Hon. Member's speech, and I must say that I enjoyed it. I felt it was thoughtful. While I may not agree with all his points, at least he dealt conceptually with the issue. I agree with him that bureaucracies are totally self-serving. It does not matter whether they are in industry or in government, whether they are Tory or NDP, bureaucracies are self-serving.

I want to come back to the motion which his colleagues pointed out was lifted from the Tory campaign promise. It reads:

> That this House urges the Government to immediately initiate a full public inquiry into the future of nuclear power.

Both he and his colleagues have made the point very strongly that they are opposed to nuclear power, the use of nuclear energy, and inferred that the purpose of that campaign statement was to end nuclear energy, and that would be the purpose of the public inquiry. However, let me read the rest of the campaign statement.

> We advocate a full public inquiry into the future of nuclear power and have opened the nuclear power approval process to the public.
>
> We believe that there are good markets for CANDU technology but that the means of achieving entry into these markets must be re-examined.
>
> We would work with industry and provincial utilities to find new markets in the United States for our surplus electricity.

Since they have taken the first phrase of our campaign statement to infer that our purpose for a public inquiry would be to end the use of nuclear power and, in effect extrapolated it on to our campaign promise, are not the motion and their statements misleading Canadian people?

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

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN JOBS STRATEGY

DIFFICULTIES ENCOUNTERED BY IMMIGRANTS

Mr. Sergio Marchi (York West): Mr. Speaker, the Ontario Council of Agencies Serving Immigrants has drawn attention to some serious shortcomings in the Canadian Jobs Strategy for new Canadians who are unable to take advantage of the various employment programs.

Immigrants are not designated as a target group and the criteria for their participation are highly restrictive. Applicants for job development must be out of the workforce for 24 of the past 30 weeks, while for the job re-entry program they must have been out of work for three years. These mandatory lengthy periods of unemployment effectively exclude numerous immigrants since many of them experience high turnover of short-term work.

The Government should expand its programs to account for the employment reality which faces thousands and thousands of people each year. To ignore this sector of Canadian society is to ignore an integral part of Canada today and the Canada of tomorrow as long as immigration remains a national building force in this country.

* * *

EXTERNAL AFFAIRS

NORWAY—NEW GOVERNMENT—NINE WOMEN MINISTERS, INCLUDING PRIME MINISTER

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise in the House today to offer best wishes to Norway, the country of my ancestors, and to the Democratic Socialist Labour Party Government led by Gro Harlem Brundtland. Gro is a female Prime Minister in a world which has far too few women leaders. She has chosen eight women in her 18 person Cabinet, and there are 30 women in the 71 member Labour Party caucus.

I, and Members of the New Democratic Party, wish Dr. Brundtland well in the difficult tasks which lie ahead. All Members of the House will congratulate Norwegians on being leaders in the western world by bringing women to positions of the highest power and public responsibility.

[*Translation*]

THE ECONOMY

IMPORTANCE OF SMALL ENTREPRENEURS

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, dynamic, ingenious, honest and efficient, those are the adjectives that come to mind when I think of the small business sector in my riding. Since the 1984 election campaign, I often visit small business people in my riding, and I find those visits very rewarding. Last month, I went from door to door on Plante and Third Avenue, where I was given a warm welcome.

As we all know, operating a small business is not an easy matter. It means working long hours, the competition is intense and risks are high. It is the kind of work that requires a great deal of endurance and tremendous self-confidence. I therefore want to take this opportunity to give them the assurance that they have a colleague here in the Conservative Government and that he is always ready to defend their interests, at any time.

Mr. Speaker, small business people are the cornerstone of our economy, and should be encouraged to pursue their dreams and ideals and make them come true. Again, I want to give them the assurance of my dedication and support. Keep up the good work! The people of Quebec East are proud of you!

Small is beautiful, Mr. Speaker.

* * *

[*English*]

THE PRIME MINISTER

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the Prime Minister (Mr. Mulroney) is returning from Asia today where he distinguished himself as a true statesman and the best international ambassador Canada has had in a long time.

Over the course of his visit to the Asia Pacific region, a number of significant developments in the area of international trade and economic co-operation were initiated. Among the Prime Minister's many achievements were his commitment from Japan that its building codes would be revised to facilitate exports of Canadian lumber, the signing of a science and technology co-operation agreement, and the opening up of the Korean market to Canadian coal and canola.

These initiatives will be of substantial benefit to Canada as a whole, and to western Canada and Alberta in particular. As an example, the opening up of Korean markets to Canadian coal exports and the slashing of tariffs on canola will inject new vigor in the West's economy. Jobs will be created in the primary production sector, in processing, in transportation, and in many other sectors of the economy.

[*Translation*]

SHIPBUILDING

REQUEST THAT GOVERNMENT ESTABLISH POLICY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, last Friday, the president of the union at the Sorel shipyards informed us of the contents of a letter written by the president of Versatile Vickers to the Hon. Daniel Johnson, a Minister in the Quebec Cabinet, about rationalizing the Sorel yards of Marine Industries. Wednesday, the Minister of State for Small Businesses (Mr. Bissonnette) confirmed to the House that the former Minister of Regional Industrial Expansion had authorized Mr. Saunders to carry out this operation. Yesterday, Mr. Johnson, the Quebec Minister of Industry, Trade and Commerce, refused outright to rationalize the shipyard operations of Marine Industries in Sorel.

Mr. Speaker, I think all Conservative Members should ask the Government not to get involved in a rationalization operation and to set up a marine policy that would create jobs in all shipyards, instead of closing down the yards and creating unemployment.

* * *

FISHERIES

REQUEST THAT GOVERNMENT PERMIT FISHERMEN TO RESUME FISHING OFF ACADIAN PENINSULA

Mr. Roger Clinch (Gloucester): Mr. Speaker, Canadian fishermen are once again faced with a critical situation with respect to the herring fisheries. The Gulf is full of herring but no fishing is allowed until May 22, since they have already reached their quota and did so in only two days.

Fishermen with over 20 years' experience say there is enough herring to justify doubling the quota.

Fishermen on the northeast shore of New Brunswick should therefore be entitled to continue their operations, which are their sole source of income.

Workers in the fish processing plants are also being deprived of a chance to earn a living. One plant was forced to close after a day's work, while another did so after only two days.

I therefore ask the Minister of Fisheries and Oceans to intervene and allow the fishermen to go back to their fishing grounds so they can earn a living.

S.O. 21

AUTOMOTIVE INDUSTRY

IMPORTANCE FOR CANADIANS TO BUY CARS DESIGNED AND BUILT IN CANADA

Mrs. Anne Blouin (Montmorency—Orléans): Mr. Speaker, since September 1984, 630,000 jobs have been created in Canada, and more than 127,000 in Quebec. Quebec Members intend to continue this trend by promoting the development of our industries.

As part of the strategy for promoting job creation, we urge the Bombardier company to persevere in its efforts to reach an agreement with the Japanese Daihatsu corporation for setting up another automobile plant in Quebec. Such an agreement would help diversify our economic infrastructure and increase our exports.

We therefore urge Bombardier to continue its efforts, and we certainly intend to give the company our full co-operation.

Furthermore, Mr. Speaker, I hope that Canadians will take this opportunity to demonstrate their economic nationalism by buying a car manufactured and designed in Canada.

* * *

• (1405)

[*English*]

NUCLEAR ENERGY

MEMBER'S LETTER TO U.S. AND U.S.S.R. LEADERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to read into the record a letter I wrote today to Mr. Ronald Reagan, President of the United States, and Mr. Mikhail Gorbachev, General Secretary of the Communist Party in the Soviet Union. It reads:

Dear Mr. President and Mr. General Secretary:

All citizens of our world can breathe a little easier now that the worst has passed at Chernobyl—just as we breathed easier in 1979 after the Three Mile Island reactor was stabilized.

Marshall McLuhan, a distinguished Canadian, once said that we now live in a "global village", meaning that we all share the problems of nuclear radiation. This goes beyond borders.

Perhaps something really positive can come from the incident at Chernobyl and that you, the leaders of the two world superpowers, can meet to discuss mutual ways of preventing such incidents in the future and of achieving a nuclear test ban.

Both your countries have joined together at Expo 86 in my home city of Vancouver to exhibit your technology to the peoples of the world.

Why not use this occasion to come to Vancouver, Canada in the early Fall to meet on these momentous issues?

S.O. 21

[*Translation*]

THE ECONOMY

SUCCESSIVE INTEREST RATE REDUCTIONS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the Bank of Canada has again announced a reduction in the bank rate.

A few minutes ago, the bank rate was set at 8.59 per cent, which represents a drop of 13 percentage points since last week and 3.79 points since the election in September 1984. The chartered banks have just announced a one-half point drop in the prime rate. Falling interest rates are saving Canadian consumers, governments, businesses, and anyone who has to finance purchases and business operations, hundreds of millions of dollars.

Mr. Speaker, it is a foregone conclusion that this reduction in interest rates will increase consumption and trade. Thanks to our Government's policies, our economic growth is continuing, and we are creating more jobs for Canadian men and women.

* * *

TRADE

PRIME MINISTER'S VISIT TO JAPAN, CHINA, AND SOUTH KOREA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, if we take the time to read *Hansard* for the last two weeks, we find very few references to the trip to Asia made by the Prime Minister (Mr. Mulroney).

Mr. Speaker, it seems the House, and especially the Opposition parties, had more urgent matters to attend to.

Nevertheless, I think it is important to stress the extraordinary job done by the Prime Minister in Asia. As always, in these circumstances, he has shown he is a worthy ambassador of our country. In Japan, China and South Korea, he had meetings with the highest political leaders, inviting them to invest and buy more in our country. I am sure that in the months and years to come, we will reap the fruit of these meetings.

Mr. Speaker, the Prime Minister is returning to Canada this afternoon, after a long and exhausting two-week tour, and I hope that when he returns to the House, all parties will give him a welcome that is, at the very least, respectful and worthy of us as parliamentarians.

• (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

REMOVAL OF SERVICES ENJOYED BY VOLUNTEER GROUPS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is a bad decision on the part of the Minister of the Environment (Mr. McMillan) to cut Environment Canada support to the groups that we all, including him, need as friends. By removing this support which the Department has offered over many, many years, the Minister is making it clear that Environment Canada is abandoning the advocacy role it has become known for all over the country for the past decade.

The contribution to environmental groups was minor in comparison to other expenditures such as the $600,000 the Minister is spending on advertising for Environment Week, but far more effective. Environmental groups which benefited from travel funds, access to long-distance telephone lines, photocopying or postage services through regional offices, rely heavily on volunteer support and operate on shoestring budgets. The removal of this support is a spiteful and petty move, not a very fitting show on the part of the Government of Canada.

* * *

CANADIAN COAST GUARD

PROPOSED AUTOMATION OF WEST COAST LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I wish to call to the attention of this House a very serious matter, that of the automation of 10 lighthouses on the coast of British Columbia. The LeBlond Commission said these lighthouses were doing an excellent job on search and rescue, communications, and weather reporting. To save $4.3 million by 1990, the Government intends to automate these lighthouses, remove the search and rescue capability, communications, and effective weather broadcasting, and place the lives of British Columbians who travel the sea in jeopardy. I urge the Minister of Transport (Mr. Mazankowski) to hold a public inquiry into this matter and stop any further action toward decommissioning and automating these lighthouses.

There is no doubt that the Government considers its only function is to provide light during bad weather conditions. Two thousand failures have occurred in automated lighthouse stations on the coast of British Columbia. This cannot continue. The Minister of Transport must stop it and begin a public inquiry.

TRADE

LUMBER EXPORTS TO UNITED STATES—THREAT OF COUNTERVAIL

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, there is good reason to believe that, next Monday, U.S. lumber interests will launch yet another countervailing duty action against softwood lumber imports. No greater proof can be found that we desperately need to negotiate the bilateral agreement initiated by our Prime Minister (Mr. Mulroney) and President Reagan. This is the third effort by U.S. lumber interests to block Canadian access to their markets, and despite continued failure they persist in this harassment.

It should be noted that under U.S. law these American lumbermen have the right to petition the U.S. Government, but their action does not necessarily reflect administration policy. Our position must be to hold firm in our intention to restore stability in our trading relations and not allow this gesture to endanger this historic accord.

* * *

CANADIAN BROADCASTING CORPORATION

DINING AND TRAVEL EXPENSES

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, Pierre Juneau claims that the CBC will have a $48 million budget shortfall this year. Here are a couple of examples of why.

The CBC had a high profile at this year's Parliamentary Press Gallery dinner, purchasing 73 tickets for its staff, picking up the tab for tuxedo rentals, a pre-dinner reception, and airfares. The total cost to the taxpayer was $7,000 for the evening's festivities.

Would you like to travel to Cannes on the French Riviera? Join the CBC. They sent 15 representatives and a secretary to the annual MIP-TV market. I do not question that the CBC should be represented at this important international event. What I question is the number of people, and a bill of $130,000 to the taxpayer for a five-day trip.

Between Juneau's junket to China and these two items, he has spent approximately $170,000 of the taxpayers' money. I suggest to him that this money could be better spent in providing quality programming for which the CBC is famous.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

FORMER MINISTER—INQUIRY INTO APPLICATION OF CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Acting Prime Minister. For two weeks now my Party has been calling on the Government and the Prime Minister to enforce the guidelines against conflict of interest against the former Minister of Regional Industrial Expansion. Yesterday the Acting Prime Minister indicated for the first time that the outside inquiry the Government is intending to use will not only examine the facts, but will apply a judgment about whether the conflict of interest guidelines have been violated or not.

I want to ask the Acting Prime Minister how that function of deciding whether the conflict of interest guidelines have been violated or not can possibly be delegated by the Prime Minister to an outside person.

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, before any circumstances can be resolved as fact there is an element of judgment that has to be applied. With respect to the intention to conduct an impartial inquiry, that is in keeping with demands that have come from the hon. gentleman's own Members. He should know, if he does not, that the instruments that are necessary in circumstances such as these have already had parliamentary *imprimatur* and are there to be used.

Mr. Kaplan: Our Leader and our House Leader have already clearly spoken for us in favour of a parliamentary inquiry, not an independent inquiry in this matter.

[*Translation*]

ROLE OF INVESTIGATOR

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the following question. Does this mean that the person who will conduct this independent inquiry will merely analyze the facts and report on the matter, or will that person pass judgment and make a decision? What is this person's role, according to the Government?

[*English*]

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, as I said Monday, Tuesday, Wednesday, and now it being Thursday I say the same thing to the hon. gentleman, there are two elements to any inquiry. One is the inquiry process, and the other is the reporting process. There are numerous precedents to indicate the kind of processes that are contemplated to be set in motion.

Oral Questions

ATTENDANCE OF PRIME MINISTER DURING QUESTION PERIOD

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to direct my question to the Deputy Prime Minister. Will he assure the House that the Prime Minister, who is returning to Canada tonight, will be here tomorrow during Question Period to answer for the disasters that he, the Deputy Prime Minister, inflicted upon the Government?

Mr. Speaker: Order. It is a little hard to find that supplementary to the question. I think the Hon. Member already knows that. Does he have a supplementary question?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, I can respond by asking the hon. gentleman if the Right Hon. Leader of the Opposition will be here? He is not here today.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES—THREAT OF COUNTERVAIL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like direct my question to the Minister of International Trade. At the same time I would like to assure the Deputy Prime Minister that our Leader will be in the House, as he has been all week. The Minister for International Trade has now publicly stated that he would be planning to undertake counter measures against the United States if they introduce countervail on the lumber issue.

I would like to ask the Minister for International Trade what he means. What other measures is he now contemplating? What other initiatives does he plan to take to fight on behalf of the Canadian lumber industries? What change in policy is he now announcing?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that if, indeed, countervail is applied by the Americans, that Canada has the right to compensation under GATT, and we would certainly pursue that remedy.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we are fully aware of those facts, but that is not what the Minister is reported as saying. He said he is planning to undertake other measures in response to any countervail action by the United States. We would like to know what those measures are, and does this represent a fundamental change in policy from the previous position taken, which was that the Government would negotiate all these irritants under a comprehensive free trade negotiation? Have we now changed the policy and will we be dealing with these irritant problems one by one, sector by sector? Is this now a fundamental change in the Government's stand?

• (1420)

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, there is no fundamental change in the policy of the Government. To relieve the mind of the Hon. Member I can advise him that my colleague, the Minister of State for Forestry, and I are meeting with all the provincial Trade Ministers and Forestry Ministers this evening in Toronto at the Constellation Hotel. We will discuss the possible countervail action which may be brought by the United States producers against Canadians. We believe in the full involvement of the provinces before we do anything.

* * *

THE ADMINISTRATION

FORMER MINISTER—ALLEGED CONFLICT OF INTEREST—COMMITTEE ROLE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. By now he will be aware that the government Members on the Standing Committee on Elections, Privileges and Procedure rejected both motions—

Mr. Hnatyshyn: Order.

Mr. Rodriguez: —to look at the specific conflict of interest—

Mr. Clark (Yellowhead): Order.

Mr. Rodriguez: —and the broader question. What method would the Deputy Prime Minister propose so that the House can look at both the specific issue of the ex-Minister's conflict of interest and the broader question of the guidelines for conflict of interest?

Hon. Erik Nielsen (Acting Prime Minister): Perhaps I should have been aware, as the hon. gentleman says, of what transpired in the committee today. I believe the Hon. Member said I was not aware of it. With respect to the matter of a reference to a committee and the hon. gentleman's outright accusation, that option is there and I have been saying that all week.

I would urge the Hon. Member to be cautious in stating as an outright accusation that there has been a conflict of interest, and have the decency to await the outcome of the investigation as to facts.

REQUEST THAT INVESTIGATOR'S REPORT BE REFERRED TO COMMITTEE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the answer of the Deputy Prime Minister, will he give the House an assurance that the report from this impartial investigator as to facts will be referred to the Standing Committee on Elections, Privileges and Procedure?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, that is certainly an option which is open. But surely we should have the prudence and sense to await the appointment of an impartial person, the terms of reference, and the report itself, before coming to a decision which the Hon. Member wants the Prime Minister to make at this moment.

REQUEST THAT COMMITTEE EXAMINE GUIDELINES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my final supplementary question is also directed to the Deputy Prime Minister. Despite the investigation which will go on, the adequacy of the process of conflict of interest remains. Can the Deputy Minister give the House some assurance that there will be a method whereby the Standing Committee which has traditionally looked at these matters will in fact look at those guidelines?

Hon. Erik Nielsen (Acting Prime Minister): Mr. Speaker, if the hon. gentleman is asking me to commit the Prime Minister and the Government to make a selection now of options based on something which has not yet been produced, namely, the report, surely that is simply not intelligent.

Mr. Rodriguez: You're looking at fact.

Mr. Nielsen: The options arise only after the report has been produced. Does not reason compel the Hon. Member to the conclusion that we should await the report in order then to select the option as to which way to proceed from that point on?

* * *

[*Translation*]

PUBLIC WORKS

AWARDING OF CONTRACTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works and concerns the letting of contracts for the Museum of Man in Hull. What steps does the Minister intend to take to give this House and the Canadian people the assurance that the contract-letting process used by his department, and especially in the case of the Museum in Hull, remains worthy of the trust of Canadians?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I think I can give the House that assurance and I want to say first of all that almost all contracts were let by the previous Government. As the Minister of Public of Works, I have been responsible for museums only since May 1985, and I can again give the Hon. Member the assurance that everything is being done by public tender, in the best interests of Canadians.

• (1425)

[*English*]

REQUEST THAT ROBERGE COMMITTEE BE ABOLISHED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. Is the Deputy Prime Minister now intending to abolish the Roberge patronage committee, which meets at the Ritz-Carlton, and other patronage organizations which exist within the Government and, more particularly, those that we saw reflected in the letter from the Hon. Member for Québec East when he wrote concerning patronage—

Mr. Speaker: Order, please. I have trouble finding that question supplementary to the first question the Hon. Member addressed to the Minister of Public Works. Does the Hon. Member have a supplementary question?

Mr. Boudria: Mr. Speaker, I will direct my question to the Deputy Prime Minister. Does he intend to end whatever committees there are involving patronage contracts from the Department of Public Works and any other Department to ensure that the credibility—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I still find it difficult to find that question supplementary to the contract process which was the subject of the first question. The Hon. Member for Winnipeg North Centre.

INTEGRITY OF CONTRACT PROCESS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Public Works. In light of the events of today, the charges of bribery, fraud, and breach of trust, and without commenting in any way whatsoever on the innocence or guilt of an individual, will the Minister tell the House what he is prepared to do now to preserve the integrity of the contract letting process for public contracts?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I think all Members of this House are familiar with the usual workings and structure of this process, and we continue to make public calls for tender, and the best bid is usually the one selected by the Government. Now in the circumstances, I do not think I have anything new to announce. I think we should maintain the system of public contract-letting, and ensure that competence and cost considerations remain our fundamental criteria for letting contracts.

[*English*]

REQUEST THAT MINISTER EXAMINE PROCESS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the same Minister. Surely on a day when enough evidence has been gathered for 50 charges to be laid

against an individual it is time for the Minister to take another look at the contract letting process to assure us, once again, that this process can take place without political influence?

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. La Salle: Mr. Speaker, I don't think I can comment on the Hon. Member's remarks, considering the fact that the matter is before the courts. About the contract-letting and the procedure being followed, I would like to remind the Hon. Member that our procedure observes the criteria of competence, quality and cost in selecting the best bid, in the interests of all Canadians.

* * *

[*English*]

AIRPORTS

AWARDING OF SECURITY SERVICE CONTRACTS AT MONTREAL AIRPORTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Minister of Transport. As a follow-up to his investigation, can the Acting Minister of Transport tell us whether he sticks by the Minister of Transport's statement that there has been no conlict of interest in the case of the instant security companies which were awarded an untendered airport contract worth more than $2 million, given that we now know that they are operating under a licence for a company which involves the wife of a Conservative cabinet Minister?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, if the Minister of Transport was here in the House today he would reaffirm his observations of the last two days and confirm that in his belief there was no conflict of interest.

SECURITY DISCUSSIONS IN CABINET

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is also directed to the Acting Minister of Transport. Given that the Minister of Transport himself announced in the House on April 9 that he and his cabinet colleagues were undertaking a complete over-feel of the security system at airports, can he tell us whether or not the cabinet Minister whose wife has shares in a company which is now benefiting as a result of the—

Some Hon. Members: Order, order!

Ms. Copps: —untendered contract absented himself during the course of those security discussions?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the allegations made are completely unfounded. The Hon. Member is fully aware of that. The distinguished Senator has very clearly indicated that he took every human and possible step he could to remove any appearance of conflict of interest at the time of this event. That is certainly in the record and is well recorded.

* * *

[*Translation*]

SHIPBUILDING

POSSIBLE EXISTENCE OF CONFLICT OF INTEREST

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs, and it has to do with the conflict of interest stemming from the decision of the Minister and the former Minister of Regional Industrial Expansion to ask the president of a Quebec shipyard to plan the closure of another Quebec shipyard. Can the Minister explain why he refused to answer this question last Tuesday and tell us where he stands with respect to the conflict of interest in this industry?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I thought I made it quite clear last Tuesday that there is no conflict of interest in this case. On the contrary, we have asked the spokesmen for the shipbuilding industry in Quebec and elsewhere in Canada to get together with a view to discussing a rationalization process and making recommendations concerning the future of this Canadian industry.

PREPARATION OF CLOSURE PLAN FOR SHIPYARDS

Mr. Mike Cassidy (Ottawa Centre): A supplementary, Mr. Speaker. Considering that again the answer is coming from the Minister of State for Small Businesses, can he explain, first, why Versatile Corporation Chairman Saunders has been asked to develop a plan involving the closure of the Sorel Marine Industries Limited shipyard, without the knowledge of MIL, and, second, why has the Hon. Member for Richelieu—who was directly involved—been totally ignored in this matter?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I do not know which language to use to explain this. It has been made very clear that the Versatile chairman is one of the interested parties, so it is altogether normal that he should be involved in the discussions. What more can I say? There are three major shipyards in Quebec. Since the Versatile chairman owns two of them, it stands to reason that he has to be in on this.

Mr. Cassidy: To close the third one. Exactly.

Mr. Speaker: Order, please.

Mr. Bissonnette: Mr. Speaker, we are not talking about closing down shipyards at this time, we are talking about discussions on the future of Canadian shipyards.

• (1430)

[*English*]

HUMAN RIGHTS

SOUTH KOREA—VIOLATIONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. We read that the Prime Minister is reserving judgment on the question of human rights violations in South Korea. Could the Secretary of State tell us if he is expressing the official view of the Government and a view which the Secretary of State himself supports?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member should take it as a given that the reports he reads in the Toronto *Globe and Mail* do not express the view of the Government.

AMNESTY INTERNATIONAL REPORTS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I take it that the Secretary of State is aware of the reports of Amnesty International which offer us examples of recent violations of human rights, the torturing of political prisoners and so on. Would he take it upon himself to issue a firm statement which makes it clear that the Canadian Government does not reserve judgment but in fact condemns these actions of the South Korean regime?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only am I and the Prime Minister aware of the position of Amnesty International, I am also aware of the position taken by the Prime Minister of Canada when he was in Korea, both publicly and privately. In public fora which were not recorded, and privately to the leaders of the Government of that country, he made the case very strongly of Canada's deep concern and recommendation for change about the human rights situation in South Korea. I am advised that he made representations much stronger than those that have ever been made on that issue by any other Canadian Prime Minister visiting South Korea.

* * *

[*Translation*]

SHIPYARDS

INQUIRY WHETHER VERSATILE COMPANY PRESIDENT GIVEN RESPONSIBILITY TO FIND WAY TO CLOSE MARINE INDUSTRIES LIMITED SHIPYARDS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Could the Minister confirm to the House that Mr. Peter Paul Saunders, president of Versatile Corporation, was asked by the Government to find a way to shut down the shipyards of Marine Industries Limited, while in return, his own company, Versatile Davie, would receive a second construction contract from CN Marine, the Crown corporation?

[*English*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, we asked Mr. Saunders to hold discussions with the other interveners in Quebec in order to know what the new policy for Canadian shipbuilding can be.

RATIONALIZATION PROPOSAL

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, how does the Government believe that it is fair to ask the man who is in charge of two of the yards to undertake rationalization which involves closure of the third yard? Why is the Government not seeking ways to ensure that the ships required by Canadian interests are built in Canada, rather than finding ways of shutting down yards and putting workers out of work and on to the unemployment insurance rolls?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I answered this question just before, and I will repeat my answer. We have asked the parties concerned to get together. Should we ask outsiders to get together to tell us what the prognosis is for this industry or should we ask the parties concerned? We never mentioned closing a shipyard. We talked about the possibility of a national shipbuilding policy.

RATIONALIZATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of State for Small Businesses.

Mr. Speaker, in his letter, Mr. Saunders, who received a mandate from the Government, asked the Government of Quebec to rationalize the shipyards at Sorel. Yesterday, the Minister said no. Today, which shipyard is going to be phased out, the one in Lauzon or in Montreal, since Quebec refuses to rationalize the shipyards in Sorel?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, once again, the Hon. Member for Sainte-Marie is alluding to a letter sent by Mr. Saunders to a Minister in the Quebec Government, and not to a mandate given by the Department of Regional Industrial Expansion—

Mr. Malépart: You said he had a mandate.

An Hon. Member: Can't you listen?

Mr. Bissonnette: I never said we gave him a mandate. I said we asked him to get together with his colleagues in the industry. That is what I said, and I maintain what I said.

Oral Questions

REQUEST FOR NEW POLICY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister is contradicting himself. I have the proceedings of the committee, and the Minister said: Mr. Stevens gave Mr. Saunders a mandate to rationalize shipyard operations.

Doesn't the Minister think it would be preferable to establish a shipbuilding policy and create jobs in all our shipyards instead of trying to close some of them?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, that is exactly what I am saying. We must find a way to upgrade our shipyards in Canada, and we have asked the parties to submit new ideas with a view to upgrading existing shipyards across Canada, to make them more profitable and more productive. We can't ask any more than that.

* * *

[*English*]

CANADA POST CORPORATION

IMPORTANCE OF MAIL SERVICE TO SENIOR CITIZENS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Senior citizens and disabled Canadians, probably more than any other group, rely on the mails not only in order to receive pension cheques but to keep in touch with family and friends. Can the Minister tell me how he can possibly consider reducing mail service to three days a week in view of the importance of the mail to seniors and disabled Canadians as well as many other Canadians?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I have already answered that question in the last two days. I have said that we are examining alternatives in order to come to self-sufficiency in the next two years. In all honesty we have to examine all possible alternatives, and alternate day delivery is just one alternative that has to be examined. It might not be retained but it has to be examined.

REQUEST FOR PUBLIC HEARINGS ON ALTERNATE DAY DELIVERY PROPOSAL

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the same Minister. Would the Minister assure the House that before he goes ahead with any of the options he is considering, there will be full public hearings on the impact of his actions so that programs such as Seniors Alert, carried out by the letter carriers to protect and look after the interests of seniors, will not be dismantled or damaged?

• (1440)

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can assure my colleague of one thing, that whatever the decision will be, it will be in the best interest of all Canadians.

Some Hon. Members: Oh, oh!

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—MINISTER'S DISCUSSIONS WITH UNITED STATES AUTHORITIES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of the Environment. During the last week the Minister was in Washington to discuss the question of the future clean-up of the chemical dumps along the Niagara River. Apart from any discussions relating to the future clean-up, did the Minister obtain a firm commitment either to stop up, or to divert immediately, the sewer in Buffalo, New York, which is pouring dioxins into the Niagara River? If he did not, why not?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will appreciate, my negotiations and discussions with the head of the U.S. Environmental Protection Agency focused upon the broad picture of the Niagara River and the need to reduce very substantially toxic loadings there. We did not get into individual sources, whether industrial, municipal, or disposal sites. But I mentioned this particular one as an exception because of the topicality of the data Environment Canada made available to the public last week. I arranged for them to receive that data. They have now received it, but the agency have yet to have a chance to analyse it. They promised me, however, that they would do so, and that they would address the problem in the context of the global agreement we reached in Washington this week.

MINISTER'S RELATIONS WITH PROVINCIAL COUNTERPART

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is also directed to the Minister of the Environment. On the eve of his departure for Washington, and in Washington, why did he publicize his disagreement with his Ontario colleague on how to handle toxic pollution in Lake Ontario, thus telling the U.S. Government, in a way, that the Government of Canada would settle for a second-rate clean-up plan? Why did he do that?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the fact is that it is not a second-rate plan. It is the first time the Government of Canada has ever been able to reach an agreement with the United States on substantial toxic loadings reductions in any trans-boundary waterway. It sets a specific target, 1995. It sets a specific schedule by which to reduce toxic loadings by 50 per cent. We agreed that it would

serve as a general bench-mark by which we will take individual decisions for that purpose. We are mobilizing top teams of scientists to help us refine the targets and schedules. We hope to have in place by July, 1987, the best toxic reductions program ever arranged between the two countries.

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it seems to me that the Minister is more apt at taking photo opportunities or in participating in sing-songs on how to clean up toxic chemicals than in arriving at what he calls an agreement, about which nobody knows because it is kept secret.

Mr. Speaker: Order, please.

Mr. Caccia: Why is the Minister condemning his Ontario colleague for taking a position which the Minister himself took in the House on March 24 when he said: "we think the only solution for the disposal sites on the American side along the Niagara River is excavation and incineration"?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the agreement that we reached with the Americans—and after all it is an American plan, not a Canadian one, because 90 per cent of the toxins come from American sources—addresses itself to that very point. It says, and I will quote briefly, "the basic objective is the extraction and destruction of the toxic contents of the dump sites to the maximum extent technologically feasible, taking into consideration public health and safety". We wove right into the fabric of the document the very point for which the Hon. Member has called.

Mr. Caccia: Why don't you table it, then?

NATURE OF CLEAN-UP

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. Yesterday the Minister agreed with his U.S. counterpart, Lee Thomas, to hold off on any serious clean-up of Niagara River pollution for at least another year. Would the Minister tell the House exactly what clean-up and reduction in chemicals, both from the dump sites and from the sewer systems, will take place between now and July, 1987?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Member misunderstands. We are to begin immediately to clean up the toxins in the Niagara River from industrial sources, from municipal sources, and from dump sites. We have set 1995 as our target, by which time we hope to reduce toxic discharges by 50 per cent. In the meantime, because we hope to be able to advance the date and increase the amount of toxins we will be able to get out of the river, we have said that we will mobilize scientists to tell us whether by July, 1987, we will be able to refine the date. In the meantime we are using that general date as our target in our schedule.

TOXIC DUMPSITES IN UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister's mind seems to be like jello in a sieve on this matter. Is it his view—and those are his words—that the Love Canal, Hyde Park, S Area, or 102nd Street dump can be made safe without all the material within them being totally excavated and incinerated? What exactly is his view on those dumpsites?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if the Hon. Member were genuinely interested in pollution, he would not resort to such expressions in the House of Commons. Nevertheless, my own preferred position is excavation, and I have said that. The Americans have some technological difficulties with it because the area concerned includes about 66 dump sites which, combined, are equivalent to the size of Prince Edward Island. They have a real problem finding anywhere in the United States to locate the excavated material, let alone develop the science quickly enough to incinerate without making the problem worse, because the incineration process itself contributes to environmental pollution, especially in the production of dioxin. Short of that, we favour extraction—taking the chemicals right out of the dump sites and destroying them through various means.

* * *

[*Translation*]

TRADE

CLOTHING IMPORTS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of International Trade. At their annual general meeting the management of Celanese Canada asked for federal Government intervention to negotiate a new multi-fibre agreement and endorse bilateral agreements with other countries.

Does the Minister intend to negotiate these agreements to reduce imports, considering that between January and April this year, clothing imports were 13 per cent higher than during the same period in 1985?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I assure the Hon. Member and all Members of the House that our Government is extremely concerned about the welfare not only of the workers but of the companies in that particular industry. In recent months, I am happy to advise him, we have entered into restraint agreements with Bangladesh, Brazil, Bulgaria, China, Indonesia, Malaysia, Pakistan, and Turkey. We are presently in the process of renegotiating a multifibre agreement with the aim of reducing growth levels, overhang, and surges.

Oral Questions

SOCIAL SERVICES

CHILD CARE—ONTARIO PREMIER'S STATEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, in the absence of the Minister of National Health and Welfare my question is directed to the Deputy Prime Minister. Does he agree with the statement of the Premier of Ontario in which he said that child care should not be part of the welfare system but in fact is a social service that should be available to the Canadian public?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of National Health and Welfare, who is out of Ottawa on important government business, may I be permitted to take that question as notice? I will have the Hon. Minister write to the Hon. Member in some detail, expounding his view of the statement by the Premier of Ontario.

COST SHARING INQUIRY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my supplementary question on the same subject matter is for the Minister of Finance. Now that the majority of the provinces appear ready to cost share universal access to day care, is the Minister prepared to do the same in terms of the budgetary process for next year?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Government House Leader indicated, this is a matter which the Minister of National Health and Welfare has under review. He will get back to the Hon. Member in due course.

* * *

NUCLEAR ENERGY

NUCLEAR REACTOR IN WASHINGTON STATE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It specifically concerns the Handford nuclear reactor which is located in Washington State not far from the British Columbia border. Given that this reactor is contained with a design similar to the one at Tchernobyl and has been described by a consultant to the U.S. Regulatory Commission as "an accident waiting to happen", has the Minister specifically requested that the U.S. Government close down the Handford facility?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to see if the unnamed individual consultant cited by the Hon. Member reflects a consensus or an eccentric view. I will certainly inform myself on the question. The Hon. Member may be assured that, if there is any danger to Canadians, I will, as I always do, act to defend the Canadian interest.

• (1450)

CANADA-UNITED STATES DISCUSSIONS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I am sure the Minister does not want to make British Columbia the Ukraine of North America, so I will take him up on that offer.

Some Hon. Members: Oh, oh!

Mr. Waddell: Would the Minister confirm that his Department has had discussions with the American Government concerning this reactor?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to inform myself on whether or not there have been discussions on the matter and I will advise the Hon. Member.

I would implore the Hon. Member, and all others in the House, not to abuse their positions as Members of this House to create false fears among the people of Canada.

* * *

DISASTERS

SAFETY OF CANADIAN STUDENTS IN KIEV FOLLOWING SOVIET NUCLEAR REACTOR ACCIDENT

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Secretary of State for External Affairs. As the Minister is well aware, a number of students from my constituency are currently in the Soviet Union attending a one-year study course in the City of Kiev. As a result of a recent accident at the nuclear power generating station in Tchernobyl the majority of those students have left Kiev and are now in Moscow. Three of them, however, are still in Kiev.

Will the Minister inform the House of his Department's up to date assessment of the health risk to those students from Kootenay West, and does he feel the need to continue to encourage those Canadians who remain in Kiev to leave the area?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question and know of his very active interest in the situation of his constituents in the Kiev region. Our consul was the first non-resident consul into the Kiev region after the disaster. He spoke to all of the students there. He encouraged those who were prepared to leave to leave, and helped them to do that. We are remaining in touch with those who are still there. Our information, which we cannot regard as being absolutely reliable because no one can, would suggest that there is some stabilizing of the situation in Kiev. We are keeping in touch both with the consul and with the students there to try to ensure their safety is well protected.

EMPLOYMENT

JOB DEVELOPMENT PROGRAM FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Acting Minister of Employment. Earlier this week I asked the Minister to explain why so many of her regional offices were reporting they had no funds for job development when there were many outstanding applications, but she did not answer. Today I have an internal memo from her Associate Deputy Minister to all regional directors in which he says:

> You will appreciate that we face a challenge in meeting the Minister's direction to implement a more controlled flow of program activity throughout the year.

Does this explain why many regional offices have frozen their job development funds and have no money for job applications now?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member has addressed his question to the Acting Minister, I will take that as notice and inform my colleague who is away from the House of Commons on Government business. I would think, however, the Hon. Member should recognize that since this Government took office in September, 1984, some 630,000 new jobs have been created, that the youth unemployment rate is down to the level it was in 1981; that mortgage rates are down; that economic activity is up, and therefore employment is up. I am sure the Hon. Member would like to recognize that in the House.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Acting Minister is indeed an actor. Why is the Government spreading these job development funds over an extended period when jobs are needed now in many areas of the country, including Atlantic Canada, Quebec, British Columbia, and even Alberta? Why is the Government spreading it out over a long period when jobs are needed now?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member will appreciate the answer from my colleague when she returns to the House. It will be given to him in the fullest. The ability of this Government to create employment, to endeavour to help those who need employment, is well known and well recognized. It is spread across this country from one end to the other where employment has increased since September, 1984.

* * *

THE ADMINISTRATION

FORMER MINISTER—STATUS OF OPPOSITION PARTIES BEFORE INVESTIGATOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, if it be true that the Government intends to proceed with this independent inquiry into the problems of the former Minister of Regional Economic Expansion, will the Government include within the terms of reference that the Opposition Parties in the House of Commons will have official standing before such an inquiry in order that they can be represented in the questioning and the providing of evidence?

Mr. Clark (Yellowhead): Will they refrain from jumping over tables?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know whether the hon. gentleman, when he describes problems of the former Minister, wants his problems brought before such an investigation. I am sorry I must have entirely missed the point of his question. The investigation will be conducted in accordance with due processes that have parliamentary *imprimatur*.

ROLE OF OPPOSITION PARTIES IN INVESTIGATION PROCEEDINGS

Mr. Ian Deans (Hamilton Mountain): I do not quite understand what it is that the Deputy Prime Minister has difficulty with, Mr. Speaker. Let me ask him, so that even he might understand it, will the opposition Parties have standing before the chairman or the commission, or the board, or whatever it is that is struck to conduct this so-called impartial investigation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the conduct of the investigation is surely a matter that would be left entirely to the impartial person who is going to be appointed.

Mr. Deans: That is ridiculous. You set the terms of reference.

Mr. Nielsen: The hon. gentleman, if he knew anything about this place—

Mr. Deans: I don't need lectures from you after the last two weeks—

Mr. Nielsen: —would know that there are ample precedents for proceeding along these lines.

Mr. Nystrom: Doberman.

Mr. Nielsen: They have been in place for the almost 30 years I have been here.

* * *

[*Translation*]

PUBLIC SERVICE

PENSIONS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. On April 17, 1985 the Minister proudly told the House he had

signed a pension agreement with the Public Service unions. A year has gone by, so would he tell us where we stand today? Was an agreement concluded, so that pensioners might know what to expect?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am very pleased to respond to the question of my colleague. In keeping with the general principles included in the agreement I tabled in the House in April 1985, we have continued to work both within the Treasury Board and in consultation with the unions. A document has been submitted to Cabinet and discussions with the unions on the final draft will be completed in the next few days. I will certainly be in a position to report to the House before the end of the session.

INQUIRY WHETHER PENSIONERS WERE REPRESENTED DURING NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, were pensioners represented at the negotiations? If so, at what level?

Hon. Robert de Cotret (President of the Treasury Board): The pensioners' association has a representative on the pension advisory committee. Their viewpoint was taken into consideration during the discussions, and I can assure my colleague that our 1984 election campaign commitment concerning the protection of vested rights will be honoured in the agreement which will be presented to the House.

* * *

REGULATIONS

CODE ETHNICS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the President of the Privy Council and Minister responsible for regulations.

On March 6 the Minister presented his code of ethics concerning regulations. Can he now give the House a report progress on this matter?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, again my colleague shows interest in the matter of regulations. I am pleased to inform him that the Government has finalized the action plan to put order in the regulations. I will unveil the details of this plan on May 27.

[*English*]

AIRPORTS

AWARDING OF SECURITY SERVICES CONTRACT FOR MONTREAL AIRPORTS

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport. Yesterday the Minister informed us that he was investigating this new security company in regard to the provision of the security services at Mirabel and Dorval and that he would report back. Does this lucky two-week old company have completely separate assets? Does it have its own security licence, assets, and insurance? Is it bonded? Does it have an office of its own, or is it simply a shell company put together only for the purposes of receiving money from an untendered contract?

• (1500)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, yesterday the Minister of Transport undertook to secure for the Hon. Member the answers to a series of questions which he posed. I am pleased to advise today that the two companies are separate. There are no common assets, fixed or otherwise. Yes, in fact the companies are bonded through the usual national bonding services. Yes, in fact they are either fully licensed or in the process of the approval of those licences both in the Province of Quebec and the Province of Ontario. Without any question, neither the Senator nor his wife has any interest whatsoever—

Mr. Speaker: Order, please. It is three o'clock. The Hon. Member for Davenport (Mr. Caccia) has given me notice of a desire to raise a point of order.

* * *

POINT OF ORDER

TABLING OF QUOTED DOCUMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, during Question Period in reply to a question of mine the Minister of the Environment (Mr. McMillan) read from a document. I wonder whether, in conformity with customary practice in the House, the Minister would have any objection to tabling the document.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member referred to a document which I personally sent to his office upon its release from Washington. He had it 24 hours ago. I simply quoted from that document which he probably has in his own pocket.

Mr. Guilbault (Saint-Jacques): That doesn't answer the question.

Mr. Speaker: Order, please. The Hon. Minister is indicating that he quoted from this document? He, therefore, has no choice under the rules but to table the document.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to seek your advice on this matter. My understanding is that it is one thing to quote from documents which may be in the form of press releases or notes. However, if I am not mistaken, I believe the rules only require the tabling of documents which are documents of state.

Ms. Copps: The ruling has already been made.

Mr. Hnatyshyn: If that is not the case, I would be interested. I think it is an important point to take under consideration. I do not think that the tabling of documents and notes used by Ministers to assist them with statistics is contemplated by the rules or the precedents.

Mr. Speaker: Order, please. I am prepared to hear arguments from the Hon. the President of the Privy Council or the Minister. However, I did hear the Minister say that he quoted from a document which he had sent to the Member.

Mr. McMillan: Mr. Speaker, I referred to a document which is a public news release. It was issued by me out of Washington. I sent a copy of it to the Hon. Member in his capacity as environment critic for the Official Opposition. I referred to it only by way of replying to a question, the answer to which was obvious.

Mr. Speaker: Order, please. The table advises me that the Minister has sent the document to the table, in which case I take it he is volunteering to table it. What is the Minister telling me is his position on the point of order raised by the Hon. Member for Davenport?

Mr. McMillan: Mr. Speaker, I am telling the Hon. Member that I have no problem tabling the document from which I quoted. However, the broader principle stands. The President of the Privy Council (Mr. Hnatyshyn) has stated, and I agree with him, that because a Minister quotes from a piece of paper does not necessarily mean it need be tabled if it does not fall into certain categories.

Mr. Gauthier: Oh, no.

Mr. Speaker: Order, please. The Chair has ruled on that question many times and as recently as two weeks ago. I have to deal with the point of order that is raised. I take it the Hon. Minister is tabling the document voluntarily. I take it that is what has happened. Therefore, it is done.

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): This being Thursday, Mr. Speaker, may I ask the Government House Leader, the Hon. the President of the Privy Council (Mr. Hnatyshyn), if he would tell us what Government business he plans to bring before the House next week?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will announce the business of the House tomorrow because, following Oral Questions Period, we will have a meeting with the Hon. Member and the Hon. Member for Hamilton Mountain (Mr. Deans).

[*English*]

We know that tomorrow is an allotted Opposition Day. Perhaps it would be easiest and most convenient for us to discuss the business and then I can announce the business for next week during Routine Proceedings tomorrow, with the leave of the House.

* * *

[*Translation*]

POINT OF ORDER

REQUEST THAT MEMBER WITHDRAW HIS WORDS

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, during Oral Question Period, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) mentioned that this week I said before a committee that we had given Mr. Saunders a mandate. I would ask him to withdraw those words, and I would like to quote page 3 of—

Some Hon. Members: Point of order!

Mr. Speaker: I believe the Minister is saying there is a difference of opinion about the facts. That is a matter for debate, not a point of order, and we have established this many times.

Mr. Bissonnette: Mr. Speaker, could I ask you . . . could the Hon. Member—

Mr. Speaker: Order, please. Does the Minister have another point of order?

Mr. Bissonnette: Mr. Speaker, may I ask you a question at this point?

Mr. Speaker: No.

Mr. Bissonnette: Maybe if . . . Can a Member—

Mr. Speaker: Order, please. The Minister has informed the Chair that he disagrees with something another Member said.

That is what he said. It is not a point of order. It is a difference of opinion concerning the facts. That is a matter for debate.

Mr. Malépart: Bye! Bye!

Mr. Speaker: It is not a point of order.

[*English*]

Mr. Lewis: Bring back Sauvé.

Mr. Speaker: Order, please! I will require the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) to withdraw that. The Hon. Parliamentary Secretary deliberately said that for the Chair to hear. I must ask him to withdraw his comment.

Mr. Lewis: I withdraw.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—REQUEST FOR PUBLIC INQUIRY—NUCLEAR POWER

The House resumed consideration of the motion of Mr. Fulton:

That this House urges the government to immediately initiate a full public inquiry into the future of nuclear power.

Mr. Speaker: When the House rose at one o'clock there were eight minutes remaining in the period for questions and comments. If I remember correctly, the Hon. Member was about to answer a question from the Hon. Member for Surrey—White Rock—North Delta (Mr. Friessen). Therefore, I will recognize the Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: Mr. Speaker, the Hon. Member had asked me to make clear the position of the Conservative Party *vis-à-vis* its call for a full public inquiry into the future of nuclear power. As well, he pointed out that in the position paper they also restated their belief that there were good markets for CANDU technology and that there was some possibility of exporting surplus electric power to the United States. I am concerned about those two aspects, the sale of the CANDU reactor and our technology.

I noted as well that the Conservative statement was somewhat critical of the Liberal Government for selling the Canadian technology to Romania in exchange for Romanian strawberries. I am still concerned about the sale of our nuclear technology to other states. I continue to be concerned about the possible sale of CANDU reactors to Romania, South Korea, Venezuela, Argentina, and all the other places to which our salesmen have gone. Certainly the conditions under which we have made these past sales have been questionable.

As I pointed out in my address, I am concerned about numerous instances in which technology, sold for peaceful purposes, has ultimately been used for the production of warlike materials. A public inquiry should address that question as well.

• (1510)

It is important that we again look at the economics of the nuclear industry, particularly as they relate to sales to the U.S. of our surplus electrical energy. It seems to me that the economics are just not there. For us to get into large-scale production of nuclear power plants in the hope of making some profit by selling the electricity to the U.S. just does not make sense.

In earlier debates, when the Government chose to shut down all the conservation and off-oil programs, I pointed out the per barrel cost of energy equivalents. Venture gas, for example, comes in at $35 a barrel equivalent; Hibernia is $30; Point Lepreau No. 2 reactor is $70 per barrel equivalent. On the conservation side, we have oil which is equivalent to $5 per barrel. I was trying to point out that it is much cheaper to conserve at a cost of around $5 per barrel equivalent rather than going the nuclear route which, at around $70 per barrel equivalent, is the most expensive route. I think it is ludicrous to suggest that we can build nuclear reactors, with their associated problems of waste disposal and environmental protection, and still sell the power produced to the U.S. at a profit. However, if Hon. Members opposite are serious, I plead with them to allow a public inquiry to determine whether these are indeed viable options. Is it viable economically? Is it environmentally safe? Let there be a public inquiry.

One of the things which saddens us is the secrecy surrounding the nuclear industry.

Mr. McDermid: Nonsense.

Mr. de Jong: The Hon. Member says "nonsense".

Mr. McDermid: I certainly do.

Mr. de Jong: I can relate my own personal experience. A number of years ago we had a very serious spill in northern Saskatchewan.

Mr. McDermid: A number of years ago! Things have changed since then.

Mr. de Jong: Not too many years ago. Two or three years ago. A group of my colleagues and I wanted to visit Key Lake and other mines in northern Saskatchewan. We had real difficulty getting into the federal Government controlled mine. We had real difficulty getting the environmental reports. We had real difficulty getting the health and welfare reports. In fact, I still have not received some of the reports I requested. There were difficulties here in Ottawa and in Saskatchewan with the Conservative provincial Government. For them to tell me it is an open society and anything we want is available I say

is bunk. When I attempted to get important data relating to the environmental and health and welfare effects I was stonewalled. For Hon. Members across the way to suggest that it is all open means they are being hoodwinked by the industry itself.

There is one phrase which should really sum up this debate: Remember the Titanic.

The Acting Speaker (Mr. Charest): A short supplementary.

Mr. Friesen: Mr. Speaker, in all honesty, that Member can never criticize cabinet Ministers for the way they answer questions because he has certainly not answered my question. The NDP presented a truncated version of our campaign statement. In the process, including in the remarks they have made today, they have tried to convey to the Canadian people that the purpose of our policy statement was to stop nuclear energy from being produced in Canada.

Mr. Fulton: Point of order. What the Hon. Member is saying, as is often the case, is totally false and misleading.

The Acting Speaker (Mr. Charest): Order, please.

Mr. Friesen: Their entire debate has been based on the presumption that our campaign promise, in the truncated version they presented, was designed to stop nuclear power generation. It was not that at all. It was a matter of bringing order to the process. The question was: Is the NDP, in its resolution, not misleading the Canadian people in that sense?

I would now like to ask my supplementary question. The Hon. Member suggested an alternative, and it was a good one. Because there would be a shortfall in electrical power generation it would have to be replaced with something. He suggested there should be economies. I think that is a good suggestion, but it would not apply everywhere in the world. There are certain places where cutting back and economizing is not an adequate solution.

The Acting Speaker (Mr. Charest): Questions and comments are now over. Debate.

Mr. de Jong: Surely I have an opportunity to answer that comment?

Mr. McDermid: You were too long in your last answer.

Mr. de Jong: Does the questioner have the last say?

The Acting Speaker (Mr. Charest): Order, please. I recognize the point the Hon. Member is making. It is a 10-minute period for questions and comments and sometimes Members tend to forget that if they ask a question they should be able to expect an answer. Certain Members, while commenting or answering a question, should also bear in mind that other Members may want to make comments or put questions to them. It is not a period for speeches. We are now way over the period for questions and comments and the Hon. Member will have other opportunities during the afternoon, if he wishes, to reply, perhaps indirectly, or to participate in the debate. The Hon. Member for Davenport (Mr. Caccia).

Mr. de Jong: Mr. Speaker, does this not then destroy the spirit of this—

Mr. Friesen: I will have another question afterwards.

The Acting Speaker (Mr. Charest): Let me say to the Hon. Member, indeed all Members of the House, that I understand full well the point he is making. I think the decision I have come to is in conformity with that point. I take this opportunity to remind all Members that when they put questions or make comments they should bear in mind that other Members will make replies, and they should allow time for such replies. The Hon. Member for Davenport (Mr. Caccia).

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the motion before us today reads as follows:

> That this House urges the Government to immediately initiate a full public inquiry into the future of nuclear power.

In putting that motion forward, I suppose the mover and his Party intended to put to the test a commitment made by the Progressive Conservative Party during the last election when, I am told, they said that the Progressive Convervative Party would advocate a full public inquiry into the future of nuclear power and open the nuclear power approval process to the public. That was certainly a substantial commitment. Apparently this is one of many promises that were not kept. In this particular field it is a promise which should not be made lightly, considering the implications and the rising expectations which follow a promise of that kind.

I would have preferred that the mover of the motion had added four words to his motion so that it would read, "That this House urges the Government to immediately initiate a full public inquiry into the future of nuclear power at home and abroad".

Why do I say that? Because the picture emerging is far from reassuring. There are 26 nations with nuclear power operating a total of some 374 reactors around the world.

• (1520)

As a civilization we have adopted in North America, Europe and other continents, this kind of technology. We must, sooner or later, ask ourselves whether we want to strengthen and accelerate this process, whether we want to examine it, and, if so, what are the options, and whether we want to reduce our dependence on nuclear power.

I would have preferred a motion that had been global rather than limited to the situation in Canada. I do not know whether we can launch an investigation of this kind, ignoring what is happening around us on this continent and in other parts of the globe. Why is that? I am saying that because the recent serious incident in Tchernobyl has demonstrated the consequences of an explosion or a meltdown is such that it affects the global community. It is not like a railway accident or a fire

in an urban centre. It is an event that has far reaching and long-term consequences well beyond the boundaries of the nation where the melt down or accident occurred.

How can we preserve the human race and ensure the health of present and future generations? I must tell you that the present situation leaves very much to be desired. We have created, in an effort through the United Nations in Vienna some years ago, an organization called the International Atomic Energy Agency. That organization was created with a very clear purpose in mind. It was created in order to ensure that nuclear reactors built for peaceful purposes, anywhere in the world, would not be used for military purposes. In that respect I suppose the Atomic Energy Commission in Vienna has performed reasonably well. It has probably fulfilled its mandate, but only within that very narrow scope I mentioned earlier.

The question is, how can we use this existing agency for the protection of health in case of accidents, explosions and meltdowns of this nature in the future? Number one, there are at the present time no internationally agreed upon standards of safety. Every country sets its own standards, and hopefully enforces them, evidently not always with great success, otherwise we would not have had Chernobyl, we would not have had Three Mile Island and we would not have had other known or even perhaps unknown accidents in the history of the nuclear industry.

The question is raised, how do we as a global community develop standards of safety that can be accepted by all nations and become the basic rules of acceptable performance in the nuclear industry all over the world, not just in one country? Secondly, is who is going to enforce them? Although we have the Atomic Energy Agency in Vienna we do not have in that agency the muscle or the teeth required to perform that policing role. Until there is an enforcement agency that ensures that the standards which have been agreed upon are enforced, respected, and put into place, we will be living in an uncertain world. We have 26 nations, as I mentioned to you earlier, with 374 reactors as a global total, each one happily operating independently from the others with different standards, which may be good, but which may also be very shaky, and with no international co-operation to ensure that these operations are safe.

If Chernobyl has taught us anything, it is that whichever nation operates nuclear reactors it has a responsibility to its own citizens, as well as to the neighbouring nations. Otherwise you would not have at the present time, as is the case in Europe, the stopping of cattle and food products at the border between east and west. You would not have grazing prohibitions in some countries until a certain date in the month of May in order to prevent the radiation from moving into milk, and therefore, into the human body. You would not have a number of measures that have been taken in the last 10 days in order to protect health outside the Soviet Union from an event that has taken place inside. You can see the implications and the repercussions that take place in neighbouring nations as a result of actions taken in one nation and crossing the oceans, so to speak, without respect for boundaries in other continents.

It would seem that an examintaion of the future of nuclear power, limited to Canada, would serve a very limited purpose at this stage, considering how many countries have advanced, considering how many countries have committed themselves, like France, for instance, to having some 400 nuclear reactors in place by the end of the century in order to meet their energy requirements.

There is a global situation here that requires some attention. This is why in recent days I have urged the Minister of National Health and Welfare (Mr. Epp) and the Secretary of State for External Affairs (Mr. Clark), to take an initiative in Canada's name at the UN to see whether there are ways in which we can perform a leading role—considering also the reputation that we have in the global community—in bringing all the interested nations to the table. These should include not only those with nuclear reactor nations, 26 of them, but also the others. We could in this way attempt to produce the regulations and the enforcement standards I referred to earlier as a global initiative. Canada could perform a first class role in this respect. I submit that it has an opportunity to do so. I submit to you that it should also take this opportunity in the name of all those who are very preoccupied, and quite understandably so, as a result of the Tchernobyl event.

That is one observation which comes to mind in reading this particular motion by the Member for Skeena (Mr. Fulton), whom I congratulate for having taken this fine initiative.

The second thought which comes to mind when reading this particular motion is that I would prefer a public consultation, rather than an inquiry, in a forum where over the next couple of years we would consider the future energy needs of Canada, looking at perhaps the year 2020. If you like we could look at the year 2010. The Government of Canada, in an unusually enlightened manner, considering its performance these days, could somehow reach out and say to the public, "We want to know what your thoughts are as to our energy requirements by a certain year?". That would probably correspond with the emergence of a new generation, the youngsters who are now in school.

• (1530)

We would like to know how much we should depend on oil or gas or nuclear energy and how much we should depend on renewable sources, biomass and other sources of energy about which I am not very knowledgeable.

We should somehow focus the attention of the nation on a projected date and eventually, after having carried out public consultation and consultations with various industries and all the sectors interested in energy, the matter will come to rest in Ottawa and the Government would then eventually publish a plan for Canada's energy needs by, let us say, the year 2010. Through that plan we would have an indication of what our requirements are, which would not be a bad thing to know—

we do not seem to know it today—and how these requirements should be broken down into the four or five categories I mentioned previously.

I suspect with that kind of consultation, Canadians would be able to tell us as a Parliament and as a Government whether we should maintain our dependence on nuclear energy, whether we should reduce our dependency or whether we should even phase it out. It is quite possible that many interesting ideas would emerge in that process. That has always been our experience when we were in Government whenever we launched a broad public consultation process.

The plan which has emerged in Sweden for its energy requirements by the year 2010—I am just going by memory—has led that country to conclude it should gradually phase out its dependence on nuclear power. That was a wish expressed by the population in consultation with the various sectors. What would happen in Canada? We do not know. However, it certainly has merit as a process, for any democracy at a certain point to look at its long-term requirements and the future and listen to the public about how we should specifically target our requirements by a certain date with respect to oil and gas, nuclear power and renewables such as sun, wind and biomass at large. I think that would be a very healthy exercise and would be very revealing.

I noticed in the Montreal *Gazette* of May 10 an article by Warren Caragata of the Canadian Press entitled: "Candu reactors are not meltdown-proof". Mr. Caragata quotes Mr. Domaratski, director general of reactor regulation at the Atomic Energy Control Board, as acknowledging that. He said:

—a meltdown could produce a "catastrophe" involving thousands of deaths.

But he said the risk of a meltdown is so remote, and the chances of major releases of radiation are so small, there's no point in trying to engineer a reactor building to guard against those possibilities.

I learn about these things from the newspapers as does the public and I find statements of this kind a bit unsettling because of the confused message they deliver. I suspect that Canadians at large when they read reports like this would wonder as well. Thank God, so far in Pickering, we have a nuclear plant which has a record of regular performance without accident. The production in Ontario of nuclear power alone corresponds to some 30 per cent of the total requirements of the people in that province.

Over the years, the source of nuclear electricity has become of major importance. We have progressed quite a lot in our dependency on nuclear power in certain parts of the country. But all of a sudden, and I suspect this is the reason we have the motion before us today, the whole dependency on nuclear power has become questionable, and understandably so in the light of the consequences which can be caused by a major disaster. I do not know how well we can change our course of action at this point, having already built what we have built, but certainly we are still in time to determine our future and decide whether we stay where we are without adding to the number of nuclear reactors, some of which are being planned in some quarters.

Even if we continued with our dependency on nuclear power, we could still begin a policy of gradual reduction of that dependence over the long term, if that is the will of Canadians. That could be achieved if we were to have a sufficiently long span of time. If we do that, we will have to be quite sure of the alternatives on which we will depend. I am told by scientists that in the long term there are opportunities shaping up in the field of energy by way of fission, that technology is advancing in the direction of producing energy by fission. This will permit the production of energy in the quantities we need without having to engage in processes like nuclear power, which are so disturbing in terms of realities.

I would imagine that the nuclear industry at this stage would do itself a great favour if it were to come finally to a conclusion in its research on how to dispose of spent fuel rods. There is a substantial quantity of these fuel rods accumulating at reactor plants in Ontario. This is temporary disposal in expectation of permanent disposition, which is the subject of intensive studies by the relevant authorities. I think the concern of Canadians would be partially allayed if the disposition of spent fuel rods could be resolved soon, so as to at least demonstrate that the industry is capable of disposing of its waste in a proper and environmentally acceptable manner.

• (1540)

Mr. Riis: Mr. Speaker, I listened carefully to the Hon. Member's presentation. I found myself agreeing with a great deal of what he had to say. I would like his view on the following. With regard to the whole area of nuclear energy we keep hearing from various sources, officials who represent the industry and now, most recently, from the Government, that everything is fine. The Minister of Energy, Mines and Resources (Miss Carney) indicated that the matter is being studied, but to date she and her colleagues have confidence in our own nuclear reactors as they operate in Canada.

I could not help but think back to a time, not many weeks ago, in the House when the Minister of Finance (Mr. Wilson) stood up and said that everything was fine with the two western banks, that the depositors and so on need not worry. He said: "Everything is fine. I am the expert. I am the Minister of Finance and I know these things". The Minister of State for Finance (Mrs. McDougall) then stood up and said: "I am second-in-command here. I have expertise in banking. The banks are sound and stable. There is no worry at all". Even the Inspector General of Banks, the top-ranking public servant in banking matters, said on many occasions: "There is nothing to worry about. These are fine, upstanding, strong and stable banks". Then the Governor of the Bank of Canada stood up and said: "The banks are fine". These were statements made by the most senior financial officials in Canada. They said that our banks, in this case the Canadian Commercial Bank and the Northland Bank, were perfectly sound. They were absolutely and totally wrong.

When we hear officials in the nuclear industry now stand up and say: "Everything is fine and safe, there is no need to worry, we have all safeguards built in", and when the Minister of Energy, Mines and Resources stands up and says: "Everything is fine, we have full confidence in the system", one begins to realize why we are less than confident in their words.

This is what I want to ask the Hon. Member, is not the nuclear industry existing on a whole set of lies in which people say that the industry is, in fact, safe when no one knows for sure if it is or not? This is why we are arguing that, not knowing for sure, we should not proceed to develop such, if you will, a horrible industry in terms of what it can do to humanity. Is this not an industry based on lies, lies from whatever country, at whatever level of the bureaucracy, either here or in other international spheres?

Mr. Caccia: Mr. Speaker, the Hon. Member for Kamloops—Shuswap (Mr. Riis) attributes to me a greater knowledge than I have in my capacity to analyze the industry's qualifications. I am inclined to think that the industry is comprised of professionals who believe in what they are doing. They have produced energy for Canada according to a technology which has its good features and its negative features. Therefore I do not think it would be wise to describe the people in that industry in the way in which the Hon. Member has, although I can understand that he wants to make a point.

The fact is that the industry in Canada is not operating in isolation. There are nuclear reactors which have been built, are being built and which will be built outside Canada, in substantial numbers. While all this is taking place there is no international set of rules on how to protect ourselves as a species while all this is going on. I do not consider this to be a Mephistophelean plan being undertaken by a few evil-minded individuals, but by technicians who are pursuing a certain technology which is available, which mankind has discovered and which—

Mr. Riis: Which they say is safe.

Mr. Caccia: —they claim is safe.

Having said that, there is nothing wrong with politicians displaying a healthy degree of scepticism on behalf of the public. Judging by the competent questions the Hon. Member for Kamloops—Shuswap asks of the Minister of Finance (Mr. Wilson), I am sure that is something of which the Hon. Member is capable. I say that it is good, particularly in the Opposition, in order to demonstrate that we want to probe and press any statement which comes from the government side, including statements with regard to this particular sector.

In conclusion, as I understand the issue at this stage at least, I am more pre-occupied with the horrendous vacuum which surrounds these 26 nations which have 374 reactors, in that there are no game rules for international protection in view of the international consequences of disasters. Perhaps I am somewhat narrow-minded, but we all have our weaknesses.

Mr. Fulton: Mr. Speaker, I have a brief question to ask of the Hon. Member who gave what I thought was a very good and interesting speech. I am sure he is aware that motion before the House is for Parliament, and in particular for the Government, to consider having a full public inquiry into nuclear power, as was promised during the election campaign. We have heard and seen in the press differing views from different members of the Hon. Member's Party. I would like to know whether the Liberal Party has a solid position in relation to having or not having a full public inquiry into nuclear power.

Mr. Caccia: Mr. Speaker, I hope that at the next convention, which will be held here in Ottawa in November, we will tackle this very important issue. I would also like to add that in tackling it I would like to see it approached as an over-all issue; that is, one with respect to the importance of determining for Canada the elements of an energy plan with a certain date in mind. In this way it can be established how much we want to depend on each of the components within an energy plan, including nuclear, as opposed to singling out one.

Why am I saying this? I think that it is a more productive exercise to look at a distant date. This will make the issue less political, since we do not know who will be in power in the year 2010. Therefore the exercise can be somewhat cooler. It can include the examination of the four or five components which I mentioned, oil and gas, biomass, solar, wind, nuclear and so forth. The Canadian public can be actively engaged in the exercise in an attempt and read what our requirements will be as a total. Then we can break that requirement down by sector and get a reading, a sense of direction from the public that we would consult. I hope that we might be able to do that, although I cannot give the Hon. Member a guarantee that it will occur at our convention here in Ottawa.

Mr. Ravis: Mr. Speaker, I do not have a question for the Hon. Member, but I would like to make a comment as someone who hails from the largest uranium-producing province in this country, if not in the world, that is, Saskatchewan. One thing I found decided after listening, not only to the Hon. Member for Davenport (Mr. Caccia) but the other two speakers from the NDP Party who preceded him, was that if in fact the industry is made up of a lot of people who tell lies, then I guess I have to ask the following rhetorical question. What happens to someone who spends $600 million of public money in Saskatchewan to open up these mines and who encourages the investment of literally millions of dollars from the international market-place, and from the mining industry, when we now hear from the Leader of the NDP Party in Saskatchewan that maybe these mines might be closed down? It is no wonder that the industry is in a great state of confusion.

Mr. Riis: Mr. Speaker, I rise on a point of order. I think my hon. friend made an inadvertent error when he referred to the NDP Party—

The Acting Speaker (Mr. Charest): Order, order.

Mr. Riis: NDP Party would mean the New Democratic Party Party.

The Acting Speaker (Mr. Charest): Order, please. Has the Hon. Member for Saskatoon East (Mr. Ravis) finished his comment?

• (1550)

Mr. Ravis: Mr. Speaker, I just wanted to make a comment. I did not have a question.

The Acting Speaker (Mr. Charest): Very rapidly, the Hon. Member for Davenport (Mr. Caccia).

Mr. Caccia: Mr. Speaker, the comment requires a quick clarification. The Hon. Member for Saskatoon East (Mr. Ravis) attributed to me a statement which I did not make when describing the industry. Therefore, it was made by someone else. Second, I am not aware of any decision made in Saskatchewan by the NDP to eliminate or even reduce its use and dependence on nuclear energy.

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, in listening to the presentations made by my colleagues today, I was taken back only a few days to the visit I made on behalf of the Government of Canada to Romania last week. The President of Romania, President Ceausescu, is an outspoken world leader for peaceful use of nuclear energy and power—

Mr. Caccia: But he hasn't got the money to pay. That's his problem.

Mr. Waddell: Put his money where his mouth is.

The Acting Speaker (Mr. Charest): Order.

Mr. Layton: In the last 15 or 17 years, the Government of Romania has examined the energy needs of that country. Let us just imagine having lived in Bucharest last winter and having been permitted only one 40-watt light bulb. This was done in order to bring that country's economy into balance with its ability to pay. It is reducing its international debt. In putting themselves through that, Romanians have made a decision, with all of the technology at the disposal of that country and with the Government's capability to negotiate, to acquire the technology which Canadians developed, the CANDU nuclear reactor.

Our visit was coincidental with the accident at Chernobyl. Romania is within the 500-kilometre ring that was uncertain for public safety. Notwithstanding this, that society is totally committed to its need for nuclear energy.

We visited one single site at which four units of CANDU capacity are being constructed at the same time. There is confidence that Canadians and Canadian technology are capable and safe.

You will recall, Mr. Speaker, having shared in those discussions with the Romanian leaders, that the one thing they were looking for from Canada was the reassurance and reminder that, when dealing with danger, quality control in all its elements, including design, construction, equipment, installation, operation and supervision, will become more and more essential. Canadians working around the world, particularly in such a strange environment as eastern Europe, are looked to with confidence for that kind of quality.

We as a Government are concerned with safety for workers. We are concerned with safety for the public. We are doing this by demanding and rigidly applying all of the standards we have developed along with the Atomic Energy Control Board. It would be very easy to say: "Let's put a moratorium on the nuclear energy industry. Let's close it up. Let's go to some other alternative". However, all of the soft alternatives like solar, wind and wave energy are, as anyone with an engineering background will conclude, very limited resources compared to the demands our society today makes on its energy systems. Low-cost oil and gas is inevitably limited. Alternatives such as coal introduce other environmental concerns and costs.

When Canada shares its advanced, reliable and Canadian developed technology with Romania, Korea or Argentina, we do it with a sense of responsibility. The Government and the business community work together to ensure that the country that is applying that technology will receive our best counsel. We have confidence in our skills and technologies. That includes not simply the front end of the cycle at mining.

I was happy to hear the Hon. Member for Algoma (Mr. Foster) refer to the tremendous uranium mining industry and our ability to refine uranium for the market-place. I will reassure the Hon. Member that it is our policy to refine our resources as much as possible here in Canada.

Mr. Waddell: Including uranium?

Mr. Layton: Including uranium.

I was a little puzzled by the speeches by representatives of the New Democratic Party. They seem to be out of step with reality.

Mr. McDermid: You shouldn't. It's the same old wacky—

Mr. Layton: Same old NDP. They talk as if there were not a nuclear energy industry in Canada. A few moments ago, the Hon. Member for Saskatoon East (Mr. Ravis) said that Saskatchewan is without any doubt the most richly endowed resource centre for uranium in the world. That is something that has been given to Canada to share safely with the world.

I welcome the opportunity to speak on this opposition motion. It is a motion that allows us to put the facts on the table, and the facts are clear when it comes to the issue of nuclear power in Canada. First, let us look at the differences between Canada's CANDU system and the nuclear systems of the Soviet Union.

Over the past 26 years since Canada entered the nuclear age, the CANDU system has constantly out-performed almost every system in the world, both in terms of generating capacity and safety. Of the 212 large power reactors in the world, six of Canada's 18 CANDUs were in the top 10 in terms of lifetime performance.

Our capacity of 11,000 megawatts exceeds that of the entire James Bay hydro-electric complex and ranks Canada sixth in the world ahead of Great Britain and 15 other OECD countries. Nuclear power met 13.5 per cent of all Canadian electrical demand last year and almost 40 per cent of Ontario's demand in 1985. In other words, we believe that nuclear power in Canada is here to stay.

Nuclear power provides direct employment for 35,000 people. It generates well over $1 billion worth of electricity each year at costs considerably less than the next best alternatives, imported coal or oil.

The Canadian nuclear industry has always been aware of the potential hazards of producing energy from nuclear fission. It has always met the strict regulations of its licensing authority, the Atomic Energy Control Board. As a result, the CANDU nuclear reactor has a safety record virtually unequalled by any other industry. In 133 reactor years of CANDU operation in Canada, there has never been an injury of any kind to a member of the public. There has never been a release of radioactivity of a measurable exposure from any Canadian nuclear station to the public. In over 100 million person-hours of work carried out, no one has been killed or injured through the production of nuclear power.

Since the early 1970s, Ontario Hydro has tried to keep radioactive emissions from CANDU nuclear plants to 1 per cent or less of the regulatory limit set by the AECB.

• (1600)

The AECB annual regulatory limit has never been exceeded, and generally Ontario Hydro has met its self-imposed limit. Regular monitoring shows that radioactive emissions from nuclear power stations are only a fraction of emissions from natural sources and have a negligible effect upon the environment.

A person living on the boundary of a CANDU station would receive only one millirem of radiation per year. This compares with about 100 millirem per year from natural sources. The maximum permissible annual dose for an individual member of the public is 500 millirem.

The CANDU safety approach recognizes that systems and human beings are not perfect. CANDU plant design minimizes the effects of such failings. In practice, good design ensures that an accident is unlikely to occur. This is coupled with strict quality control during manufacture and installation, and with periodic inspection of the major components during the lifetime of the plant.

Information about Canada's nuclear system is widely available. The industry is regulated by an independent body with an expert staff, the AECB. All unusual incidents at nuclear power plants, however minor, are reported to the AECB, and the reports are available to the media and the public. There is a continuing review of reactor safety to build in lessons learned from normal operation and accidents.

The Chernobyl reactor is different from CANDU reactors. Nonetheless, our officials will study that accident, looking for ways to improve our safeguards.

There are serious public concerns about the Tchernobyl accident. Health and Welfare Canada is monitoring conditions to protect the health of Canadians. Radiation is considered a particular hazard in many peoples' minds, perhaps because of its association with cancer. Critics insist that there is no safe level of radiation; even small doses carry some risk with them. In order to be on the safe side, regulators accept this as true and set their permissible levels accordingly. However, it takes a significant dose of radiation to produce a significant risk of cancer. In the same sense, there is absolutely no safe level of doing anything, even driving to work.

The impact of low level radiation on health is so small that it is very difficult to measure. We all receive a dose of about 300 millirem each year from natural and medical sources. This is much more than the few millirem we could receive each year from living next door to a nuclear plant or a uranium mine.

By comparison, a cross-Canada return jet flight would give an additional dose of a few millirem. This is equivalent to the health risk incurred by smoking a single cigarette. A larger additional dose could be received by simply moving from one location in Canada to another because of the variation in natural radiation background.

Finally, let me come to the question of whether we need a royal commission to investigate all the implications of uranium mining and the nuclear fuel cycle in Canada. There has been a large number of public inquiries into nuclear power in Canada in recent years, and their proceedings and reports have contributed to the information and analysis available to the public.

The Ontario Royal Commission on Electric Power Planning, known as the Porter Commission, published a comprehensive set of reports after five years of work and several million dollars worth of expenditures. The Cluff Lake Board of Inquiry has also reported. These two bodies have taken a very broad view of their mandate and have considered international implications, as well as the moral and ethical aspects of the entire nuclear fuel cycle. In each case they have endorsed the use of nuclear power.

In Ontario a parliamentary select committee on hydro affairs investigated a number of aspects of the nuclear industry—electrical demand, reactor safety, and waste management practices, including the joint Canada-Ontario program for the management of spent reactor fuel wastes and the problem of uranium mine tailings. The committee found that Ontario's nuclear reactors were acceptably safe, thereby justifying the confidence the Government has in the future of

the CANDU nuclear industry in Canada and around the world.

Uranium mining and upgrading are important sectors of Canada's great mining industry. After iron ore, copper, zinc, nickel, and gold, uranium is the most important mineral mined in Canada. Canada has a reputation for reliability and quality in terms of its deliveries around the world. We do not only sell the technology which permits the peaceful use of nuclear energy, we also have that great raw material, uranium, which can go into making those plants work. Safe and secure disposal of radioactive waste is a commitment of the Government. We are taking action on this commitment.

On behalf of the Government, I believe that the proposal of the opposition Party for an urgent and immediate study of the nuclear industry is unnecessary at this time.

Mr. Fulton: Mr. Speaker, the Minister seems to make it sound as if he has absolute, total confidence in the Atomic Energy Control Board and in the industry saying that there is nothing to worry about, that no one should blink an eye. He and other members of his Party ran on a platform which indicated that they would call for a full public inquiry into nuclear power. I should like to ask the Minister whether or not he agrees with the following quotation. I remind him that he ran on it and was elected on it. In part the book entitled *Myth of the Peaceful Atom* reads as follows:

> The power base of the Canadian nuclear lobby originates in the upper echelons of the AECL and Eldorado. Most of the key figures in the Atomic Energy Control Board (AECB) come from these two Crown corporations, as do most of the top Canadian government advisors on nuclear policy. In 1970, the Canadian Senate Committee on Science Policy declared that it was "startled to learn that most of the members of the AECB prove to be senior representatives of the very agencies" which the AECB is supposed to control.
>
> The AECB has, as a result, come under heavy criticism. The Paris-based Organization for Co-operation and Development has complained that the cozy relationship with the nuclear industry is an "implicit conflict of interest". The OECD also pointed out both the AECB and the AECL reports to the same Minister—Energy, Mines and Resources. The British Columbia Medical Association called the Board "unfit to regulate" and before the B.C. Royal Commission on Uranium Mining stated: "It is obvious Canadians cannot continue to allow vested interest ministries and regulatory bodies to promulgate maximum permissible dose limits . . . A review of the appropriateness of current radiation exposure limits in effect in Canada is long overdue".

The Minister is responsible for mining. He was elected upon calling for a full public inquiry into nuclear power. Does he not think that we should have one in relation to this evidence?

Mr. Layton: Mr. Speaker, I should like to respond to the Hon. Member for Skeena (Mr. Fulton). Yes, there is an element of risk, and that was certainly carried through my remarks earlier. There is no activity in which mankind engages involving equipment or movement that does not involve some element of risk. I believe we have the capacity—and we have demonstrated it—to control that risk to acceptable levels. We constantly learn from experience, our own and others, to introduce more safety into our lives. Despite the risks to which we are exposed today, radiation being among them, we all live longer. I think mankind, all human beings, has a particular capacity to learn from and grow with the changes which we face.

It is not an absolute confidence. It is a confidence in our ability to respond with the skills we have to control the environment in which we live. This does not mean that there will not be some mistakes. I believe in the Canadian approach to this. I shared these feelings and found myself to be in harmony with the others who were engaged in the discussions a week ago in Romania. They have a confidence in the way Canada presents itself, the way our technology is developing, and the way it is administered. They are in a hurry to have that power. The one thing they would like more than anything is to turn on the machines. Our advice is that they can do so only when everything has been properly quality controlled and inspected. Our Romanian partners are accepting those conditions.

• (1610)

It is a confidence that is based on a recognition that there is always a risk. I do not know when there would not be some reference to a risk. This one is a particular risk and you have to learn to live with it. Some Members have heard the discussions that we have had in past months on the asbestos industry. Is it ever absolutely without risk? No, it isn't but there is a controlled use approach which makes it safe for the worker, the miner and the public. I believe the same principle applies here.

Mr. McDermid: Mr. Speaker, I would like to ask the Minister a question. The Hon. Member for Kamloops—Shuswap (Mr. Riis) made the statement that the nuclear industry was made up of people who tell lies.

Mr. Fulton: Unfit to regulate.

Mr. McDermid: Let me ask the Hon. Minister if that is not attacking some of the most able scientists, engineers, medical practitioners who are involved in the industry. Also, doesn't his comment bring into disrepute the hearings on the nuclear industry carried out by the churches in Toronto as late as 1984?

Mr. Riis: In support of it?

Mr. McDermid: An impartial panel concluded that nuclear power was an important and viable option among available energy resources. Also doesn't the Member's comment attack the Vatican which four years ago supported nuclear power as an alternate source of energy?

Mr. Waddell: Mr. Speaker, I have a comment and a question. I heard the Minister talk about Romania, Korea and Argentina. There are fine engineers, no one is disputing that. We have come down a long slope to where we are scraping the bottom of the barrel trying to sell reactors. How does the Minister feel about that? We have to go to these regimes which are perhaps not the most stable regimes in the world desperately finding sales for a bankrupt industry. I would like

the Minister to address that point. Would he also address another problem? Does he deny that he ran on the Conservative Party platform which advocated a full public inquiry into the future of nuclear power? Did he or did he not run on that platform? Did he fraudulantly run on that platform? If the industry is so safe, so productive and so needed for jobs why are the Tories afraid to have an inquiry into how good it is?

Mr. Layton: Mr. Speaker, it appears to me that the call for a public inquiry at this time—

Mr. Riis: It was your call two years ago.

Mr. Layton: Members will recall, as read out by my colleague earlier today, that the Party policy included the reference "—and have opened the nuclear power approval process to the public".

Mr. Fulton: You haven't done that either. You are a hypocrite.

The Acting Speaker (Mr. Charest): Order.

Mr. Layton: We believe there are good markets for CANDU technology, but that means achieving entry into those markets.

Mr. McDermid: Mr. Speaker, I have a point of order. The Hon. Member called the Minister a hypocrite. I believe that is unparliamentary language and the comment should be withdrawn immediately.

Mr. Fulton: It isn't unparliamentary.

The Acting Speaker (Mr. Charest): Order, please. Would the Hon. Member for Skeena (Mr. Fulton) like to withdraw that comment immediately.

Mr. Fulton: I will, if it is unparliamentary, Mr. Speaker.

Mr. Layton: Mr. Speaker, in the excitement of debate, it was not noticed. I accept the withdrawal.

Mr. Fulton: You ran on a fraudulant basis.

The Acting Speaker (Mr. Charest): Order.

Mr. Layton: The people of Canada and around the world are having their full inquiry right now into nuclear energy. The Tchernobyl disaster has brought the matter to the forefront.

Mr. Riis: Is that what you meant in the campaign?

Mr. Layton: As for Canada having to scrape the bottom of the barrel, Mr. Speaker, we have developed the finest technology, in my opinon, in this field.

Mr. Riis: Prove it.

Mr. Layton: It has been proved in the market-place.

Mr. Riis: You can buy drugs in the market-place.

Mr. Layton: It has right now been proved in performance. As to competing with other interests, be they French or American, there is no question we are in international competition. We don't win them all. We are not the biggest players. We do not have the resources to put behind our marketing that some other countries have, but we are doing a good job.

Mr. Riis: Even bribery didn't work.

The Acting Speaker (Mr. Charest): A very short question or comment by the Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Mr. Speaker, I want to compliment the Minister on his statement that he would stop exemptions to the further upgrading. Another Minister this morning said that the article in the *NuclearFuel* magazine of April 21, 1986 was not accurate, that the Government was not negotiating to get rid of the further upgrading of uranium in Canada policy. Could the Minister just clarify under what set of circumstances he will give exemption? Will it be less than 5 per cent or 10 per cent of the uranium exports? What assurances can he give to the uranium refining industry that this policy will not be bargained away in the free trade negotiations with the United States?

Mr. Layton: Mr. Speaker, let me start by correcting something. There has not been a statement that says there will be no exemptions to the upgrading policy that we would like to see applied. The three Ministers responsible have agreed, after discussions with the industry at the mining level and at the processing level, to find a formula to do away with all of the delays coming into the system. They agreed to this some months ago. It was put into effect last fall and all Parties are living with it. In particular, El Dorado Nuclear. Let me read two passages as follows:

[*Translation*]

"whose sale to the private sector is now under consideration, is one of Canada's major uranium producers. Our company . . . ", said one of their directors, " . . . was not overly affected by the recession and stagnation of the market of nuclear plants. We will continue to sell our uranium, in addition to processing foreign natural uranium into nuclear fuel used in foreign electrical power plants."

[*English*]

El Dorado Nuclear Corporation is quite prepared to meet the international competition. It has told us so.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Davenport (Mr. Caccia)—Environmental affairs— (a) Niagara River—Toxic chemical dumps sites. (b) Request for ministerial statement; the Hon. Member for Burnaby (Mr. Robinson)—Royal Canadian Mounted Police— (a) Reported allegations made by Superintendent. (b) Request for inquiry; the Hon. Member for Algoma (Mr. Foster)— Agriculture—(a) Effect of reduced initial price. (b) Request for 1985 initial price.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—REQUEST FOR PUBLIC INQUIRY— NUCLEAR POWER

The House resumed consideration of the motion of Mr. Fulton:

That this House urges the government to immediately initiate a full public inquiry into the future of nuclear power.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as the preceding New Democratic Members have pointed out, and as the Minister of Energy, Mines and Resources (Miss Carney) has been forced to acknowledge, the motion before the House today is taken verbatim from the Progressive Conservative 1984 Campaign Handbook. At page 113 it outlined the Conservative position on nuclear power. It reads:

We advocate a full public inquiry into the future of nuclear power—

We think that was written solely for the purpose of getting elected. When the Conservatives actually got into office they quickly forgot the solemn promises they had made to the people of Canada. They got power for themselves—their only real goal—and everything else went by the boards. Another sacred trust bit the dust.

• (1620)

Why does the Minister of Energy, Mines and Resources think we used these words in our motion today? We used them because they are precisely the same words as were in the Conservative campaign promise. We in the New Democratic Party now find ourselves pleading with the Government to live up to the promises it made to the people of Canada. At a minimum, the Government should live up to its promises.

This is nothing new. It seems that Canadians are now coming to expect this kind of dishonesty from the Conservative

Government. Nowhere has this transparent reneging on campaign promises been shown up more clearly than in the actions of the Minister of Energy, Mines and Resources. Immediately after the September, 1984, election, Energy Probe, the Toronto-based watch-dog group which has for years vigorously monitored energy policy development in Canada, wrote to the Minister to encourage her to follow through with her Party's clearly enunciated promise to launch a "full public inquiry into the future of nuclear power". The Minister rebuffed Energy Probe.

My colleague, the Member for Winnipeg North Centre (Mr. Keeper), then took up the cause of Energy Probe, and on April 1 of last year wrote to the Minister of Energy requesting yet again that the Conservatives honour their promise to have a "full public inquiry into the nuclear industry". That was on April 1. Perhaps the response of the Minister was more akin to an April Fool's joke. She replied:

I (do) not intend to broaden my consultations beyond the industry and the provinces in order to arrive at a decision on this matter. I have consulted with these sources and it is my view that a national inquiry on this topic is not a high priority at this time.

That is a complete reversal. It is a complete and total repudiation of the promises on the basis of which the Conservatives had made their grab for power only a few months before that. This is a sorry track record. We had hoped that perhaps the events of the last few weeks in Ukraine, to which the Minister of State for Mines (Mr. Layton) has just alluded, might have impinged upon the Minister's consideration of what constitutes, in her words, "a high priority at this time". The disaster at Chernobyl, and the even greater catastrophe of a reactor core meltdown which was so narrowly avoided there, has driven home to all sane people the horrendous dangers inherent in reliance on nuclear power.

The Minister of Energy talked about risks. There are risks in everything in life. There is the risk of getting hit by a car when you walk across the street. Look at the risks of having a reactor meltdown in Pickering or somewhere like that. It means death for the people around Toronto. You die.

Mr. McDermid: What nonsense.

Mr. Waddell: Let's not mince words.

Mr. McDermid: You fear-monger.

Mr. Waddell: If there is a reactor meltdown in Canada people will die. Whole cities could die. The world could die. I see Members laughing. They think it is a joke. It is no joke.

Mr. McDermid: You are absolutely irresponsible.

Mr. Waddell: It means death if there is a major accident in this country. The world came close in Chernobyl and we thank God that that did not go any further. We still do not know all the ramifications of that. I am not mincing words here. That is what it means.

It appears that the only result of the Chernobyl incident is that the Minister has used it to stall on the Party's promise. We all listened to her speech today in the House. She said that any decision about the need for a public inquiry into the role of nuclear energy in Canada must await reports from scientists about Chernobyl. I find this very strange. Is the Minister laying claim to some special Conservative ability to look into the future, some ability to see that when they wrote their campaign promise in 1984? Was there some small print that we missed in that campaign promise in 1984? Did they decide then that they would not implement their promise until a major nuclear disaster occurred some two years after they made their promise?

I have in front of me the appropriate page from the Conservative handbook which contains the campaign promise. It does not read: "We advocate a full public inquiry into the future of nuclear power following receipt of a full report on a major nuclear accident that will occur at a graphite-lined reactor at Chernobyl in Ukraine in the spring of 1986". I cannot find that anywhere. The position which the Minister of Energy enunciated in the House today was plainly ludicrous. As I understood it, she said that while we may still have an inquiry we have to wait to see what happens in Chernobyl. That is a fraud. That is treading water to get out of this debate because the Government is embarrassed about reneging on its campaign promise.

Mr. Fulton: That's why their Members are quitting.

Mr. Riis: Or going to jail.

Mr. Waddell: Much has been made in some quarters of the tardiness with which the Soviet Government came to terms with the scope of the Chernobyl disaster and the delays in the Soviets getting vital information to other governments and atomic control agencies. This is an important matter.

Those who watched *The Journal* on CBC television a couple of weeks ago may recall an interview with a British nuclear scientist who observed in this connection that the top Soviet leadership had reacted with considerable dispatch once they had been fully acquainted with the nature and import of the problem. He, of course, defined the problem as the bureaucracy, the politicians and leaders getting to know the extent of the problem because they must go through various levels of bureaucracy. This is a phenomenon which we have in Canada. A couple of Members on both sides of the House have alluded to that in this debate.

It was suggested that we were doing something bad when we raised the secrecy of Atomic Energy of Canada Limited and the Atomic Energy Control Board. I ask Members opposite to recall when, in 1977-78, the present Secretary of State for External Affairs (Mr. Clark) had to sue Atomic Energy to get information.

Mr. McDermid: Give him credit. It's available today.

Mr. Waddell: I give him credit. It was so secret that he had to go to court. A House of Commons committee has talked about AECL witnesses as being reluctant, evasive, and uncooperative in many ways. This is the nature of bureaucrats in this particular field. There is a tendency toward this in bureaucracy.

We have also seen another tendency, and that is to always have a kind of Pollyanna approach that there is not going to be an accident. I want to read to you from the Louisville, Kentucky, *Courier-Journal* of Monday, April 23, 1979. This is an account of a meeting in Moscow by American Congressman Michel of Illinois who was talking to the Soviets. Michel said:

—the Soviets do not plan to curtail construction of their nuclear power plants, which they feel are safer than those in use in the United States.

"They feel their safety provisions are such that they can proceed not only with the current model (of reactors) but with a fast breeder reactor.

During the Three Mile Island crisis the Soviet press said their nuclear power plants have a safer cooling system and are run with a better view toward safety than are the American plants.

Does that not sound familiar?

Mr. McDermid: Who said that?

Mr. Waddell: This is the Soviets commenting on Three Mile Island.

Mr. McDermid: Yeah, and they told us there wasn't an accident for a week after it happened.

Mr. Waddell: They told us they had safe plants and that they would not have an accident. Is this not the same kind of stuff that we are hearing from the Government today? Make no mistake, we do not want to have a nuclear accident, but we want to ensure that it does not happen in Canada.

We are having this debate today because in this way the Canadian public can see the dangers. People in my constituency are afraid of the rain that is falling. People in Ottawa were afraid of that. There are real fears. They are examining food in Europe. This is the time for the world to think about what is going on. While we are talking about the much vaunted superiority of the North American nuclear reactor design we should recognize that it is generally acknowledged that the Three Mile Island reactor came within a half hour of suffering a full-scale reactor core meltdown. I quote John Swaigen, an environmental lawyer from Toronto who said:

There are many uncomfortable parallels between the situation in the Soviet Union and in Canada. Both are Arctic countries with similar climates. Both have nuclear facilities sited near major cities.

• (1630)

Our scientists assure us that our nuclear plants are safe. So did theirs. In this field at least we share the Soviet Union's preoccupation with secrecy.

There is a reactor in Hanford, near the Columbia River in the State of Washington, just south of British Columbia. I raised this in the House today. It is a graphite reactor like

Chernobyl. It is uncontained like Chernobyl. It is 40 years old and has been described by Dr. Rosalie Bertell, a research scientist and consultant to the U.S. Nuclear Regulatory Commission, as an accident waiting to happen. She wants to have this reactor closed. She says it is "so old anything can happen". I asked the Secretary of State for External Affairs about this today. He did not even know that his Department had been talking to the Americans about this reactor. Those are the kinds of things we would like to see in the inquiry. Are we prepared for a disaster in Canada? Are we talking to the Americans about their old reactors? Are we looking into the safety of our reactors as well as theirs? Are we looking into the burial of spent fuel? Are we looking into the dangers of low radiation tailings, as my friend from Skeena pointed out? How much are we paying for these reactors? What are the alternatives? Can we get into energy conservation? All these questions need to be addressed.

The NDP have put forward other Bills on this subject. The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) put forward a Private Members' Bill to establish a moratorium on the continued development of nuclear power in Canada. We have been trying consistently to get a full inquiry into this matter.

I want to reply to something raised by some Conservative Members. They have said it is going to be difficult to take us out of the nuclear system. I agree that some hard decisions will have to be made. Jobs are on the line. Scientific prestige is on the line. However, leadership means that you have to face these kinds of decisions. There are other answers. The Hon. Member for Skeena (Mr. Fulton) talked about alternative jobs involved in cleaning up the tailings and decommissioning the plants. Working people do not have to be put out on the street. Sweden has had to face this problem. Like Canada, Sweden has developed a reliance on nuclear-generated electricity. As a matter of fact, over 40 per cent of Sweden's electricity is currently nuclear generated. In Canada in 1983, it was about 12 per cent to 13 per cent. Sweden is far more heavily dependent than Canada on nuclear power, and any movement away from nuclear power would cause far greater economic dislocation than that facing Canada.

In saying that, I take into account the severe impact such a decision would have on particular regions of the country. I fully recognize that Ontario projects that by 1990 nearly 60 per cent of electricity produced by Ontario Hydro will be nuclear generated. However, I think the Swedish experience is directly applicable to Canada, particularly Ontario. In Sweden the major commitments to proceed with nuclear power were made between 1956 and 1970. Then questions emerged as to the wisdom of doing this. A public debate ensued. That culminated in 1980 with a national referendum in which the Swedes decided to abandon nuclear energy. This, of course, is the reason the Government is afraid to have an inquiry. The powers that be do not want an inquiry that would lead to a public debate which might in turn lead to the Canadian people doing something about nuclear power.

As a result of that referendum, the Swedish Parliament set up guidelines for the phasing out of nuclear-generated power. The guidelines stipulated that no further construction of nuclear reactors would be undertaken beyond the 12 existing or under advanced construction at the time. The last reactor would be taken out of service by no later than 2010, after an estimated operating period of 25 years. They set a sunset period. A National Board for Spent Nuclear Fuel was also established to oversee the management and disposal of waste generated by the Swedish nuclear program up to its termination. They have tried to start dealing with nuclear waste. An important consequence of this decision is that by limiting the nuclear program in time and size, the Swedes also set limits for nuclear waste production.

The importance of the Swedish experience in providing some guidelines for Canadian nuclear policy lies in the thorough technical follow-through which they have constructed to deal with the fallout of these fundamental policy changes. Even before the 1980 referendum their Parliament had passed, in 1977, a Stipulation Act under which permission to load a nuclear power reactor for the first time can be given only if the owner had shown that the spent fuel could be quite safely disposed of. After the referendum the Swedish Parliament unanimously passed, in 1981, a law concerning the financing of future expenditures for spent nuclear fuel. In this legislation, in which the main principles for the present day Swedish waste management policy were laid down, they dealt with the planning and financing not only of long-term waste management, but of the ultimate decommissioning of existing nuclear reactors. That is what my friend from Skeena was talking about.

What are the lessons for Canadians that emerged from the Swedish experience? How does that experience relate to the motion before us today? First of all, we in the NDP recognize that decisions must be made in the real world where major shifts in energy development cannot occur overnight. However, at some point a first step must be taken if somewhere down the road we are to arrive at a desired destination. That is all we are asking for. A first step by this Government was promised two years ago, which it has not yet taken, and which, according to the Minister's statement today, it is going to continue to postpone on the flimsiest of pretexts, that of an inquiry into the future of the industry. Can you believe the gall exhibited by the Minister's position? A campaign promise ought not to be dealt with because an event totally unforeseen when the promise was made, the Chernobyl disaster, has not been fully reported on. That is ludicrous. Who does the Minister think she is kidding with this trite, facile evasion?

I want to conclude by replying to the speech of the Minister of State for Mines. He is a decent man and he gave a decent speech. He raised the question of why are we not up-to-date. I think we are really up-to-date. I think the issues in the 1990s are going to be health, peace, environment, leisure, and technology. Who is out of step? I think we are in step. We are dealing with those issues today. We are not asking for the

decommissioning of all the plants. We have suggested the way the Swedes have dealt with the problem. We are not asking to even stop the expansion of reactors. We are simply asking the Government to live up to its campaign promise, which was that there would be an inquiry into the future of nuclear energy. After Chernobyl, I cannot think of any inquiry which is really more essential than this particular one. I cannot think of anything. The Conservatives are just not listening to the Canadian people. Who is out of step? Not us, Mr. Speaker, but the Conservative Government.

[*Translation*]

The Acting Speaker (Mr. Leblanc): Questions or comments. The Hon. Member for Skeena (Mr. Fulton).

[*English*]

Mr. Fulton: Mr. Speaker, when the Minister was speaking, he painted the issue of safety concerning the nuclear industry, the questions of radiation and storage of waste and so on, as comparable to smoking a cigarette and driving a car. I find that ludicrous. I would like to ask the Member who just spoke to comment on the following, which relates directly to the matter of radiation.

No amount of radiation is considered safe. Despite this, the exposure levels for uranium and nuclear workers is 10 times the limit set for the general public. Many questions remain about the scientific basis for these levels. The Atomic Energy Control Board, which the Minister of State for Mines (Mr. Layton) and the Minister of Energy, Mines and Resources (Miss Carney) spoke about, the federal Government's nuclear watch-dog, says a worker exposed to the limit runs the risk of dying of cancer caused by radiation seven to eight times the average risk for workers in safe industries, and two and a half times the highest accidental death rate found in mining and quarrying. Even these figures are now considered conservative.

[*Translation*]

Mr. Fontaine: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Leblanc): The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: Mr. Speaker, that is neither a question nor a comment. It is a second speech. Other Members on this side of the House have been seeking the floor. This is the time for questions or comments, not to listen to a second speech by the Hon. Member.

The Acting Speaker (Mr. Leblanc): Order, please. The Hon. Member for Skeena (Mr. Fulton).

[*English*]

Mr. Fulton: I will carry on after that unfortunate intervention, Mr. Speaker. Much of the evidence for risk comes from the study of survivors of the Hiroshima and Nagasaki bombing.

Mr. McDermid: Oh, oh!

Mr. Fulton: In the past three years, new evidence indicates survivors were exposed to less radiation than previously believed. Ever since the early post-war years, scientists have been meticulously recording the development of cancer and other diseases among the 80,000 survivors of Hiroshima and Nagasaki. Scientists have been relating cancers to the doses that the victims received. The original estimates of those doses are now recognized to be too low, which means that the cancers observed were caused by lower doses than originally thought.

• (1640)

Doctor Edward Radford, Chairman of the U.S. National Sciences Committee on the biological effects of ionizing radiation, said that the radiation risks are at least 10 times worse than generally accepted. In terms of the radiation levels alone, aside from the other questions of safety—here I am talking about the safety of the workers that the Minister of State for Mines claims to represent so carefully—here is evidence from the U.S. National Sciences Committee saying that our level of risk in Canada is perhaps 10 times higher than the AECB is prepared to admit. I would like to ask if that alone is not grounds for a full public inquiry?

Mr. Waddell: Yes, of course, it is. We are finding out more and more about nuclear radiation. A group of Japanese doctors visited Vancouver this year. They examined the survivors of Hiroshima. I will make the report available to the House if some Members would like to see it. In the report they show that there are increased cancers, increased levels of tension and various heart problems. They are just beginning, after 20 years, to really learn about this. We are dealing with different risks and we are dealing a lot with the unknown, all the more reason why we should have an inquiry into this matter. I do not think we have had a federal inquiry. The Government keeps mentioning provincial inquiries. We want a federal inquiry.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I listened carefully to the comments made by the Hon. Member for Vancouver—Kingsway (Mr. Waddell), in a very quiet House, because in the last half-hour we haven't had a single Liberal Member here representing his or her riding. So I listened to his comments, and on the basis of what he said, I tried to find some indication of some kind of philosophy. I heard him say some very negative things, but I wonder whether he is not forgetting the Canadian economy, an economy that annually produces $500 billion in goods and services.

I also wonder whether he can appreciate the economic context of this question and realizes what would happen if his shortsighted ideas were implemented. If the entire nuclear industry were paralyzed in this country, the effects would be felt, because you Members of the socialist party depend on Canadian industry as well. And if you keep on destroying that industry the way you are now, you will no longer be able to enjoy its benefits, and you will only have the international

unions left to make representations . . . So I ask you to stop insisting on killing the goose that lays the golden eggs, and to try and contribute to the development of our economy and discuss ways of doing this.

Mr. Waddell: The New Democratic Party didn't promise an inquiry into the nuclear industry in Canada, the Conservative Party did, and perhaps I could put a question to the Conservative Member from Quebec, and ask him why he ran for the Conservative Party. He promised an inquiry into our nuclear industry. Why isn't he speaking in this debate and why doesn't he ask his Minister for an inquiry?

Now, as far as the Canadian economy is concerned, that is a good question. I gave the example of the Swedes who have the same problem, with a country that is very industrialized, like Canada. They have decided to deal with the problem and phase out their nuclear industry after a certain time. As far as we are concerned, we are asking for an inquiry, and perhaps the problem you mentioned could be discussed within the framework of that inquiry. I understand that the Hon. Member may be speaking in this debate now and may support the position of the New Democratic Party, and after that, perhaps he could join us.

Mr. Fontaine: Mr. Speaker, as for the last comment by the Hon. Member for Vancouver—Kingsway (Mr. Waddell), he can wait until Hell freezes over. Before I cross the floor to join a socialist party, the radioactive isotopes released two weeks ago by the nuclear accident in Kiev will have long disappeared.

When the Hon. Member talks about an inquiry into our nuclear industry, I think our departments have sufficient experience to be able to deal with this important question on their own, and when he talks about what is happening in Sweden, we as Canadian parliamentarians are here to represent our respective ridings and not to comment on Sweden's problems. We are here to protect the interests of Canadian citizens, and we will do so by helping to develop our Canadian industries, something you in the socialist party have always tended to forget. And I wish you would repeat this tomorrow to our Liberal colleagues who are not here today.

Mr. Waddell: I agree with the fact that the Liberal Members are not here. The Conservative Member is right, and it is because the Liberal Party can never decide what position to take on this question or on any other question.

[*English*]

Let me say that there are alternatives to jobs in the nuclear industry. I ask the Member to look at that. A conference was held yesterday in Toronto and the Minister of State for Mines spoke there. I was there the other night and I looked at the fantastic machinery in the solar industry, the heat pumps and in conserving energy. There are a lot of jobs in a conserver society. Amory Lovens, the American expert in this field, says there are more jobs by far for the dollar in the conserver society than in the nuclear society.

I think the nuclear society is *passé*. I think it is finished. I said in my speech that the Government must be strong enough to recognize what is happening. This Government should not get down on bended knee to Romania and Argentina—we'll be selling them to Libya next—to try and sell the reactors. We should go into the conserver society in a whole different way. In any case, the Member may not agree with me, but—

[*Translation*]

—but I would still say today that this matter deserves an inquiry.

The Acting Speaker (Mr. Leblanc): Order, please. The time allotted to the Hon. Member has expired.

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have been sitting here all day listening to the excuses and the arguments that the New Democratic Party has put forward. I want, at the outset, to say to those people who may be watching on television, to those in the House and to those who may read *Hansard*, that the New Democratic Party is opposed to any form of nuclear energy, period. That is their policy, it has been for a very long time. As long as we understand where they are coming from in this debate, it probably puts it into a much better perspective. They are against anything nuclear.

Mr. Fulton: That's false.

Mr. McDermid: It is not false, it is very true. That is the stand they have taken here. We have one experimental reactor in the Hon. Member's City of Vancouver, by the way, which the city council calls a nuclear free area, and there is a reactor at the University of British Columbia. I do not know what they are talking about. I have not heard them talking about getting rid of that.

Mr. Waddell: It's not a reactor.

Mr. McDermid: It certainly is. There are a number of them throughout Canada being used in universities on an experimental basis. They are being used for medical reasons and so on and so forth. The New Democratic Party is opposed to anything nuclear. The Hon. Member for Kamloops—Shuswap (Mr. Riis) stands up and says everyone in the industry is a liar.

• (1650)

Mr. Fulton: Point of order.

Mr. McDermid: That was exactly his statement.

Mr. Fulton: Mr. Speaker, a great deal of what the Hon. Member is putting on the record is patently false. I think people should be aware of that—

Mr. McDermid: That's not a point of order.

Mr. Fulton: —although that is often his way.

Mr. McDermid: That is not a point of order, it is debate, and the Hon. Member knows that full well. Hon. Members of the New Democratic Party talk about campaign promises, but in the election campaign that Party said it was against NATO, NORAD and Canada should withdraw and not participate.

Mr. Riis: Tell us why you broke your campaign promises. Why did you lie to the people of Canada?

Mr. McDermid: Those Hon. Members said: "If we were the Government, we wouldn't do that".

Mr. Fulton: It is your campaign promise you are debating today. You are the one who is a fraud. You're a fraud.

Mr. McDermid: But what are those Hon. Members doing now? They are reconsidering their position.

Mr. Riis: You lied to the people of Canada.

Mr. Fulton: You don't know anything about what you are talking.

Mr. McDermid: I have them going now. We have rattled their chains a little, Mr. Speaker. We have them hollering over there. The Hon. Member for Skeena (Mr. Fulton) is upset all of a sudden because—

Mr. Fulton: Because you don't tell the truth.

The Acting Speaker (Mr. Leblanc): Order, please.

Mr. Riis: You have no respect for the Chair.

The Acting Speaker (Mr. Leblanc): Order. The Parliamentary Secretary.

Mr. McDermid: Thank you, Mr. Speaker. It is very kind of you to let me speak. The NDP, with its screaming meemies over there, are getting a little agitated. It hurts them a little bit when the truth comes out.

Mr. Fulton: That's because you were elected fraudulently.

Mr. McDermid: They cannot stand to hear the truth.

Mr. Riis: We don't change our policies.

Mr. McDermid: They try to shout me down. They cannot stand to hear the truth and that is a real shame.

Mr. Fulton: Oh, come off it. You sound like a mina bird.

Mr. McDermid: We sat and listened patiently to their speeches. We sat and listened patiently to the Hon. Member for Vancouver—Kingsway (Mr. Waddell), who screamed about death and how terrible it is going to be. The Hon. Member for Skeena himself talks about a nuclear bomb which was dropped on Hiroshima and Nagasaki. That is a red herring and nonsense to bring into a debate on the peaceful use of nuclear energy in this country.

Mr. Fulton: That's what Canadian radiation standards are based on. It just shows you don't know what you're talking about.

Mr. McDermid: It shows how insecure the New Democratic Party's position is when it brings in all these red herrings. If I have to stand here and try and speak over the screaming of the Hon. Member for Skeena, who called this debate—

Mr. Fulton: We are talking about your campaign promises.

Mr. McDermid: —who is not gentlemanly enough to sit there and listen to other opinions, I will. People of this country have opinions other than opinion of the the Hon. Member for Skeena. There are other opinions. If the Hon. Member would be polite enough to sit and listen to some other people's position—

Mr. Fulton: Oh, you are Mister Polite now. You have been barking and honking all day long.

Mr. McDermid: I sat here all day and listened to—

The Acting Speaker (Mr. Charest): Order. Order. I remind all Members that manners are not a subject matter of this Opposition Day.

Mr. Fulton: Well, one of the Muppets is talking.

The Acting Speaker (Mr. Charest): Order.

Mr. McDermid: In many instances I would much rather be a Muppet than an NDP, that is for sure. They make a lot more sense. I would like to cover three items, if the Hon. Member for Skeena will allow me. First, I want to talk about conservation and security of supply, which has been discussed here, second, the study of the nuclear industry and, third, the safe storage of waste from the nuclear industry. Those are three subject which have been broached by both Members of our Party and the Opposition. The Hon. Member for Vancouver—Kingsway and I agree wholeheartedly on the importance of conservation within the energy sector. There is no question but that conservation plays a very important role in conserving the finite supplies we have. I can tell the Hon. Member today that the Minister and I witnessed the signing of a contract on solar energy with the Government of China and one of our companies here in Canada, Petrosun. It is a $1 million contract. The conservation technology which was developed in this country is being shared with others around the world. Of course, that means jobs and income for Canadians. In Canada, as in other parts of the world, there must be an energy mix. The NDP would have us believe that we can rely solely on conservation.

Mr. Waddell: No, we never said that.

Mr. McDermid: Those Hon. Members want us to wipe out nuclear energy and the generation of hydro—

Mr. Waddell: What about oil and gas?

Mr. McDermid: That is fine, but the Hon. Member knows full well it is a finite commodity. That Party is the one constantly preaching conservation. The NDP is the Party asking us to look for alternative energy sources. This happens to be one energy source which is alternate from our oil and gas. It is one of many. It has a place in the mix of energy. We certainly support conservation. We support the industry.

If the Hon. Member had stayed at the conference and listened to the Minister's speech, he probably would have learned something. This Government wholeheartedly supports the conservation end of things. But we also support the nuclear industry because it plays a very important role in our energy mix. The NDP tells us not to burn coal because it creates acid rain, not to burn oil because it is disappearing, not to dam up any more rivers because we flood much needed land, not to do all this. That is fine, but where does our power come from? One of the advantages of Ontario, and Quebec for that matter, is an abundance of cheap power. That is why industries are attracted to Ontario. They know the energy is there and they know it is cheap. Forty per cent of Ontario's power is generated by nuclear energy, soon to be 60 per cent. That is very important for the economy of Ontario.

I would like to list the studies of the industry which are going on: the Environmental Assessment Review on New Brunswick's Point Lepreau nuclear generating station, and the Federal-Provincial Environmental Assessment Review on Point Lepreau; the National Energy Board hearings on the export to the U.S. of electric power from Point Lepreau; the Royal Commission on the Health and Safety of Workers in Mines, Ontario's "Ham Commission"; the Royal Commission on Electric Power Planning, Ontario's "Porter Commission"; *La Commission Parlementaire sur l'Énergie*, Quebec's "Joron Commission"; the select Committee on Ontario Hydro Affairs; the Cluff Lake Board of Inquiry, Saskatchewan's "Bayda Inquiry"; the Ontario Environmental Assessment Board hearing into the expansion of uranium mining at Elliot Lake; the Committee on Nuclear Issues in the Community, a cross-Canada effort by the Science Council and Royal Society; five hearings under Canada's environmental assessment and review process regarding a proposed uranium refinery, four in Ontario and one in Saskatchewan; the Royal Commission of Inquiry into Uranium Mining in B.C., the "Bates Commission"; the Energy Committee of the New Brunswick Legislature; the Key Lake Uranium Mine hearings in Saskatchewan; the Northwest Territories legislative hearings into uranium exploration and mining, and the uranium inquiry under Judge McCleave in Nova Scotia.

Hearings into Canada's domestic nuclear industry were arranged by a group of churches in Toronto, completely independent, at the end of 1984. That group is not known to be the greatest supporter of nuclear energy. An impartial panel heard evidence from both sides. It was a good hearing. We followed it very carefully. It concluded that nuclear power was an important and viable option among the available energy resources.

This industry has been studied to death. We are concerned about what happened at Chernobyl. I believe all thinking people are concerned about that. To compare the Chernobyl incident with what could happen in Canada is like comparing apples with oranges. The process at Chernobyl is an entirely different one. It does not have the safety features built in. The Hon. Member has stood up and said that the Soviets told us that it was safe. He knows the system of Government there. He knows how the public is informed there—they are not informed. The accident was not reported until three days after it occurred. The only reason it was reported was because it was being monitored by another country and that other country blew the whistle. So, to compare what is going on in Canada with what is going on in the U.S.S.R. is completely unfair. The Hon. Member knows that. It is a red herring.

• (1700)

He is right when he says that at one time in Canada everything was secret. I agree with him, I too think it was a mistake. It was a mistake on the part of Atomic Energy of Canada and on the part of the Atomic Energy Control Board. I think it was a mistake on the part of the Government of the day. Today, I think the industry realizes that it was a mistake. It was foolish to try to keep these matters from the public. The public has every right to know what is going on. It has every right to try to understand the complexity of the industry.

I have been involved in this sector rather intimately for the past year and one-half. I think I have learned a great deal from it and about it. It is a very complex issue. Today, everything is public. The reports of the AECB are public. If there is the slightest incident, no matter how minor, it is immediately reported to the press and to the public. We have seen these reports come out from time to time when it has been necessary to close down a reactor because of a leaking valve or whatever.

I agree with the Hon. Member when he says that at one time the situation was not satisfactory. But today, thank God, it is. Thank God that the Governments and the control boards are open with the public. People fear the unknown and that is a fact. The more open and honest we can be with the public, the more information and facts we can give to show that all possible safety precautions are being taken in regard to this valuable industry, the less fear there will be.

Members opposite have talked about Argentina. I can tell Hon. Members that the CANDU reactor in Argentina is under the strict control of the International Atomic Energy Board. It keeps a close eye on the situation. We do not or will not deal with a country unless a non-proliferation agreement is signed. The reactors are for peaceful purposes.

The countries to which I have travelled, and those which are interested in the nuclear option, are starving for power. One of the main problems is that they do not have enough power; they cannot get it. Romania was also mentioned earlier. The Romanians have been pumping oil for 70 years and the

resources are dwindling away. They do not have an opportunity for hydroelectricity. They are looking at and proceeding with the nuclear option. The problem with most of these countries is that they are cash-short. However, they desperately need energy. In Romania, there are no street lights and only one 40-watt light bulb per home can be on at any one time. Restaurants are forced to close at six o'clock in Romania. The country is power-starved. In its wisdom, it has chosen as an alternative the nuclear route.

Indonesia is now looking at the same option. South Korea, which has one of our CANDUs, and which is operating very efficiently—in fact I think it is number five in the world out of 200-odd—is looking at purchasing another reactor. The Dutch are considering going to the nuclear option. Of course, we are very interested in being invited to bid on these nuclear requirements. Yugoslavia is another country which has out an invitation to tender.

I will tell Hon. Members that if Canada does not participate in this field then the French, the West Germans, the British and the Americans will. It just so happens that Canada has the Cadillac of nuclear reactors. We have the best in the world. I will shout that from any roof-top. I am proud of the CANDU and the technology which has been created here in Canada. I do not think that we should hide it under a barrel. We should assure ourselves—and to date I am assured—that we have all the safety requirements built in to our CANDU system which can possibly be built in.

The Atomic Energy Control Board, in co-operation with its international partners, is at this time very carefully examining the Tchernobyl accident with the information that is available. It hopes to obtain more. I am pleased that the Russians are now more forthcoming with information concerning the accident. If there are lessons which we can learn from the accident which can be incorporated into our system, then by all means let us incorporate them.

I am not sure of how much time I have left, Mr. Speaker, since I did not keep an eye on it. I have covered conservation and the study of the industry. I now wish to talk about safe storage for the waste from the nuclear industry.

There are three federal programs under way in Canada concerning the storage and disposal of radioactive wastes. These programs are related to three different types of radioactive wastes produced in the country, namely, irradiated fuel wastes, uranium mine tailings and low level radioactive wastes. The goal of these programs is the eventual transfer of the wastes from the current storage mode where their safety is assured by means of active monitoring and control. Since there were all sorts of innuendoes that there is not safe storage today, I can tell Hon. Members that there is safe storage on site at the generating stations. It is monitored on a minute-by-minute basis. There is enough room at those sites to store all wastes produced for the next 75 years. However, we are not happy with that. We are proceeding with these programs to assure the long-term safe storage for waste from the nuclear industry.

The major program deals with the irradiated fuel wastes. It is a co-operative research and development program with the Province of Ontario and the United States. It is budgeted at a current level of some $37 million per year. The program is managed by Atomic Energy of Canada Limited Whiteshell Nuclear Research Establishment in Manitoba. The Hon. Member for Vancouver—Kingsway knows that there is an open invitation to him and his colleagues on the Standing Committee on Energy, Mines and Resources to visit the site and to see the work going on. The disposal concept being assessed in this program is the burial of the fuel wastes 500 to 1,000 metres deep in the crystalline rock of the Canadian Shield.

The first report on the assessment of this concept was issued in September, 1981, for public content. It was followed in March, 1982, by an initial regulatory statement from the Atomic Energy Control Board—

The Acting Speaker (Mr. Charest): Order, please. I regret to interrupt the Hon. Member but—

Mr. McDermid: With the unanimous consent of the House, could I continue, Mr. Speaker?

The Acting Speaker (Mr. Charest): Is there unanimous consent to allow the Hon. Member to continue?

Some Hon. Members: Agreed.

Mr. McDermid: I appreciate having the opportunity to finish my remarks. I thank my colleagues for allowing me to do so.

The final AECB regulatory requirement was issued in January of 1985, and a second set of concept assessment documents from AECL was released in 1985. The final set is to be released in 1988 at which time the concepts are to be evaluated by: an inter-agency review committee, including staff representatives of the Atomic Energy Control Board, Environment Canada and the Ontario Ministry of the Environment; public hearings; the AECB; and the Governments of Canada and Ontario.

• (1710)

Approval of the concept by all of these bodies represents a full acceptance of the concept. Such acceptance, together with a decision by the owners of the irradiated fuel to actually implement disposal, is required before site selection for a commercial repository can be started. The July 1985 concept assessment document concludes that the total occupational risk, radiological and conventional, associated with the construction, operation and decommissioning of a disposal facility will be no greater than the risk in comparable industries.

While the main focus of the report is on evaluating the possible risks due to the facility, a part of the analysis also addresses the potential benefit to a variety of community types. The report states that an increase in employment and in

the economic base generally would be beneficial to every type of community. There would be direct, indirect and spin-off employment. In addition, revenue in the form of property taxes or grants in lieu of taxes would be generated for community development purposes.

I do not wish to take advantage of the time that was given to me by the Opposition and for which I am grateful. However, I would like to sum up that particular part by saying that the Canadian program is held in high regard internationally. It supports the collective opinion of the experts in the nuclear energy agency of the OECD. They said that there is a high degree of confidence in the ability to design and operate geological disposal systems which will assure long-term isolation for high-level waste or spent fuel and meet the relevant long-term safety objectives.

I mentioned two other programs. Briefly, the second program initiated in 1983 deals with uranium mill tailings. That program is being undertaken by the Canadian Centre for Mineral and Energy Technology within the Ministry of Energy, Mines and Resources. The third program was also initiated in 1983 and deals with all other forms of radioactive waste produced in Canada.

I can assure Canadians that the Government is doing absolutely everything to ensure safety in the peaceful use of nuclear energy within Canada and in fact outside of Canada. Our expertise is now being recognized around the world and people are appreciating our work in that regard.

We have an industry of which we in Canada can be very proud. I always hear members of the NDP complaining about chasing research dollars out of the country and losing good research people. I happen to think that this is a very important industry for Canada in many ways. Some 30,000 workers agree with me and thousands of those who receive indirect spin-off benefits also agree with me. The general public agrees as long as—

Mr. Waddell: They do not.

Mr. McDermid: Excuse me. As long as they can be assured, and we are giving that assurance, that every possible safeguard has been taken when it comes to the use of nuclear energy. I stand by that. I want to assure the Canadian people of that today.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, a countenance of self-assurance is very useful to Ministers and Parliamentary Secretaries. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) is no exception to that generalization. Whether in blandness or in bluster, it is useful to be most self-assured about things.

Among the assertions offered to us by the Parliamentary Secretary is the assertion that the Government or the Conservative Party—for our purposes, the same thing—is at the moment in favour of conservation. The Canadian Home Insulation Program and the Canadian Oil Substitution Program were valuable programs for conservation and for seeking alternatives to the use of resources we already have in Ontario, particularly nuclear power. All of those who were interested in those programs must frankly doubt what the Parliamentary Secretary had to say.

When the Government, in its very first economic and fiscal statement, indicated its attitude toward conservation, it was to axe those programs at a conveniently early point in time and to bring to an end the public support for conservation of energy in Canada. How can the Parliamentary Secretary, with the bluster with which he began this afternoon, have the gall to talk about being in favour of conservation when the only kind of favour that counts is putting up money? This Government got out of the area of conservation as fast as it could. That is just plain contradictory and hypocritical.

Mr. McDermid: Mr. Speaker, I would be happy to answer that. That is a very good question. We campaigned by saying that we did not think Canadians needed to be bribed with their own money and did not need to be convinced that conservation is important.

One of the programs to which the Hon. Member referred existed for five years and the other for some seven years. A million homes converted from oil to gas. There were very few conversions left to be done, quite honestly. Most people now understand the economic benefit of conservation. We have gone from handing taxpayers' money back to them in order to bribe them into doing something to educating them to the importance of conservation. I think that comes first and is most important.

Second, we have set up a conservation program which relies on research, development and demonstration. This is demonstrated by the R-2000 home program, which this Government supports fully, and by the National Conservation Program, which goes under the acronym NCAEI. That program is going extremely well in co-operation with the provinces. We have now signed agreements with three or four provinces and two more provinces will be signing agreements very shortly. When a few disagreements are straightened out, other provinces will be signing also.

We consider conservation to be very, very important. We do not believe that we have to bribe Canadians with their own money to let them know how important conservation is. There are other ways of doing that. The Hon. Member belongs to a Party that believes that the more money we throw at things, the quicker we solve the problems. If that is so, then we wonder why so many problems still exist after the huge deficits and the money that was thrown at problems by the previous Government. Those problems are still haunting us today.

Mr. Waddell: Mr. Speaker, between 1960 and 1986, the Canadian Government subsidized offshore oil and gas production to the tune of about $10 billion. Compared to that, a pittance was put into alternate forms of energy. Can the Hon. Member tell us how much money the Canadian Government put into nuclear energy, considering that about 40 per

cent of the nuclear industry is directly subsidized by the Canadian Government?

Mr. McDermid: Mr. Speaker, I cannot give the Hon. Member the figure today because I do not have it with me, and am sorry. I will get that information for him and make sure that he receives it.

In all fairness, when the Hon. Member says that Governments have been throwing billions of dollars at the oil and gas industry, they have also been taxing it very unfairly through the PGRT. I believe the Government received some $7 billion in a tax regime that is entirely foreign to any other industry in Canada. When we balance one against the other, it is not quite fair to say that they were subsidized.

• (1720)

Also, I think the oil and gas industry is important. Of course we are getting off the subject of the motion, but that is fine; I do not mind discussing energy because we are in a country with a very good mix of energy. It is important to maintain our supply of oil. It is a very important commodity to our economy. Conventional oil is becoming scarce. We must continue to find oil. I am really excited about Gulf Oil and its find in the Beaufort Sea. It is proving to be a very good one, and I think there will be more exciting news this summer on that project. That type of thing has to be continued.

Every area of the Canadian energy industry must be supported. That is also very important. The Hon. Member and I have had discussions on the energy industry before. Oil and gas are important parts of our industry. Approximately $3 billion to $4 billion in export payments come into the country, which are very important to the entire Canadian economy, not just the economies of the producing provinces. The same holds true in the conservation industry, the nuclear industry, and hydro generation. We are now seeing more small hydro generation stations literally coming back on stream because hydro companies are now allowing individuals to sell into the hydro grid. There are all kinds of exciting things happening in the field of energy in Canada, nuclear being one of them.

Mr. Waddell: Mr. Speaker, I have a supplementary question for the Parliamentary Secretary. The Hon. Member cited a number of studies which were conducted of the industry. Presumably he and his Party were aware of most of those studies by 1984 when the PC handbook indicated that they advocated a full public inquiry into the future of nuclear power. Would the Parliamentary Secretary tell us whether he ran on that platform, whether he stands by that platform, and why he has changed his mind?

Mr. McDermid: Mr. Speaker, I do not have the handbook here, so I cannot comment on it.

Mr. Waddell: Here it is.

Mr. Friesen: I have a copy of it.

Mr. McDermid: The service is fabulous, Mr. Speaker. If it was in our handbook and stated the way—

Mr. Waddell: It is right in the handbook which I have just given you.

Mr. McDermid: "The NDP statements make it appear that they are opposed to nuclear generation of electricity, but they have not proposed any alternatives".

Mr. Waddell: That is the PC handbook.

Mr. McDermid: The Hon. Member just handed it to me, and that is what it says. It also says that we advocate a full public inquiry. We are looking at the situation to see whether or not it is required at this time. Why have we changed our minds? We are looking very carefully at the other studies which have been made to see if in fact it is necessary. There are times when political Parties change their minds. God knows it, when we look at the NDP and some of the promises it has made and some of the back-pedalling it has done. That happens in political life. We know that and we understand that.

This policy still stands. We are taking a long look at it. The NDP would like the Government to do everything in the first six months, and it knows full well that is nigh on impossible.

Mr. Epp (Thunder Bay—Nipigon): It is some 18 months now.

Mr. Foster: Mr. Speaker, I am glad the Parliamentary Secretary indicated that he was willing to support the nuclear industry and research. With his powers as Parliamentary Secretary to the Minister of Energy, Mines and Resources, would he be willing to re-establish the level of research which the Government had been doing in the past, especially in view of the need for a safe nuclear waste disposal regime to be put in place sometime toward the end of this century?

I was really impressed with his comments about the agreement on renewable energy which was just signed with the Province of Nova Scotia. I commend the Government for doing that. I just hope that it will re-establish all the funds which were taken away in the last two Budgets and economic statement with regard to conservation and renewable energy. If there is anything on which we have made great progress in the last few years, it has been renewable energy and conservation.

Mr. McDermid: Mr. Speaker, I can tell the Hon. Member that the research at Whiteshell to which he referred is not suffering. It is going ahead as planned and on schedule. As a matter of fact, we have attracted the Americans to participate in that research. They are contributing a very large amount of money to research for the safe storage of nuclear waste. It is only right that those who will benefit from the research should participate in it. We welcome their participation.

I cannot say that we will reinstate the amount of dollars; no, that would be foolish. The Government is spending taxpayers'

dollars much more wisely. We are getting more value for the dollar than did the previous Government, which threw it around and displayed no responsibility whatever. We are getting results from fewer dollars because we are spending smarter.

Mr. Waddell: Mr. Speaker, is there more time to ask questions?

Mr. Frith: Is it debate time, Mr. Speaker?

The Acting Speaker (Mr. Charest): It is debate time.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I welcome the opportunity to participate in this debate. Provided that I do not need too much filler time, I will not get into what I think is the red herring part of the debate—the PC handbook and the broken promises which were made during the last election campaign. Frankly I think Canadians have come to expect that the Government will never live up to the promises it made in the election campaign of 1984. I do not think reference to that red herring will do much to enlighten the Canadian public in respect of the motion before the House.

All three political Parties recognize that the major catalyst which led to the present debate on the floor of the House of Commons was the nuclear reactor disaster at Chernobyl. All of us would agree that the events following that disaster have made us aware of the need for a co-ordinated international plan of action to deal with this kind of crisis in the future. It goes without saying that we live in a very interdependent world. It is not only an economically interdependent world. In terms of the ecological system, clearly it is a world which is so fragile and interdependent that we can no longer afford to have take place in the future what took place in the immediate days and weeks surrounding the disaster at Chernobyl.

Even to this day I find it difficult to believe that an international power, namely the Soviet Union, would be so irresponsible that it would not inform its other world neighbours of the potential harm to the atmosphere and the ecology as a result of that nuclear reactor disaster. It was almost as if the Soviets hoped that the high radiation levels which would be emitted into the atmosphere would never be detected. It is incredible, in the year 1986, that any country would attempt to throw a blanket of misinformation over a nuclear disaster of that magnitude.

The fact that it took a Swedish Government Ambassador to approach the appropriate authorities in Moscow to determine if any nuclear accident took place speaks volumes for the problems and the way in which the Soviet Government went about dealing with the disaster.

I should like to refer to the fact that it took several days for our own Government to respond. I say with all sincerity that the Department of National Health and Welfare has done what was expected of it and with the resources available to it in an attempt to cope with the repercussions from the nuclear accident at Chernobyl. As the House will recall, in the days following the accident, warnings were issued by the Department of National Health and Welfare concerning rain-water and concerning the uptake of radiation in our food supply or cycle. This illustrates the problem in an interdependent world when a nuclear accident occurs.

• (1730)

It simply cannot be contained within the area immediately surrounding or adjacent to the reactor site. It pointed at the weakness of the international agencies in responding to that kind of an emergency. Last night I witnessed the normal reaction among people in the free world. There was a two or three minute segment concerning the American doctor, I believe from the State of California, whose specialty is bone marrow transplants. He recognized that neither the Soviet Union nor anywhere else in the world could cope with a disaster of the magnitude of Chernobyl. On his own volition, together with a number of U.S. companies, the doctor managed to get together 136 bone marrow transplants for transfer to the Soviet Union. The expertise made available by that physician and his team speaks volumes for the way in which Canadians or any free thinking intelligent person would respond.

The Minister of National Health and Welfare (Mr. Epp) made a statement in the House. I believe my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), responded for the New Democratic Party and I responded for the Liberal Party. We both talked about the need to improve the response plan to a disaster at the international level and at the national level here in Canada. That is where the focus of debate should be.

The use of nuclear power will increase in the future. When one looks at the industrial giants, such as Japan, one has to come to the conclusion that nuclear power will be part of the energy options that will be made available to them. As long as that is the case, there exists the potential for disaster, similar to Chernobyl.

As a country that has played a significant role in the development of nuclear energy, we must take a leadership role. The international community must be in a much better position to respond to disasters like Tchernobyl.

When the Minister of National Health and Welfare made his statement, I said that I thought we should be doing more than warning Canadian citizens in the immediate vicinity of Chernobyl. Canada should be taking a leadership role at the international agency in Vienna that deals with nuclear power and issues. We should be telling the Soviet Ambassador here in Canada in very strong terms that Canadians deplore and will not stand for the kind of misinformation the Soviet Union attempted to dish out in the days following the disaster. With respect to the defence ramifications of how we view the Soviet Union, outside of the NATO pact and the Warsaw pact, the Soviet Union, whether we like it or not, is a member of the international community. We deal with the Soviet Union at the United Nations and on a bilateral basis.

We should be speaking openly to the Soviet Government about how we feel it mismanaged the Chernobyl crisis. The Soviet Union must realize Canadians were upset that it took Soviet authorities seven to eight days to inform the international community about the disaster. We have learned since then, even after the Soviet authorities acknowledged the existence of the problem at Chernobyl, but refused to acknowledge the severity of it, that until five or six days ago the Russians were still in danger of having a meltdown, an out of control reactor disaster, and yet their authorities still did not ask the international community for aid.

If we are going to have nuclear energy as an alternate source of energy in my future and my children's future, we should be asking Governments at the international level to have plans of action. We need international medical teams and international nuclear experts ready to respond to whatever country is in trouble. Canada has been at the forefront in the development of nuclear energy. I am sure Canadians would want the Government to lead that kind of a discussion at the international level.

I believe the Chernobyl disaster points out the inadequacies of many of the existing response programs we have in Canada. The Minister of National Health and Welfare responded. He told us he had established a special task force to review the procedure of dealing with disasters of the same magnitude as Tchernobyl. We need programs to deal with crises in the nuclear energy field. We should make sure that at the end of this exercise of review we can as a Government assure Canadians that we have done everything possible to deal with a nuclear crisis in the event of one.

I come from an area of the country that has and will maintain an economic interest in nuclear energy. I do not represent the City of Elliot Lake. My colleague, the Hon. Member for Algoma (Mr. Foster), has that honour. In the years from the mid 1950s into the 1960s and 1970s, the advent of the nuclear industry led to a significant economic improvement for those people on the north shore.

I recall very well the debate on the location of the El Dorado refinery when the decision was made to put the refinery in the Blind River area adjacent to Elliot Lake. Even our own Liberal Government at the time was considering putting the Eldorado refinery in southern Ontario in the Port Hope area. I recall the discussions we had with the Minister of Energy, Mines and Resources at that time. We told him as a northern Ontario caucus that if we were going to have nuclear energy, then surely the resources mined in northern Ontario should be refined in the North. That was our basic argument. We were successful in making sure the economic spin-offs to that industry were concentrated in the area of the resources.

As you can recall, Mr. Speaker, the Canadian Government became involved in the nuclear field in the 1940s. This was done in a joint effort with the United States. It began with a military application of the use of nuclear energy. Since that time, nuclear technology has been used by nations to deal with their energy requirements. Nuclear technology is used in medicine, and in altering the ways in which we view our world. There have been some very important spin-offs to the advent of the use of nuclear technology since its inception some four decades ago. Even the Province of Saskatchewan, held successively by New Democratic Governments for several decades, recognized the need for alternate uses of energy, as does the present Government in Saskatchewan.

Any person who objectively and intelligently addresses the issue of nuclear power recognizes it as a form of technology that creates energy. We are asking to make sure that the energy choice is done in a safe way. That is the issue. I do not think we can hide our heads in the sand and with the wave of a magic wand eliminate nuclear power stations in Canada. That is simply not going to happen. Considering the percentage of hydroelectricity in the province which is generated by nuclear stations, it is obvious that the province has a vested interest. If the Province of Ontario has a vested economic interest, so has every citizen of the province.

• (1740)

I do not think we should be focusing on the elimination of nuclear energy as a source of power. We should be focusing research and development on technology to deal with the waste products of nuclear energy. The debate should be focused on the need for safe maintenance and operation of nuclear plants in the country. The Canadian public demands and is entitled to resources at all levels of government to respond in the event of an emergency. That is where this debate should be focused.

If people, for one moment, believe that that is the proper way to approach the issue of nuclear energy, then we must direct more and more resources toward the research and development in the three areas about which I have spoken. That must be the commitment of any government. Regardless of what political party sits to the right of the Speaker, those are the issues with which it will be faced when in government.

The one area with which I have some dispute is the cut-back in R and D which occurred after the 1984 election. The people of the riding of Renfrew—Nipissing—Pembroke have a right to be upset. I am speaking of the people who are involved in the nuclear industry and live in that riding. They had a right to believe that the proper amount of R and D would be done. The questions which are asked by the Canadian public deserve answers. If the debate is focused in that area, it is a justifiable debate. However, to engage in rhetoric by talking about another broken Government promise takes away from the level of debate which the public deserves to hear in the House of Commons.

Those are my thoughts with respect to this issue. I am sure that in the last 10 days to two weeks, due to the magnitude of the disaster at Chernobyl, all Canadians have had cause to rethink their concerns about the use of nuclear power. I think they would like to have their representatives here in the House of Commons debate the issues in the areas which I have outlined. The public needs those answers. I have listened to some of the debate here this afternoon, albeit not much. I

could not be accused of that. In order to have a full debate about the use of nuclear energy, alternate uses of power must be put into the equation.

The Liberal Party has not committed itself to nuclear power, but it has committed itself to ensure that the proper safeguards are in place for the maintenance and use of nuclear power. The Liberal Party is committed to the improved use of moneys for research and development into methods for handling waste products. Those long-term answers are required in order to live comfortably with nuclear energy. To my knowledge, there is no form of energy in the world which does not have some malicious side effects. If we were to remove suddenly all of the energy power stations in the world and replace their energy output with energy derived from coal, the result would be a problem with the atmosphere. Every form of energy has problems. The debate must be intelligent and informed. If we can achieve that, I think we will have advanced the debate which the people have so badly wanted.

[*Translation*]

Mr. Hamelin: Mr. Speaker, I would like to make a short comment and put a question to the Hon. Member about nuclear power.

Naturally, the Hon. Member has denounced the delay of the Soviet Union in informing its own population and the other countries which are now affected, and this includes Canada, albeit not too seriously.

I would like to ask the Hon. Member why it is usually the leftist groups who organize protest marches against nuclear energy, and especially against the United States and other countries of the free world. How does the Hon. Member explain the fact that there were so few demonstrations in this case? Where are all the leftist groups which are gaining ground in nearly all parliamentary institutions, especially in Europe? Where are they? How can the Hon. Member explain their reaction to the events in the Soviet Union?

Mr. Frith: Mr. Speaker, I did not have any problem with the question asked by the Hon. Member for Charlevoix (Mr. Hamelin), but I do have one in trying to explain the absence of many people who do not want nuclear power in this country.

In view of the urgency of the situation, I think that everyone in this case wanted an answer to a two-part question. First, internationally, they wanted an answer by the international community about the problem in the Soviet Union. Second, in our country they want to see the development of an emergency plan of action in case of a similar problem. I think that in this case the response of people the world over was indeed to obtain the necessary information concerning the crisis created by the Soviet Union.

[*English*]

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in this debate and to conclude it. The motion before us this afternoon, which calls for a public inquiry into nuclear power, is one of enormous importance to the well-being of the entire country and, potentially, to the good health of individuals and communities in selected parts of our country where nuclear power is already important.

Nuclear power as an energy source deserves recognition for the enormous dangers which are inherent in that industry. We have all been watching, with a horrible fascination, the unfolding of the disaster at Chernobyl in the Soviet Union. We wonder what its consequences will be. One hardly need point out to people—although in the debate which we are having this afternoon it is worth doing—that when a disaster occurs at a nuclear power plant, it will not lead only to a loss of energy for people in the immediate area. It is not something which will affect only those persons who are in the plant in the way of immediate consequences of the accident. It is not a matter of physical injury and that is that. Quite clearly what happens or can happen in one of these disasters is a spreading of potential death for large numbers of people at considerable distances from the reactor itself. What the consequences are for those people beyond the immediate vicinity of the plant is something that only time will tell. It will take statistical studies to clarify the consequences.

• (1750)

What is so often forgotten when considering these things is that the question of safe levels of radiation is not a subject on which there is agreement in the scientific community. We live with the standards of the 1940s and 1950s. We live with the thought that it is high levels which are dangerous. Yet there are sneaking suspicions among some epidemiologists and other researchers that quite low levels of radiation can have equally harmful effects in the long term on human beings. The effect on workers in the plants, the effect on thousands of people at some distance from the plant, the spreading of radiation around the globe, the warnings not to drink rain-water even though it is safe for children to splash around in it, the need to check for radiation levels in milk, all underscore the fact that we are dealing with a quite unusual form of energy.

We take comfort from our technology. We have been fortunate in the Western hemisphere in not having any of our nuclear plants affected by earthquakes or similar disasters. Yet what would happen to that technology in the event of that kind of disaster? How widely would the consequences be felt? It is for those reasons that my colleagues and I are emphasizing the importance of a public inquiry on nuclear energy. I suggest that the need to do this can be underscored by the fact that we have built societies and developed economies on the basis of two kinds of dubious energy, the first being petroleum and the second being nuclear energy. Dependence on petroleum has made it possible for the producers to shock our economies and bring us near the brink of economic disaster several times. Because of the failure of their price program recently, there is the possibility of a new kind of disaster. We are in a most perilous economic situation these days because of our petroleum-dependent economy.

Then we have the consequences of dependence on nuclear energy which has developed in some parts of Canada. I am a Member of Parliament from Ontario and it has already been suggested by others that Ontario Hydro is a major user of nuclear energy. It is worth underscoring the importance of that dependence. In Ontario, 40 per cent of the energy being used is nuclear-generated. That 40 per cent is the base of the Ontario Hydro system. The reason is quite simple. Nuclear energy is a form of energy best used at a steady rate over long periods of time. It is much easier to control hydroelectric facilities by shutting off the water at night and then lifting the gates when morning comes and the energy is needed. It is relatively easy to fire up thermal plants of one sort or another. They are used as supplements.

What is running day and night, week after week, year in and year out, are the nuclear power plants which provide the base. The other power sources are called in as required to meet the demands of industry and the ordinary consumer. That is the reality in this province. As a Member of Parliament from northwestern Ontario, living on the Canadian Shield in an area on which Atomic Energy of Canada has fairly obvious designs for burying its waste, I appreciate the opportunity to address this matter.

There are so many aspects of the use of nuclear energy by Ontario Hydro that it boggles the mind. Surely planting those great stations so close to Metropolitan Toronto has to be an act of corporate lunacy. The cynics, or the tough-minded, I am not sure which they are, or the merely stupid, say that if it is going to be the basis for Metropolitan Toronto's power supply, then let the plants be close to hand rather than far away. I suppose suggesting that it should be in the Bruce—Grey Peninsula or somewhere up there—

Mr. Gurbin: Point of order, Mr. Speaker. The Bruce—Grey area contains the Bruce Peninsula. It is the Bruce Peninsula, not the Bruce—Grey Peninsula, and it is approximately 40 miles away—

The Acting Speaker (Mr. Charest): Obviously that is a point of debate.

Mr. Epp (Thunder Bay—Nipigon): From the head of the lakes these things sometimes look a little closer together than they do down here. I might remind my friends from southern Ontario that the provincial Government has had the gall for years to publish a map which puts northern Ontario, some 87 per cent of the land area of Ontario, on a piece of paper the same size as southern Ontario.

The decision to build these power plants near Metropolitan Toronto is one of the highly dubious decisions which the Ontario Government made or allowed Ontario Hydro to make as it moved into the use of nuclear energy. We heard the Parliamentary Secretary, the Hon. Member for Brampton—Georgetown (Mr. McDermid), arguing strenuously a few minutes ago in defence of nuclear energy. That makes sense. Who was the MPP and Premier of the Province who allowed Ontario Hydro to do this? It was the MPP from Brampton. So there is a certain logic to that Hon. Member defending a decision which was never made by the people of Ontario. It was never made by the legislature of Ontario. It was Premier Davis and his colleagues who allowed Ontario Hydro to move into this deadly system of energy generation and who are now part and parcel of the system of research which anticipates the possibility of burying the waste in northwestern Ontario or other parts of northern Ontario and the Canadian Shield.

Let us remember the half life of this material, some 75,000 years and more. What are we going to do with that stuff in the future? Those are the kinds of things that deserve inquiry and that is why I speak in support of this motion.

[*Translation*]

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12), the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—NIAGARA RIVER—TOXIC CHEMICAL DUMPS SITES. (*B*) REQUEST FOR MINISTERIAL STATEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, to put the intervention tonight in the proper context, I would like to cast your memory back to October, 1984, when the Niagara River Toxic Chemical Committee produced a report on toxic chemicals and emissions into that water body. In May of 1985, the then Minister of the Environment made a glowing promise about obtaining from the United States Government a plan of action for the clean up of emissions, particularly the toxic chemical emissions, into Lake Ontario. It was quite a commitment that the then Minister made. It raised our hopes. I was pleased to hear that because it indicated that the then Minister intended to take pretty vigorous action and to make the United States authorities realize that there must be, on their part, an action that would enforce the commitment they made with us when they signed the Great Lakes Water Quality Agreement in 1978.

In October of 1985, when the head of the Environmental Protection Agency visited Ottawa and submitted a report, the Minister of the Environment (Mr. McMillan) was fuming and very upset over a criticism that was levelled by me because he felt I had not seriously approached and studied the proposal that had been brought here to Ottawa. The fact is that that proposal was kept secret in Canada and was made available

south of the border. I had to rely on whatever information I could get to express my views on that.

My views at that time were fairly consistent with what the Minister himself said in March of 1986 in the House of Commons, which triggers this exchange tonight. I am quoting from page 11809 of *Hansard*. In answer to a question, the Minister of the Environment said the following:

> I did state categorically on behalf of the Canadian Government that we think the only solution for the disposal sites on the American side along the Niagara River is excavation and incineration—

That is a position that we support. It comes as a great surprise to realize that the Minister has departed from this decision, and has come to some kind of understanding in Washington about which we have to guess because of the secrecy that surrounds that particular understanding, the plan about which we read in *The Globe and Mail*, the Toronto *Star* and other newspapers. There is secrecy, therefore, about the proposal of the EPA to Canada last October. There is secrecy about the understanding that was reached in Washington a day or so ago. There is secrecy within that understanding about the substances that would be removed, reduced and cut, by a percentage that is speculated upon, and by a date that is also speculated upon.

In addition, there is a strange notion on the part of the Minister of the Environment, as revealed this morning, whereby he seems to believe that the United States Government is doing Canada a favour by acceding to our requests and by looking at our proposals. What this Government and the Minister do not seem to realize is that there is an agreement and the United States Government is bound by that agreement, as we are, for the recovery and the quality that has to be improved, hence the name the Great Lakes Water Quality Agreement, in Lake Ontario and other lakes.

• (1805)

Therefore, there is an international understanding and an agreement signed by the heads of two nations which binds the Americans to look at the Niagara River with the same seriousness as we do. There is no room for interpreting this as a particular favour or nicety. There is a commitment. I hope this will get through the thick skull of the Minister of the Environment once and for all because he does not seem to understand. That is a very serious conceptual flaw in his approach to his American counterpart in dealing with this particular matter. He does not speak up for the Canadian interest with the determination and authority which this agreement gives to him.

I could not believe my eyes when I read in the newspaper about the difference of opinion between the Minister of the Environment in Ottawa and his counterpart in Ontario. The fact that the disagreement was made public is an indication of a poor negotiator, making public a disagreement on the eve of a meeting with the other side. It is also an indication of a poor player who does not understand the importance of having the full support of all the Canadian Ministers of the Environment on the eve of meeting with his counterpart in Washington.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia), as usual, has some very firm points with respect to some of the issues which surround the agreement which has been reached by the Canadian Minister of the Environment (Mr. McMillan) and the head of the EPA in the United States, Mr. Lee Thomas. Having been able to participate in some of the discussions and deliberations, I have a full sense of the format and conditions under which those agreements were approached. We are now in a position, for the first time since the Love Canal became a national issue, where we in fact have made real solid progress. It is progress which the four million Canadians who drink water from the Niagara region can count on to achieve some results. We could have sat and talked, as former Governments have, for a long time and achieved very little.

Although some of his points have some validity, one of the critical flaws in the approach of the Hon. Member for Davenport to this whole problem is his lack of understanding and appreciation of the information which is available to anyone, and which we must have in order to get the type of firm, hard, clear figures which all of us want inevitably. What I can say is that we have a firm date of July 1, 1987, when we have a commitment with the United States to arrive at those clear-cut targets and loading.

That information is not available to the Province of Ontario, to the American Government nor to the Canadian Government as of today. We have an objective which Mr. Lee Thomas, on behalf of the United States, and the Minister of the Environment of Canada have undertaken together, and perhaps we can exceed the objective of 50 per cent reduction by 1995. That is a major objective on the part of both Governments.

• (1810)

The Hon. Member for Davenport has mentioned the visit by way of the comments made by the Minister of the Environment in Canada insofar as the actions of the Province of Ontario are concerned. Having participated in the meetings with Mr. Thomas, it is unfortunate but there is no question that both Canada and the United States, wanting to co-operate with all parties, have some major concerns regarding the willingness of the Province of Ontario to do anything other than make headlines for its Minister of the Environment.

Mr. Caccia: Shame on you!

ROYAL CANADIAN MOUNTED POLICE—REPORTED ALLEGATIONS MADE BY SUPERINTENDENT. (*B*) REQUEST FOR INQUIRY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, in 1973 a joint operation of three police forces, the Montreal Police Force, the Quebec Provincial Police Force and the Royal

Canadian Mounted Police, resulted in a break-in at a small news agency in Montreal, *l'Agence de Presse libre du Québec*.

Five years later the Solicitor General of Canada, Francis Fox, assured the House that this break-in, this breach of the law, was an exceptional and isolated incident and that the directives of the RCMP to its members clearly require that all their actions take place within the law. The statement of the then Solicitor General, Francis Fox, was clearly and utterly without foundation. As the McDonald Commission Report documented, there had been a whole series of breaches of the criminal law by the RCMP prior to 1977.

In late October of last year, a very senior and respected member of the RCMP, Superintendent Nowlan, indicated that the present Commissioner of the RCMP, Commissioner Simmonds, who was the Commissioner Designate in April of 1977, misled the Government of the day and, in particular, misled the Solicitor General with respect to the extent of criminal wrongdoing by the RCMP.

Superintendent Nowlan's allegations are very serious. In many ways they are unprecedented. What he suggested in his allegations was that some 17 days before the Minister made his statement in the House of Commons he, Mr. Nowlan, was ordered to begin an internal inquiry into allegations that members of the RCMP were involved in illegal operations other than the break-in at the *l'Agence de Presse libre du Québec*. Those allegations included barn-burning, including involvement of the force in the theft of dynamite, and the use of heavy-handed and illegal tactics to recruit informants in the FLQ.

According to Mr. Nowlan, at least three officers were well aware of the fact that the APLQ incident was not simply an isolated one. Those officers included the then Commissioner Maurice Nadon, the Director of the Security Service Michael Dare, as well as the Commissioner Designate, the current Commissioner Simmonds. Superintendent Nowlan suggested that Simmonds knowingly allowed the Minister to be misled and that because he was not asked the proper questions by the McDonald Commission, the McDonald Commission, as well, allowed the Commissioner Designate to get off the hook with respect to this very serious matter in April of 1977.

On October 31 I asked the Solicitor General (Mr. Beatty) to conduct an inquiry into these very serious allegations by Superintendent Nowlan. I note that my own Leader, based on the information that he had at the time, suggested that Superintendent Nowlan was responsible for misleading Fox. It is very clear now that that allegation was not well founded. In fact, Superintendent Nowlan was sticking out his neck to make sure that the Solicitor General was well aware of exactly what was going on and it was others, perhaps including the current Commissioner, who chose to deliberately deny access to that important information.

• (1815)

I asked the Solicitor General what action he intended to take with respect to these very serious allegations. The Solicitor General said that he intended to take no action whatsoever. Why was this? Because he had spoken with Francis Fox and Francis Fox said that he was not aware of being misled.

One must ask who in fact is in charge. Surely the Solicitor General had an obligation to meet with Commissioner Simmonds and put these allegations to him directly. How would Francis Fox know if he had not been given the information in question? Instead, the Solicitor General refused to conduct an investigation.

I have sought to have the Justice and Legal Affairs Committee give Superintendent Nowlan an opportunity to appear before it to present evidence. I suggest that the call of the former Superintendent who retired recently for an independent inquiry with the power to examine documents at National Headquarters is one which I fully support. Yet it has been stonewalled and denied by the Minister.

Who in fact is in charge? We have heard the rather contemptible suggestions made by the Commissioner that Superintendent Nowlan had certain mental problems, so his allegations should be discredited. While it is quite accurate to suggest that Superintendent Nowlan does suffer from manic depression, his doctor has made it very clear that he is a man of integrity and sound judgment. In addition, the former Solicitor General, Francis Fox, spoke very highly indeed of Superintendent Nowlan and called him a very honourable and a very thorough person.

In view of the seriousness of these allegations and in view of the fact that Superintendent Nowlan was well aware of what was going on and the extent of knowledge within the RCMP, particularly at the senior levels, I call upon the Minister once again to allow this matter to be examined. After all, what does he have to hide? Allow the Justice Committee to invite Superintendent Nowlan to appear before it. Appoint an independent investigator to get to the bottom of these very serious allegations.

I suggest that Superintendent Nowlan should be commended by Canadians and by the House for having the courage to speak out before he retired with respect to these matters. I would hope that instead of continuing to cover up these allegations which after all affect the Commissioner himself and his position, they should be fully investigated.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) has raised newspaper accounts of allegations made by an officer of the Royal Canadian Mounted Police concerning the conduct of senior officers of the force. These allegations related to matters which were the subject of deliberations of the Royal Commission of Inquiry established

in 1977 under the chairmanship of Mr. Justice David McDonald and assisted by D. S. Rickard, Q.C., and Guy Gilbert, Q.C.

The key components of the mandate of this commission were to conduct such investigations as were necessary to determine the extent and prevalence of investigative practices involving members of the RCMP that were not authorized or provided for by law and to report the facts and to advise as to any action deemed necessary in the public interest about such matters.

Hon. Members will recall that in discharging its responsibilities, this Commission operated from July 1977 until August 1981, four years and 50 days. During that time, Mr. Justice McDonald and his colleagues searched for and heard testimony about these matters at a level of intensity and detail unprecedented in respect to the activities of the RCMP, its personnel or this general sector of Government operations.

The facts are clear. There were hearings of two kinds, evidentiary and those requiring briefs. Evidentiary hearings were held both in public and *in camera*. One hundred and sixty-nine public hearings and 144 *in camera* hearings were held at which 149 witnesses were examined and 105 exhibits received. Superintendent Nowlan was one of those witnesses. Public briefs were heard twice in Vancouver and some five times in Regina, Toronto, Montreal, Fredericton, and Ottawa. There were several volumes of public reports, and to supplement hearing information, the commission met informally with many groups and individuals.

• (1820)

What then of the allegations about the conduct of the present Commissioner of the RCMP, Robert Simmonds, relating to the matters examined by the royal commission? I refer Hon. Members to the second report, Volume I entitled "Freedom and Security Under the Law", where at page 7, paragraph 23, the Commissioners concluded the following:

> Robert Simmonds became Commissioner of the RCMP on September 1, 1977, almost at the same time as this Commission was established. Before that, since 1976, he had been the Deputy Commissioner responsible for administration, and his brief time in that position was his only prior experience at headquarters; all his earlier career, from the time he joined the RCMP in 1947, was spent in Alberta and British Columbia. Managing a police force the size of the RCMP is a difficult task at the best times. Commissioner Simmonds' burden has been increased greatly during the past three and one-half years by the activities of our inquiry and those of the provincial inquiries. His stance *vis-à-vis* this Commission has been, throughout, one of total co-operation. We are conscious of the fact that he has put on hold certain plans and proposals that he had for change within the Force, pending receipt of our report, and also that he has felt constrained to suspend or terminate certain practices merely because to continue them might have meant to continue unlawful conduct. Our inquiry and report touched only occasionally upon Commissioner Simmonds. He inherited the situation which led to our inquiry and participated in neither the formulation nor the continuation of the policies which have been its substance.

This royal commission had unrestricted access to every RCMP and almost every other Government record it wished to examine, and to any RCMP officer and other Government official it wished to question including the then Prime Minister. It was in full possession of the facts and thus in the only position to draw the appropriate conclusions. In this context, these allegations directed at Commissioner Simmonds seem particularly ill-advised, to say the least. This point brings me to the last observation which I wish to make on this issue.

The Royal Canadian Mounted Police is justifiably a well-respected institution in Canada. I say justifiably because of the way it links us to our past, because of the unparalleled record of service its personnel has provided to Canadians, and because of the universality of the regard and recognition it affords for Canada abroad. These are the facts, no less conclusive than the commission of inquiry's estimation of Mr. Simmonds.

In conclusion, I wish to state the Government's view that the facts as reported by the McDonald Commission speak for themselves, and that the call for another inquiry into these allegations is totally unjustifiable.

AGRICULTURE—EFFECT OF REDUCED INITIAL PRICE. (*B*) REQUEST FOR 1985 INITIAL PRICE

Mr. Maurice Foster (Algoma): Mr. Speaker, on April 10, I directed a question to the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer). I asked him how he expected farmers in western Canada to survive when just a day or two before he announced the lowest initial prices for wheat, barley, and other grains in real dollars since the 1930s. The Minister's response to that request was essentially to slough off the question. He ended his response by saying:

> The problem we face is a larger problem, that is, very depressed world grain prices.

Was that a brilliant response to a serious question about how Canadians would survive?

The fact of the matter is that Canadian grain producers will be receiving about $1.50 per bushel for No. 1 wheat. Of course we have to take into account the cost of handling and transportation. The net return will be something over $3 Canadian, whereas United States farmers in the mid-West will be receiving over $6 Canadian per bushel this year regardless of the world price. For example, if the world price is $3.50 or $2.50 per bushel, they will still receive $6 plus per bushel.

Again I ask the Minister how he expects farmers in western Canada to survive when they are receiving about half as much per bushel of wheat as their American counterparts.

• (1825)

The doom and gloom hanging over western Canada is unprecedented, I believe, since the 1930s because the United States and the European Economic Community are engaged in an agricultural commodity price war. The United States Congress has voted sufficient funds to fight the war for the next three years. Its law provides funds for five years. The visits of the Prime Minister (Mr. Mulroney) to Washington produced no results, assistance or backing off by the United States Government on the impact of that stablization, subsidization and bonus program.

When the Prime Minister went to the Economic Summit in Japan, he said he was going to raise the matter. I believe he

did. There was no indication in the communiqué from the conference that the seven heads of Government would take any action with regard to the grain and agricultural commodity price war. The communiqué indicated that they would not even refer the matter of agricultural commodities to the negotiating table at the General Agreement on Tariffs and Trade talks. That is a disaster for Canadian farmers. Everyone will have to hunker down to the prospect of a trade war. If the seven nations do not press to have agricultural commodities on the negotiating agenda in the GATT conference in Uraguay this fall, it means the agricultural commodity price war between the European Economic Community and the United States will go on. Not to have it on the agenda is a tremendous failure on the part of the Prime Minister.

I appreciate the fact that he raised the matter, met with farmers and their representatives in Vancouver, but the farmers are left defenceless. The Prime Minister and the Government must announce immediately a deficiency payment program to stabilize and secure the western economy. At the moment the western economy, especially in Alberta and Saskatchewan, is reeling from the impact of low oil prices. Not to provide minimum support for the grain industry will be devastating.

When the Parliamentary Secretary speaks tonight, it is essential that he immediately announce at the bare minimum financial assistance which the three prairie pools, the Western Grain Growers Association and other western farm organizations have asked for. They need a stabilization deficiency payment adequate to secure and maintain that industry during the coming crop year and in years ahead. One approach might be to reinstate the 1985 grain prices which would tell the farmers that the Government was not prepared to provide as much financial assistance as the United States Government does, but that there would be some financial assistance to stabilize and secure the whole western economy during the coming year.

If action is not taken now by the federal Government, there will be a serious financial crisis on the Prairies. There will be bankruptcies and farm losses. There will be a loss of the entire rural economy. I hope the Parliamentary Secretary will come forward and make that commitment tonight so that western agricultural and grain producers will know where they stand. They will know what their future is going to be and that the Government is going to support and assist them.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am always a little bit surprised when I hear my colleague the Hon. Member for Algoma (Mr. Foster) echo day in and day out the same fears and concerns expressed over the past 18 months by members of his Party about the farm industry. Given his considerable experience, he is well aware that Canadian grain producers are caught in a cross-fire of sort, in the war that is being waged between the European Economic Community and the United States. Canada is the innocent victim of the large scale war which two of the world economic powers are waging through massive subsidies to their respective agricultural industries.

We have tried to ease the burden of grain producers by reducing to 19 per cent the cut in initial prices which could have been a lot worse and which is a lot less than that made in the American prices.

• (1830)

[*English*]

When initial prices were announced, it was also announced that tariffs administered by the Canadian Grain Commission have been frozen at last year's levels. These include cleaning, elevation and storage charges at terminal and county elevators. The Government is acting in other ways. It is studying domestic wheat prices. A special parliamentary committee chaired by the Hon. Member for Crowfoot (Mr. Malone) is studying ways of increasing returns to wheat producers. The committee is expected to report to Parliament in mid-June.

When Members opposite call on the Government to do more for prairie farmers, they seem to have lost sight of the fact that the Government has done a lot for farmers already. It has announced policies and programs which have resulted in $4 billion in benefits to farmers, of which $1.5 billion has been channelled to western farmers in particular.

[*Translation*]

The Hon. Member should not disregard this fact nor ignore the efforts which our Prime Minister (Mr. Mulroney) has made. He has described this as a defeat. Is it possible to speak of a defeat when for the first time a Prime Minister, at an international meeting of seven world powers, has managed to have it appear on the agenda and convince these powers that it is absolutely necessary to do something to end this price war? On the eve of his departure for Tokyo, the Prime Minister had met all the Canadians representatives of the farm industry to seek their advice before meeting the representatives of the seven major powers.

Something else that had never been done in the past, Mr. Speaker, is that our Minister, the Minister in charge of the Canadian Wheat Board (Mr. Mayer) is going to meet with representatives of other wheat exporting nations in Vancouver in a few weeks from now.

I therefore feel, Mr. Speaker, that this Government has made every effort, everything it could in the current farmers' crisis of which we are well aware, to make sure Canadian producers are well represented and get the best deal in the circumstances.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.35 p.m.

HOUSE OF COMMONS

Friday, May 16, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EXTERNAL AFFAIRS

NAVY PARTICIPATION IN HAWAIIAN ISLAND SHELLING EXERCISE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, today the Canadian Navy will begin shelling the Hawaiian island of Kahoolawe as part of RIMPAC 86 exercises with the United States. We do this despite strong opposition from the Hawaiian Senate and Congress, despite pleas addressed to the Prime Minister (Mr. Mulroney) by Hawaii's two Members of the U.S. House of Representatives, and despite the pleas from the Office of Hawaiian Affairs and hundreds of individual Hawaiians that we stop this process.

Over the years Canadians have prided themselves on their scrupulous regard for U.S. interests and, on occasion, have bemoaned and lamented the fact that our U.S. friends appeared not to reciprocate. Today, we are in the wrong. Today it is the Government of Canada which refuses to listen to the pleas of our friends when they remind us that the United States Registry of Historic Sites has designated 544 locations on the island as having historic and religious significance. It is time to listen to our friends and to act fairly.

* * *

NUCLEAR ENERGY

CONDITIONS AT HANDFORD NUCLEAR REACTOR IN WASHINGTON STATE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, yesterday I raised the matter of the Handford nuclear reactor, which is about 400 kilometres south of Vancouver. It is 23 years old and similar in construction to the Chernobyl reactor. The Secretary of State for External Affairs (Mr. Clark) was not briefed on the matter. I want to put on the record some things that he might consider.

• (1105)

In 1964 there was a hydrogen gas explosion there. In 1976 there was a second hydrogen gas explosion. In 1973, 500 million litres of nuclear waste were flushed out through the Columbia River to the ocean. More recently, there have been six shutdowns since January. A United States Government Department of Energy report of April 26 warned that the valve disc could break off and obstruct the cooling pipes around the reactor core and there could be a meltdown. They will have to spend $1 billion on the plant over the next eight years.

A Seattle newspaper has called for the reactor to be closed down and yet the Secretary of State for External Affairs does not know anything about this possible danger to Vancouver.

* * *

ENVIRONMENTAL AFFAIRS

TOXIC WASTES—MOBILE DISPOSAL UNIT

Mr. Allan Pietz (Welland): Mr. Speaker, I would like to focus on some good news for the environment. A company in Welland has developed a mobile waste disposal unit with the highest PCB destruction efficiency rating in the world. The unit is called the Pyroplasma. Conventional units have a destruction efficiency rate of approximately 99.99 per cent. This unit has an unofficial destruction efficiency rate of 99.9999999 per cent.

The provincial and federal Governments are developing test procedures which will set permit application guidelines for the unit's use. The local public knows what the mobile unit can do and wants it to be used. Other Canadians living close to industrial dump sites have been asking for a solution to the toxic waste problem for years, and we believe we now have a solution in Niagara.

* * *

NATIONAL POLICE WEEK

SEVENTY-FIFTH ANNIVERSARY OF FINGERPRINTING SYSTEM

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, this week is a special one as we celebrate National Police Week. The theme of this Police Week is the celebration of the 75th anniversary of fingerprinting in Canada.

In 1911, as a result of the diligent efforts of Inspector Edward Foster of the Dominion Police, an Order in Council signed by Prime Minister Laurier created a national bureau, and for the first time fingerprints were used as a means of identifying criminals. Seven years earlier in 1904, Inspector Foster had met with officials of Scotland Yard. It was then he

first heard of this system, and on his return to Canada he lobbied for a similar system. The rest is history.

The fingerprinting system is the most positive means of identification available. It can safely be said that Canada's record keeping and fingerprinting systems are among the best in the world. We owe a debt of gratitude to the ingenuity, persistence, and foresight of Inspector Foster, and also to the capable men and women of today's RCMP who are continuing the excellence of the fingerprinting system.

* * *

[*Translation*]

THE ECONOMY

ALLEGED STATEMENT BY SECRETARY OF STATE ON QUEBECERS' COMPETENCY IN ECONOMIC MATTERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, a report in today's *Le Devoir* indicates that 59 per cent of Quebecers are dissatisfied with the Conservatives.

Mr. Speaker, I should like to tell the Secretary of State (Mr. Bouchard) that, notwithstanding his low opinion of Quebecers' know-how in economic endeavours, 59 per cent of them are dissatisfied precisely because of the Conservative Government's mismanagement of economic affairs. The issues of Domtar, Gulf, Matane, Port-Cartier, Desbiens and the shipyards immediately come to mind.

Mr. Speaker, I would hope that the Secretary of State will apologize to Quebecers for insulting them by suggesting that they are not quite as competent as their English-speaking fellow citizens when it comes to economic matters.

* * *

TRIBUTE TO DESJARDINS GROUP

OPENING OF BANK IN TORONTO

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I should like to draw the attention of the House to today's opening of the first Toronto office of the Desjardins Group.

Created in 1900 by Alphonse Desjardins, the group's first *caisse populaire* opened its door in Lévis. This co-operative financial institution is owned by more than four million members, most of them Quebecers.

Its 24,000 employees, supported by 18,500 volunteer board members, now administer $26 billion in assets through 1,400 affiliated *caisses*.

From its Lévis head office located in the riding of Lévis the Desjardins Group has launched a new expansion drive to diversify its clientele and its loan portfolio.

Mr. Speaker, I am proud to see the Desjardins Group expanding into the Toronto area. Let us pay homage today to all employees and management staff of the Desjardins Group, particularly to its founder Alphonse Desjardins.

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[*English*]

EXTERNAL AFFAIRS

NAVY PARTICIPATION IN HAWAIIAN ISLAND SHELLING EXERCISE

Mr. Jim Fulton (Skeena): Mr. Speaker, in a matter of days, Canadian naval vessels will begin shelling the sacred Hawaiian Island of Kahoolawe despite the fact that the State's Senate and Congress formally demand that the five RIMPAC countries, Canada, Australia, the United States, Japan and New Zealand, stop the bombing and return the island to Hawaiian control. Canada has consistently ignored this plea, and in 1984 under Prime Minister Pierre Trudeau was the only foreign country to shell the island.

Japan, and now New Zealand and Australia, are refusing to participate in the shelling, out of respect for the indigenous people of Hawaii.

• (1110)

This island is of deep cultural, religious, historic, and scientific significance. There are 544 recognized archaeological sites on the island. It is not just the Hawaiian people who are outraged at the insensitivity of the Conservative Government. All major peace and church groups have registered their protest.

Would Canadians stand by and witness a foreign military bomb Vancouver Island or the Queen Charlotte Islands, or shell our graveyards? No, they would not. Given the dozens of letters I have personally received on the issue, Canadians will not stand for our complicity in this act of military hooliganism.

* * *

TRADE

EXPORTS TO PACIFIC COUNTRIES

Mrs. Mary Collins (Capilano): Mr. Speaker, last year Canada's exports to the Asia-Pacific region were $15.2 billion, surpassing our total exports to western and eastern Europe combined. Thus the recent visit of the Prime Minister (Mr. Mulroney) to meet with top leaders of Japan, China, and Korea was both timely and important.

The success of his major initiative is evident in the positive responses received from Japan in respect of easing its building codes, which would assist exports of B.C. lumber, and Korea's agreement to cut tariffs on canola and open up its markets to

B.C. coal. Our trade with China will benefit from the additional $350 million interest-free financing announced to support Chinese purchases of Canadian goods and services.

The Prime Minister's visit was vital in creating new friendships and understandings between our nations, for it is only from such a base of knowledge and mutual respect that we can build the foundations for expanded trade and investment opportunities on both sides of the Pacific.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

NEGOTIATION OF AGREEMENT WITH JAPAN

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the Prime Minister announced recently that the Canadian and Japanese governments have negotiated a bilateral agreement on co-operation in the field of science and technology.

The agreement identifies our objectives in this area and provides for a wide variety of joint initiatives, which will have substantial economic benefits for Canada and Japan. Such agreements have always proved to be very profitable for Canada. About 75 joint projects have already been initiated in this way.

Our Government recognizes the importance of research and development for Canada's future, and will continue to promote growth and entrepreneurship in this field.

As the Member for a riding where the technology sector plays a very important role, I am very pleased with this agreement.

* * *

ADMINISTRATION OF JUSTICE

FRANCOPHONES' RIGHT TO TRIAL IN FRENCH

Hon. Bob Kaplan (York Centre): Mr. Speaker, on April 15, I asked a question in the House about two Francophone defendants in Newfoundland who were seeking the right to have a trial in French. For the first time in this country's history, our Government has challenged before the courts their right to have a trial in French.

This morning I heard that the two defendants were appealing the decision and that the federal Government insists on having the trial continue in English, without first obtaining a ruling from an appeal court on the question of whether or not they have the right to be heard in French.

Mr. Speaker, the position taken by this Government in this case is shameful, and I would urge the Minister of Justice (Mr. Crosbie) to change that position.

[*English*]

IMMIGRATION

REVOCATION OF PERMIT HELD BY BATTERED WIFE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on April 30 Employment and Immigration Canada sent a letter to Mrs. Helga Muselmann of Hawkesbury, Ontario, stating that she had one month to leave the country because she and her husband were in breach of a ministerial permit.

The breach in question is that the husband has been convicted of a crime. The crime he committed was that he beat up his wife, a crime which the victim rightfully reported to the police. The conclusion is that this woman is now being asked to leave the country because she reported a battering husband.

I call upon the Minister of State for Immigration (Mr. McLean), who is also the Minister responsible for the status of women, to take the necessary steps to allow Helga Muselmann and her children to remain in Canada. Otherwise all immigrant women will conclude that, if they are beaten by their husbands, they had better keep quiet or they will be deported by the Government.

* * *

THE ECONOMY

IMPROVEMENTS IN SASKATCHEWAN

Mr. Don Ravis (Saskatoon East): Mr. Speaker, it is a pleasure to share some good news. Today I want to share with the House the Government's latest economic successes. The Bank of Canada rate, set yesterday, is the lowest since 1978. The inflation rate in Canada for April dropped to 3.9 per cent, and unemployment is at a four-year low of 9.6 per cent.

These are figures to make all Canadians rejoice, but I should like to focus on my own Province of Saskatchewan for a moment. In that province our Government is responsible for creating 21,000 new jobs. The economy is booming. Bankruptcies were down 10 per cent last year, and exports in the first three months of 1986 were up 12.7 per cent over the same period last year. Housing starts were up 32 per cent in April compared to April, 1985, and building permits are skyrocketing.

• (1115)

Whatever the Opposition wants to have Canadians believe, these facts speak for themselves. Our economic policies are working, and that is what counts.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

ALLEGED CONFLICT OF INTEREST—APPOINTMENT OF CHIEF JUSTICE PARKER TO CONDUCT INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to welcome the Prime Minister back to Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have a question relating to the Prime Minister's appointment of Chief Justice Parker to conduct the inquiry.

On August 21, last year, the Chief Justice of Canada, Brian Dickson, was speaking to the annual meeting of the Canadian Bar Association in Halifax, and he had this to say:

I think we must approach with reluctance judicial participation in royal commissions and inquiries.

Chief Justice Dickson went on to say:

Judicial affiliation with such commissions presents a serious threat to the reality and image of judicial impartiality and independence and, in my opinion, in most circumstances, is undesirable.

Why did the Prime Minister ignore that advice of the Chief Justice of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think I tried not to follow any advice. I think Chief Justice Dickson said "in most circumstances", as the Leader of the Opposition just quoted. This is an exceptional set of circumstances. I think we have acted properly. I would think that most Canadians would applaud the appointment of an impartial person.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Not many inquiries could be more politically charged than this one, Mr. Speaker, and I think Chief Justice Dickson's point has been made.

[*Translation*]

INQUIRY WHETHER GOVERNMENT ORDERED PUBLIC INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my second question to the Prime Minister is as follows. I have read the terms of reference of this inquiry. Has the Prime Minister ordered Chief Justice Parker to hold a public inquiry? Is he going to give Opposition parties the right to retain counsel to represent them before the inquiry?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Chief Justice is bound and governed by the Inquiries Act which allows him to act as he sees fit in this area.

INQUIRY WHETHER PRIME MINISTER WILL TESTIFY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the circumstances, doesn't the Prime Minister believe the judge might have ordered a public Inquiry?

In any case, my third question is as follows:

[*English*]

Will the Prime Minister and the Deputy Prime Minister, both having accepted responsibility in the matter since September 9 for the enforcement of the conflict of guidelines, be testifying before that inquiry?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that will be up to Chief Justice Parker as indicated in the letter of September 9 to which the Leader of the Opposition refers, that the appointment of an impartial person would be appropriate. We have done that.

Mr. Broadbent: Not for conflict of interest.

Mr. Deans: It is not appropriate.

Mr. Mulroney: We will, of course, follow whatever he feels appropriate.

ROLE OF JUDICIARY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Prime Minister about the propriety of dragging a judge into a matter like this. The Chief Justice of Canada last August referred particularly to the dangers of bringing judges into:

—matters of great political sensitivity and controversy—

We are not talking here about the laws, we are talking about an administrative policy, the guidelines introduced by the Government to fulfil a campaign promise. How could there be anything more politically sensitive and controversial, and won't the Prime Minister recognize the impropriety of dragging the Bench into a matter like this?

Right Hon. Brian Mulroney (Prime Minister): That is a pretty unworthy statement, Mr. Speaker. On May 7 last, as reported at page 12880 of *Hansard*, the Member asked this question:

Is there not a duty on the part of the Government—to do an independent investigation and verification—

That is exactly what we have just done. We have done what the Member requested. Now you are on the other side of the street, as usual.

Some Hon. Members: Oh, oh!

TERMS OF REFERENCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask about that independent investigation, particularly why the terms have been drawn in such a narrow way. If it is found that a conflict of interest exists on the part of the former

Minister of Regional Industrial Expansion, should the inquiry not be able to look into all of the activities of the Minister, whether or not they are known to this House and the media? If a conflict of interest is found to exist, why is the inquiry limited only to looking into matters which have already been raised?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the terms of reference are broad and appropriate. We have full confidence in the independence of the Chief Justice to conduct the inquiry and make the necessary value judgments.

STATEMENT MADE BY FORMER PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, not only is Chief Justice Dickson opposed to using judges for this kind of political decision making, but last year's annual report of the Canadian Bar Association made exactly the same point. I would like the Prime Minister to consider the following observation made by a former Prime Minister, the Right Honourable John George Diefenbaker:

> It has been abundantly evident, however, that judges should not be used to preside over royal commissions in which matters of political controversy are of the essence.

Why did the Prime Minister not accept the good advice of Mr. Diefenbaker and keep the judges out of political decisions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Chief Justice of Canada said that this should be avoided in most circumstances. We have done that. We are not trying to involve anyone in political decisions. This requires an impartial view, and we felt that the Chief Justice appointed was the most appropriate person.

MORAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Prime Minister acknowledge that what is involved here is not a matter of law? We are not asking the judge to determine whether the former Minister broke provisions of the Criminal Code. What is involved here is the moral responsibility of the Minister and, related to that, the moral responsibility of the Prime Minister to enforce his own guidelines. A judge should not be involved in that kind of process. It is the Prime Minister's responsibility.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not a view which is shared by all Members and all previous Prime Ministers. Previous Governments have acted from time to time in these circumstances in the same way. We believe that, irrespective of the background, a man of competence and impartiality can bring about an appropriate result which will be helpful to the country and democracy.

REACTION TO PREVIOUS INQUIRY FINDINGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is the Prime Minister aware that, when the same judge was responsible for a similar inquiry at the end of the 1960s, as soon as he brought down his report there were criticisms of partisanship and unfairness? If he is aware of that, does he not understand that he is politicizing the judiciary, which ought not to be done?

Some Hon. Members: Hear, hear!

Mr. Nielsen: That is an improper question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, to the contrary, the Canadian tradition—

Mr. Speaker: Order, please. The Hon. Member knows that question comes awfully close to—

Mr. Broadbent: To what?

Mr. Speaker: —comments about the judge.

Mr. Broadbent: No.

Mr. Speaker: Maybe he could rephrase his question.

Mr. Broadbent: Mr. Speaker, I will be happy to clarify it for you, if it is needed.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I am asking the Prime Minister—

Mr. Hnatyshyn: Is that in order or not?

Mr. Speaker: Order, please. Order, please! I am trying to tell the Hon. Member that the question he asked, as I heard it, was, in my view, out of order. Can he rephrase his question in such a way that I can accept it?

Mr. Broadbent: Is the Prime Minister aware that when the same judge brought in a report at the end of the 1960s on a similarly delicate political matter there were immediate accusations by the media of unfairness and lack of objectivity? If he is aware of that, is he not aware of the position he is putting the judge in by giving him a political mandate? He is putting the judge in a position which no judge should be in.

Mr. Hnatyshyn: Order. That's a statement.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Canadian tradition is that once a man or woman accepts an appointment to the Bench, his or her political past—

Mr. Broadbent: You're asking him to make a political decision.

Mr. Hnatyshyn: Let him answer the question.

Mr. Mulroney: —does not enter into the matter. We presume that all the federal judges are going to be as independent and impartial as they have traditionally proven to be.

• (1125)

REQUEST FOR REPLACEMENT OF DEPUTY PRIME MINISTER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Prime Minister. During his absence on official business the Prime Minister was unable to witness the most blatant example of stonewalling that this House has ever seen, which has caused the image of the Government to be tarnished. In view of this I would like to ask him if he would not undertake to ask the Minister of National Defence to step down as Deputy Prime Minister to be replaced by a more suitable appointee.

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker.

Some Hon. Members: Hear, hear!

[*Translation*]

RESPONSIBILITY TO ENSURE APPLICATION OF CONFLICT OF INTEREST GUIDELINES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if the Prime Minister refuses to replace the Deputy Prime Minister, could he at least give the House the assurance that he will remove the responsibility for applying the conflict of interest guidelines from his purview, considering the example given by the Minister in the past two weeks here in the House?

Right Hon. Brian Mulroney (Prime Minister): I think the position I announced in my replies this morning reflects the Government's position, which is entirely appropriate.

[*English*]

JUSTICE'S APPOINTMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question arises with respect to the position into which the judge who has been chosen to conduct the Stevens conflict allegations is being put. As a judge who was, in fact, appointed and promoted by Conservatives, as a former Tory riding president, and as a judge who conducted—

Mr. Speaker: Order, order. The Hon. Member knows full well our rules about comments about the judiciary. I am prepared to hear his question, but I must remind him that comments about the judiciary are out of order.

Mr. Robinson: Mr. Speaker, in view of the fact that the inquiry report prepared by the judge in question was denounced as a whitewash and a political hatchet job for the Conservative Government of the day, and as a double standard by respected journalists of the day, I want to ask the Prime Minister, in view of those antecedents, does he not recognize he is putting the judge in an impossible position and opening him to precisely this kind of attack on his political independence?

Right Hon. Brian Mulroney (Prime Minister): He was appointed by Mr. Diefenbaker, promoted by Mr. Trudeau, and he conducts himself, as with all judges, honourably in the conduct of a commission of inquiry. Mr. Justice Tom Berger, as I recollect, formerly of the NDP, was appointed a federal judge and conducted a commission of inquiry, and did so very well with no reference to his political roots.

Mr. Robinson: Mr. Speaker, Tom Berger was not looking into allegations of misconduct by an NDP colleague.

TERMS OF REFERENCE

Mr. Svend J. Robinson (Burnaby): In view of the fact that at the time Mr. Justice Parker accepted his previous commission of inquiry he emphasized that he accepted it because he was examining facts, and his findings would have no direct political effect.

Mr. Speaker: Question, please?

Mr. Robinson: Does the Prime Minister not recognize that this commission of inquiry is fundamentally different, and the Prime Minister has no business asking a judge to embark on an inquiry of this nature, which is properly conducted by the Parliament of Canada?

Right Hon. Brian Mulroney (Prime Minister): The terms of reference are clear, and they are, I think, very adequate, and will allow the Chief Justice to conduct the kind of inquiry that is required.

STATEMENT MADE BY PRIME MINISTER

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. Upon the Prime Minister's return to Canada he said that the Conservatives are erecting a new standard of morality day by day in Canada. The manner in which the Deputy Prime Minister stonewalled this Parliament for two weeks refusing to answer legitimate questions of the Opposition with respect to the Stevens' affair—does that represent his concept of a new morality in this country?

Right Hon. Brian Mulroney (Prime Minister): I was referring to a ministerial resignation pursuant to the British parliamentary practice where we have differed sharply from the previous Liberal Government which insisted on a resignation only when a Minister was close to being indicted.

• (1130)

INQUIRY CONCERNING FORMER MINISTERS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my supplementary question is directed to the Prime Minister. Would he kindly name the former Liberal Ministers to whom he referred in that response?

Mr. Gauthier: Put up or shut up, Mulroney. How is that?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member knows that such a reference to hon. gentlemen by name is out of order.

Mr. Frith: He won't answer.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if that was a question, the record speaks for itself.

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO SPOUSES OF MINISTERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. Since he indicates that the new standard of morality relates to the resignation of Ministers, perhaps I could refer him to his letter to Ministers on September 9 last year when he said that Ministers have an individual responsibility to prevent conflicts of interest arising out of business activities by their spouses. Is it the position of the Government that it is appropriate for the spouse of a cabinet Minister to do business with companies that are involved in a major way in doing business with the Minister's Department?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on May 9 the Member for Nickel Belt, presumably on behalf of his Party, asked for the appointment of an impartial, independent commissioner. That is exactly what we have just done, giving him the appropriate terms of reference. I think that should answer the apprehensions of the hon. gentleman.

[*Translation*]

REQUEST FOR CLARIFICATION OF PRINCIPLE ANNOUNCED BY PRIME MINISTER IN LETTER OF SEPTEMBER 9, 1985

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary, Mr. Speaker. My question is not related to the inquiry but to the principle set forth by the Prime Minister in his letter of September 9 last year to the members of his Cabinet. Does the Prime Minister think it is appropriate for the spouse of a Minister to do business with a company involved in business dealings with the Minister's department?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is exactly the subject matter before the commission of inquiry, and the chairman of the commission will pass judgment at the appropriate time.

PUBLIC WORKS

REQUEST FOR EXPLANATION OF PRACTICE IN AWARDING CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister and concerns the contract-letting practices of the Department of Public Works. Yesterday, in reply to questions from reporters, the Minister of Public Works said: "I've always said that as long as the basic criteria are observed, namely cost and competence, I certainly don't mind showing my gratitude to people who deserve it." How can the Prime Minister reconcile this statement with his new morality code which he referred to earlier today and yesterday?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, first, the Hon. Member will understand that the matter with respect to particular charges being laid is before the courts and it is not appropriate to raise any reference, directly or indirectly, with respect to that matter, in order to ensure that justice will be done impartially in the Canadian tradition. As far as ministerial responsibility, accountability, and the method of dealing in any particular Department are concerned, I believe my colleague, the Minister of Public Works, yesterday fully and clearly answered the whole question with respect to the way in which business is done. It is all above board by tender and is done according to law.

CONTRACTS AWARDED WITHOUT TENDER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am glad that the Minister said that. The Minister did say yesterday that everything is done by public tender. We have a list of 2,000 contracts, since September 4, 1984, 1,000 of which have never been offered by public tender. Half of the contracts have had no tender in amounts in excess of $5,000. How can the Minister explain that today?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think I can explain it by saying that we are using the same Treasury Board guidelines that our predecessor, the Liberal Government, instituted. It has been a long standing tradition.

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THE ADMINISTRATION

ALLEGED CONFLICT OF INTEREST—APPOINTMENT OF MR. JUSTICE PARKER TO CONDUCT INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. I was in the Ontario provincial Legislature during the last public inquiry in which Justice Parker took part, as far as I am aware. Does the Prime Minister not recognize the impossible situation in which he is placing the judiciary when he asks it to inquire into a

matter which in fact involves the conduct of Ministers of the Crown as it relates to the exercise of their responsibilities to the Parliament of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on May 9 in the House of Commons, the Member for Nickel Belt, speaking on behalf of his Party, asked for the appointment of a judicial inquiry into this matter. This is exactly what we have done.

ROLE OF PARLIAMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Prime Minister will also know that on May 9 I asked that the House of Commons Standing Committee on Elections, Privileges and Procedure make the inquiry. Does the Prime Minister not understand that it is more appropriate for Members of Parliament to pass judgment on the ethical standards of their peers than it is to ask a judge to come down with an inquiry which cannot satisfy either side in the argument, no matter how careful he is?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member's colleague, the Member for Nickel Belt, specifically asked on behalf of his Party for the appointment of a judicial inquiry necessary to have—

Mr. Althouse: He is the House Leader.

Mr. Mulroney: Are you repudiating your own colleague? You better be careful because he has quite a temper. He asked for the appointment of a judicial inquiry and that is exactly what we have done. I am sorry that there is disarray in the NDP, but that is not unusual.

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[*Translation*]

SHIPYARDS

REQUEST FOR CLARIFICATION OF CONTRACT AWARDED TO DAVIE SHIPBUILDING LIMITED OF LAUZON

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs or the Minister of State for Small Businesses. Could the Minister confirm that the contract for the CN Marine ferry awarded last March to Davie Shipbuilding Limited at Lauzon contained a provision asking the president of Davie, Mr. Saunders, to meet with the various parties involved in the Quebec shipybuilding industry with a view to rationalizing these shipyards? Is that correct? Yes or no?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, yesterday, the day before and the day before that, I said that the Minister of Regional Industrial Expansion had asked parties across the country—

Mr. Malépart: Does the contract contain a provision, yes or no?

Mr. Bissonnette: I mentioned that we had asked the people involved in our shipyards across the country to get together and let us know the best way to upgrade and increase the productivity of Canada's shipbuilding industry.

REQUEST FOR CLARIFICATION CONCERNING SOREL SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister doesn't want to answer the question because he is ashamed. Why does the Minister refuse to say that the CN Marine contract contains a provision in which Mr. Saunders is asked to meet with the industry with a view to rationalizing and phasing out the shipyards at Sorel? Why won't the Minister admit that a provision exists, and if it does not, why doesn't he table the contract in the House?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, no, there is no provision that says Mr. Saunders is to shut down the Sorel shipyard.

* * *

[*English*]

PUBLIC WORKS

AWARDING OF UNTENDERED CONTRACTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday the Minister of Public Works said that the Government has a godfather system whereby Conservative MPs can obtain information and occasionally other things from the Government for Conservative supporters in opposition ridings in Quebec. I assume this also applies outside the Province of Quebec. Since one half of the contracts are not tendered, will the Prime Minister explain why the Government not only looks at the merit of the applications but also at whom the applicants supported in the last federal election campaign?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, it is not unknown to political Parties to have Members of Parliament going into ridings that they do not represent in order to see whether or not they can either receive the benefit of advice in those ridings or convey some of the truth as they see it in those ridings. There is nothing unusual about this, and any suggestion that this is some sort of sinister arrangement would mean that all those New Democrats who come to Saskatoon West should be kicked out.

Mr. Broadbent: They are not coming with government contracts.

CONSTITUENCY ASSIGNMENTS OF GOVERNMENT MEMBERS OF PARLIAMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, since this involves Government contracts, half of which are not tendered by the federal Government, will the Government House Leader provide us with a list of all Conservative MPs who are assigned to each one of the 71 opposition Members and tell us what instructions are given to his Conservative MPs about Government contracts?

• (1140)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as you know, I would not comment on the admissability of that question since it has nothing to do with ministerial accountability. It has to do with the fact that—

Mr. Nystrom: Patronage.

Mr. Hnatyshyn: —in the New Democratic Party there are Members of Parliament who are given responsibility for certain areas and certain constituencies. This is not unusual. Any suggestion by the Hon. Member that there is something wrong with this system is simply not a strict, correct statement of fact.

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[*Translation*]

ENVIRONMENTAL AFFAIRS

DANGER REPRESENTED BY RISK OF RADIATION TO POPULATION OF QUEBEC

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Yesterday, the U.S. Environmental Protection Agency issued a press release which referred to a higher than normal rate of radioactivity in the State of Vermont, which is on the U.S. border with Quebec. Could the Minister inform the House whether our people are at risk and whether there is any danger involved for our dairy producers in connection with the problem mentioned in the U.S. press release?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member for Lévis for his question and his concern for the health of Quebec residents.

[*English*]

I wish to tell the Hon. Member that we continue to monitor the very high levels at Montpelier, Vermont, which have not been reflected in Quebec. I can assure residents of the province, specifically those in Montreal and Quebec City, that the radioactive levels we have detected in rainwater and in air have been very low levels, commensurate with the other levels across the country I have given in earlier days. There has been some radiation found in milk in Montreal, none has been found in milk in Quebec City. Again, that level is well below any set safety standard. We will keep on checking.

The fear that there were the same high levels in the province of the Hon. Member as found in Vermont has not been experienced. I wish to assure all Hon. Members and residents of the province that there is nothing to fear as we now know at this time.

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AIRPORTS

AWARDING OF SECURITY SERVICES CONTRACT AT MONTREAL AIRPORTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Acting Minister of Transport. It is a follow-up to the Metropole investigation. On May 13, 1986, the Leader of the Government in the Senate was quoted as saying: "When I learned a deal was in the offing I made sure my wife stayed out of the arrangement". How did the Leader of the Government in the Senate know a deal was in the offing?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, were the Minister of Transport here today I think he would remind the Hon. Member that the responsibility of the Government was to ensure the orderly transfer of security arrangements from one company to the other. The Government was advised that the company Metropole would be the company in question.

SENATOR'S KNOWLEDGE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if in fact the Senator had no involvement with his wife's business, given that we already know the wife is a shareholder in a company which is directly doing business with a Crown corporation, how did the Senator even know about the pending change in arrangements?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as I just attempted to indicate to the Hon. Member, all parties involved in the security at airports were advised. That includes the Government.

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TRADE

LUMBER EXPORTS TO UNITED STATES—FEDERAL-PROVINCIAL MINISTERS' MEETING

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister who might be aware that we are on the brink of a trade war with the United States over free trade in softwood lumber. He might also be aware that the envoy process is going nowhere and that the clock is running on a

U.S. countervailing action. My question is for the Prime Minister because it involves Canada's largest industry.

Would the Prime Minister advise the House whether there was any consensus for action on softwood trade at last night's summit meeting involving Trade and Forestry Ministers from across Canada, including our Minister of State for Forestry and our Minister for International Trade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sorry I cannot answer that question. I will be happy to enquire and report to my hon. friend as soon as possible.

MINISTER'S TELEVISED STATEMENTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is also for the Prime Minister. Would he care to explain the comments made last night on BCTV by the Minister for International Trade who indicated that retaliation to the potential 30 per cent duty to be imposed against Canadian softwood is being considered by Canada? What U.S. goods is the Prime Minister planning to put on that hit list?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of that comment. Obviously, I do not accept the premise of it. I can tell my hon. friend that for two weeks, among other things, I have been constantly promoting the interests of the lumber industry across Canada through the Far East, as well as—and this will interest the Hon. Member—the interests of Expo 86.

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EMERGENCY MEASURES ORGANIZATION

FOREST FIRES IN NEW BRUNSWICK—AVAILABILITY OF ASSISTANCE

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, my question is for the Minister of National Defence. There are numerous forest fires now burning out of control in all of the maritime provinces. I am especially concerned about the forest fires in Northumberland County which have destroyed thousands of acres. Can the Minister advise whether provincial authorities have contacted the federal Government as yet, seeking assistance through the Emergency Measures Organization?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is a very serious situation in New Brunswick. As of 9 a.m. this morning there were between 37 and 40 forest fires in the province, 16 of them out of control. As of 10 a.m. this morning the federal Government had received no request from New Brunswick for resources, although those resources, where we might be able to offer aid through EMO, have been inventoried so that, if called upon by the Government of New Brunswick, the federal Government will be able to act immediately.

I might add that, notwithstanding the serious situation, I am advised that there is no serious threat to life in any of the areas that are subject to the conflagrations.

REPORTED CONSEQUENCES OF ARTILLERY PRACTICE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is supplementary to the previous question. It is also for the Minister of National Defence. This morning I spoke with officials of Canadian Forces Base Gagetown who indicated to me that one of the major forest fires burning was a result of the use of live ammunition during artillery practice in the tinder-dry forests. Will the Minister explain what our Armed Forces personnel are doing shooting with live ammunition into the forests during these sensitive times? As a result of the fires established and the losses which will inevitably accrue, what compensation is the federal Government considering for the people affeded?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the allegations which have just been made by the hon. gentleman certainly will be the subject of close inquiry and scrutiny by the Department now that he has raised them in the House of Commons.

COMPENSATION INQUIRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is also for the Minister of National Defence. Since one of the major fires was caused by the Canadian Armed Forces resulting in a number of towns being threatened in the Gagetown area, including the evacuation of many hundreds of families, what compensation is the Minister planning for these people?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman has made a statement of—

Mr. Althouse: Of fact.

Mr. Nielsen: —a statement which he probably concludes is fact. Surely the prudent thing to do is to establish whether or not what he says is the case and is in fact true.

Mr. Riis: Then you should ask.

Mr. Nielsen: I think the very prudent thing to do is to allow me now to cause the necessary enquiries to be made in the Department to determine whether or not what the Hon. Member says is in fact true.

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NATIONAL REVENUE

HOLSTEIN RESEARCH PROJECT EXPENDITURES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of National Revenue. Why does the Minister

continue to approve the spending of $10 million by Dreamstreet Limited to do a phoney research project to compare the production of red and white holsteins with that of black and white holsteins, when this project has been soundly condemned as useless by the Holstein-Friesian Assocation of Canada, the University of Guelph, and the Co-ordinator of Research for Agriculture Canada? What is the pressure that keeps the Minister approving this project and spending $10 million of taxpayers' money?

Mr. McDermid: Remember who brought that stupid scheme in.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, my colleague surely knows that there is no pressure involved. He must know that this is the residue of one of the most ill-conceived programs ever brought forward by the previous Government.

Some Hon. Members: Hear, hear!

Mr. MacKay: This is so in the opinion of all the knowledgeable tax experts in this country and is something which, incidentally, the Leader of the New Democratic Party was one of the first to note, to give him credit. It has turned out that we have had to audit all of these programs to ensure that the taxpayers' interests are being protected. I cannot comment on the state of this particular application because of the provisions for secrecy in the Income Tax Act.

APPROVAL OF PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, it is reported that this research project was turned down about three or four times before it was finally approved last November. Can the Minister indicate if the Minister of Agriculture or any other Minister made representations to have the project approved late last November or early December?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can certainly tell my colleague that there were no such representations, as far as I am concerned. Even if there were, as I said earlier I cannot comment because of the provisions of the Income Tax Act.

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CANADA POST CORPORATION

MAIL DELIVERY SERVICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, daily mail delivery may be a thing of the past following a decision of the Government to be announced in six weeks' time. The Minister responsible has said that he could talk about delivery three times a week and he could talk about delivery four times a week. I ask the Minister not what he could talk about but what he is talking about. Will the Canadian people have input into this decision before the Government totally destroys the postal system in Canada?

• (1150)

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I have already answered this question many times this week. We have been requested by the Minister of Finance to find the best possible way to bring the post office to self-sufficiency in a short period of time. Alternate-day delivery is just one of the alternatives that is being examined. It may not be retained but it has to be examined.

PUBLIC'S REQUEST FOR SERVICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister says that he is searching for ways to fulfil the request of the Minister of Finance. What about the request of the Canadian people for better mail service rather than a return to the Pony Express?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I can answer that by saying that we have to deal with the deficit and we are committed to bringing economic renewal to the country. It is the representations that the Prime Minister makes in other countries that bring good news here to Canada.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Prime Minister. I take it that the Prime Minister is aware of the May 8 letter of President Reagan to Senator Packwood indicating the President's intention to take unilateral action on Canadian softwood lumber. Would the Prime Minister not agree that there has not been a clean launch to the free trade issue? Has he not been doublecrossed by his friend, President Reagan, on the softwood lumber issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that had been asked and answered many times prior to my departure. I stand by the answer I gave. I do not know what unilateral action the hon. gentleman is talking about. We are satisfied that there will be a clean launch to the talks.

CANADIAN POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, given that the Prime Minister has been away and that these are more recent developments, would the Prime Minister inform himself of these more recent developments? Considering that this is Canada's largest industry, would he indicate to

the House right now that he is prepared to fight for this industry, to oppose American countervailing tariffs, and to get himself informed about this issue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not have to be informed about it. This Government is promoting the interests of that industry not only in the United States but around the world. We are actively seeking out new markets and we are trying to deliver relief to the industry which so desperately requires it. That is why we have been working so hard on behalf of this and other industries.

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THE ADMINISTRATION

ALLEGED CONFLICT OF INTEREST—PARKER COMMISSION—REQUEST THAT OPPOSITION BE REPRESENTED AND PAID

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put another question to the Prime Minister regarding the Parker inquiry. If we consider the precedent of the Estey Commission, the Government of the country is certainly going to be well represented, and as the Prime Minister has said, handsomely represented, by counsel at the Parker inquiry. Will the Prime Minister allow the Opposition to be equally represented at that inquiry and to be paid by the Government as the Government's own representatives will be?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is asking me to intrude upon the jurisdiction of the Chairman of the inquiry. Representations can be made to the Commissioner under the Inquiries Act and he can make whatever determination he thinks is fair.

REQUEST THAT TERMS OF REFERENCE BE AMENDED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister knows that he can control the parameters of the inquiry by amending the terms of reference. Since it is quite obvious, because of the Estey precedent, that the Government will be represented at public expense by counsel, will the Official Opposition and the New Democratic Party be equally well represented and paid at public expense?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not controlling any parameters. The inquiry has been asked to deal with the matters raised by my right hon. friend.

Mr. Turner (Vancouver Quadra): You set the terms.

Mr. Mulroney: Of course we set the terms as the Government must. When my right hon. friend was Minister of Justice, he was called upon from time to time to consult in that area on behalf of the Government. We have done exactly what my right hon. friend did when he was Minister of Justice in the Government of Mr. Trudeau. Representations can be made to the Chairman of the Commmission and he will exercise the same good judgment in that as he will, no doubt, in all other matters. He is entirely free, and given his remarkable competence and impartiality, I am sure he will make the right decision.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT INQUIRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. Several weeks ago the Minister of Finance, speaking in Durham, indicated that the Auto Pact was definitely not on the table in the free trade talks with the United States. Would the Prime Minister therefore repudiate the statements made yesterday by Peter Murphy in the United States who said that Canadians have assured him that all items, including the Auto Pact, will be on the table?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the remarks of the American representative, Peter Murphy, were repudiated by the American Ambassador, Thomas Niles.

AGRICULTURE MARKETING BOARDS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, of course it is Mr. Murphy who is in charge of the negotiations. Will the Prime Minister also choose between the Minister of Agriculture and Mr. Murphy and make it clear that marketing boards are also excluded from these talks?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would always be reluctant to choose against someone by the name of Murphy, but clearly I would choose our Agriculture Minister.

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[*Translation*]

CANADA POST CORPORATION

POSSIBLE REDUCTION OF SERVICES—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post.

The Minister is considering various alternatives to reduce mail service so as to comply with the February 26 Budget constraints which fly in the face of the five-year plan advocated in the Marchment report.

Does the Minister agree with the Marchment committee recommendation that consultations be held with urban

residents who do not have home delivery service, and when will he consult them?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, my response to this question is that indeed the Marchment report raised a number of concerns. We are now examining its recommendations and we will comment on them when our operating plan is unveiled.

REQUEST THAT MINISTER MEET CITIZENS' COMMITTEE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, will the Minister meet with the Saint-Léonard—Anjou citizens' committee which is not satisfied with the service? As requested in my May 2 letter, will he meet with the committee before making a decision?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am aware of my colleague's letter dated May 2 in which he asked me to meet with his constituents. Of course I will act on his request before announcing the policy.

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[*English*]

AGRICULTURE

FARM FORECLOSURES LEGISLATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Prime Minister and deals with promises made to eight farmers who are faced with farm foreclosures. The Minister of Agriculture promised legislation before Christmas. The Minister of Finance had such legislation in his Budget. The Prime Minister himself mentioned it at the end of April and said that there would be legislation before the end of June. Can he now tell us what that legislation will be, and which Minister will be presenting it to the House?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we of course are working to pass what is probably the most exciting and best legislative package that has been passed by any Parliament—

Mr. Broadbent: In the history of mankind.

Mr. Hnatyshyn: — in the history of mankind. That legislation is a priority item and I hope I can count on the support of the Hon. Member in order to put the matter through quickly and expediently.

TIMING OF INTRODUCTION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, would the Minister then explain to the House why the legislation was not put before us prior to Christmas as promised by the Minister of Agriculture? Will we again miss the June deadline set by the Prime Minister himself?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we want to make sure that the legislation is in the best form possible and has the widest consultation in order to make sure that all Members of the House who look at things objectively will pass it quickly.

Mr. Speaker: I recognize the Hon. Member for Renfrew—Nipissing—Pembroke for one question.

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SEARCH AND RESCUE

LAKE HURON BOATING ACCIDENT—DISCONTINUANCE OF SEARCH

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, on or about November 9 of last year, a Kitchener, Ontario, couple were assumed to have perished in Lake Huron six days after the initial search and rescue operation was called off. Because of pressure, the Minister ordered another five hours of search on November 6. Why did he ignore the many requests from the family, from the community, and from members of his own caucus to continue the search for a longer period of time?

• (1200)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I presume that question is directed to me. The Associate Minister of National Defence has been dealing with the details of that matter. If the Hon. Member would put his question when the Minister is back in the House on Tuesday, he would be delighted to respond in detail to him.

Mr. Hopkins: Mr. Speaker, I have a supplementary question for the same Minister.

Mr. Speaker: Order, please. I indicated to the Member that it would be for one question.

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PRIVILEGE

CONFLICT OF INTEREST—APPOINTMENT AND TERMS OF REFERENCE OF INQUIRY—ALLEGED INTIMIDATION—SPEAKER'S RULING

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) raised a question of privilege on Wednesday on which, at his request, I indicated that I would rule today.

It is clear that no court or inquiry may "call into question statements made by Members of the House of Commons in Parliament" or "pass judgment on the proceedings of the House" or "infringe on the freedom of speech of the House".

The Hon. Member for Windsor West asks the Chair to find that there is a *prima facie* breach of privilege as evidenced by the intent expressed in the words of the Deputy Prime Minister (Mr. Nielsen).

It is also clear that it must be possible to investigate the substance of an allegation once made in the House, although the making of an allegation during a proceeding in the House is protected by absolute privilege.

As the Hon. Member for Windsor West himself recognized, it would be difficult for the Chair to determine whether the purpose of an inquiry was "to improperly examine statements made in Parliament" in advance of the inquiry being created.

The Hon. Member asks the Chair to find, rather, that an intention to create such an inquiry has been expressed and as such would of itself be either a breach or an attempt to intimidate Members.

A breach of privilege cannot be hypothetical—it must have occurred—and therefore the Chair could not find an expressed intention to be a breach unless it were of itself a threat.

As the Hon. Member for Saint-Jacques (Mr. Guilbault) and others suggested, the Chair examined more than the one answer of the Acting Prime Minister. Taken together and as a contextual whole, I cannot find that the answers impinge upon the privilege of freedom of speech of Members of Parliament. While the Acting Prime Minister indicates his intention that the substance of accusations and allegations made against the former Minister of Regional Industrial Expansion be investigated, I can find no threat, real or implied, that any Members may be called to account for anything they have said in the House, nor can I find a *prima facie* case of an attempt to intimidate Members and restrict them in what they might say.

I cannot find, therefore, that the basis of a question of privilege has been established, and I am therefore unable to accord this matter precedence over other business.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, yesterday I undertook to address the question of the order of the business of the House for the first few days of next week, in any event.

There have been consultations among the House Leaders, and I am able to report that upon the return of the House after the long weekend we will consider second reading stage of Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands; followed by second reading stage of Bill C-109, an Act to amend the Income Tax Act, SRTC; followed by second reading stage of Bill C-106, an Act to amend the Young Offenders Act.

We will monitor the progress of these pieces of legislation. There are other items which I have discussed with the House Leaders that could be brought on for debate if we make progress on the Bills I have mentioned.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wonder whether the Government House Leader might take into account the fact that there is a large number of opposition days yet to be allocated and consider giving us some advance notice of when he will be calling those days.

Mr. Hnatyshyn: I am certainly aware of that. I think we all agree that one of the dilemmas in respect of this particular trimester is that we have an inordinate number of allotted days, 13 in all, to fit into an otherwise constrained timetable.

I have attempted to do my bit for democracy in the Opposition by giving five allotted days this week, and I will attempt to give as much notice as possible in respect of the other ones which will be brought forward on a timely basis.

Mr. Deans: Mr. Speaker, I have a supplementary question. In the interest of democracy, I think it would be appreciated by those of us in the Opposition if in similar circumstances we might not have five consecutive days but rather have them interspersed throughout the period so that we might deal with matters as they are current.

The Minister will recall that I requested an opposition day for April 14, which we were unable to get. For the future, perhaps we could try to schedule them a little more evenly throughout the period.

Mr. Hnatyshyn: Mr. Speaker, I accept that representation. Unfortunately the proposition put forward presumes that the Opposition cannot find five important issues to debate in any particular week.

Mr. Deans: It presumes that if we ask for one, it is important.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, last year the Government House Leader gave us an agenda some time toward the end of May. We are now into that period of time, and I am just wondering whether he will give us an agenda of work for the 30-odd days which remain before the summer recess. Of course we will start extended hours on June 12. Could he make it known in the next few days so that we can plan accordingly?

Mr. Hnatyshyn: Mr. Speaker, that topic is the subject of discussion with the Hon. Member for Windsor West (Mr. Gray) in House Leaders' meetings. The idea is that we all want to see what can be done in terms of the remaining days. I am trying to bring forth a reasonable list of priority items which we might address, and I think there is the prospect of making progress, to the credit of the Opposition as much as anyone.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to the following eight petitions: Nos. 331-341 to 331-348 inclusive.

* * *

STRIKING

PRESENTATION OF THIRTY-FIFTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the thirty-fifth report of the Striking Committee, in both official languages.

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

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[*English*]

PETITION

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to present a petition signed by a number of people in Kamloops, British Columbia. They are very concerned about the recent decision of the Minister of Employment and Immigration (Miss MacDonald) that would see workers' pension benefits being deducted from their unemployment insurance benefits, effectively eliminating the benefit to workers of the pension package. They ask the Government to change its mind, to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all the remaining questions be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—GREAT LAKES WATER QUALITY AGREEMENT—INCLUSION OF TOXIC SUBSTANCE CONTROL PROGRAMS

Hon. Chas. L. Caccia (Davenport) moved:

That this House urges that the Government of Canada insist that the Government of the United States regard the fulfilment of responsibilities under the Great Lakes Water Quality Agreement as an obligation, rather than a concession, and further urges the Government of Canada to renegotiate the Great Lakes Water Quality Agreement to include toxic substance control programs to restore water quality in the Niagara, St. Clair and St. Lawrence Rivers for the benefit of millions of Canadians and Americans and that such negotiations should lead to the adoption of the zero discharge principle already embodied in Annex 12 of the Agreement.

He said: Mr. Speaker, it was in 1982, when Charles Ross, a former commissioner of the International Joint Commission, proposed in reference to the Great Lakes Water Quality Agreement, which had been renewed in 1978, a national process and conference modelled on the 1972 Stockholm Conference on the Human Environment. The committee consisted of scientists representing the National Research Council of the United States and the Royal Society of Canada. It endorsed this proposal for a conference on the Great Lakes which would focus attention upon the importance of the Great Lakes as a resource and upon the severity of the problems facing it.

• (1210)

Therefore, in December last year the joint committee of The Royal Society of Canada and the National Research Council of the United States recommended that the parties to the agreement, namely, Canada and the United States, hold a binational conference on the Great Lakes and that they establish a preparatory committee to develop a draft statement of principles and a draft action plan to be acted on formally at the conference to be held before the end of the present decade.

You may be wondering why I put this statement on the record, Mr. Speaker. The statement when it was produced last December was urging Parliament to take the recommendation into account very seriously, and is one of the reasons that I, on behalf of my Party, am putting forward this motion today. There is a need to renegotiate or at least review the agreement with the U.S. on the Great Lakes water quality.

In November, 1984, there was an interesting document produced by the Niagara River Toxic Committee in which Canadian members of the committee recommended that there be a toxic substances control plan for the Niagara River. This was the result of intensive studies. In addition to that, water quality objectives should be stated in the Great Lakes Water

Quality Agreement for toxic substances in the Niagara River. These two recommendations are in keeping with the supporting and detailed material attached as annexes to the Great Lakes Water Quality Agreement, but they are only annexes. Annex 1 specifies water quality objectives for certain toxic chemicals in the Great Lakes, and Annex 12 refers to persistent toxic substances and mentions specifically:

The intent of programs specified in this Annex is to virtually eliminate the input of persistent toxic substances—

I will come back to this later when I will touch briefly on the concept of zero discharge.

The point here is that you have another group of scientists, in this case all Canadians, who pursue very firmly the necessity, and raise it in the public's mind, that we should have a toxic substances control plan for the Niagara River and that the objectives in water quality should be stated in the agreement.

Moving on again to another document, the 1985 Report on Great Lakes Water Quality. In this we find some 21 recommendations. They all converge into one conclusion, at least they strike me as converging, on the necessity of definitely reviewing and where possible renegotiating certain aspects of the Great Lakes Water Quality Agreement. I will read only recommendation No. 1, which has been brought to the attention of the public by media. Subsequent reports make the 1985 report significant and valuable. Reading from page 9, recommendation No. 1 is as follows:

The Great Lakes jurisdictions explicitly recognize the effects of air emissions on water quality in general, and on Great Lakes water quality in particular, in the formulation of air quality statutes, regulations and standards.

This statement in a way is vindicating some of the statements and even a publication issued by Environment Canada under the title *Storm Warnings* which the Minister has decided not to circulate because he feels that he has, in his judgment, a better knowledge of what the public should read and should not read. I would like the Minister to read this specific recommendation and reflect on it in depth. He would probably then reverse his decision because this very same matter is raised in a report that predates the publication of that brochure entitled *Storm Warnings*.

Another reason for a review or renegotiation, depending upon which of the two would be more effective, is the very important and complex but indispensable question of compliance of the United States and Canadian regulatory system with the Great Lakes Water Quality Agreement. Nothing can be said that is adequate to stress the importance of this compliance, which is so essential for the working of the agreement. It is complex. It touches on several jurisdictions but it has to be done eight or nine years following the signing of the 1978 agreement. Therefore, the compliance aspect is extremely important. I would like to stress this in the strongest possible terms, even in the very short time available to me for the Government's consideration and action.

It is true that the November, 1984 cuts by the Government in toxicology research with the Guelph Centre and the Canadian Wildlife Service do not make our position stronger. Surely an intimate knowledge of the agreement *per se*, the Great Lakes Water Quality Agreement, would make a difference, I submit, in the pursuit of a good plan for Canada, for Ontario, for Quebec and for any other province that in the long term would benefit from and would support it.

In this respect I have to put some starch into the collar of the Minister of the Environment (Mr. McMillan) because I have the impression that he has not done his homework.

I will read for the record, and for him, a passage or two from the agreement itself which was signed on November 22, 1978. In Article II the first Purpose reads as follows:

The discharge of toxic substances in toxic amounts be prohibited and the discharge of any or all persistent toxic substances be virtually eliminated.

This is a principle signed by both parties in the agreement. I am sure that the Minister takes seriously the Canadian commitment to that agreement and that he will hold the Americans bound. Yet in statements that he makes inside and outside of the House he conveys that somehow we should be grateful to the American jurisdiction, namely, EPA, for its even taking into consideration that something better be done in this area. It is as if it were a great favour due to us because of our smiles and statements of servile obedience to the dictator that perhaps have been given to the Minister by the Secretary of State for External Affairs for External Affairs (Mr. Clark), meaning that we must be nice at all costs. This is not the case, Mr. Speaker. The Minister must understand that there is an agreement which both nations have signed. Canada takes its commitment seriously and the Minister has the duty to ensure that the other party to the agreement also takes its commitment seriously.

• (1220)

There are other specific objectives contained in this agreement. I will briefly touch upon Article IV which says:

The Specific Objectives adopted pursuant to this Article represent the minimum levels of water quality desired in the boundary waters of the Great Lakes System and are not intended to preclude the establishment of more stringent requirements.

The Minister would do well to do his homework and become intimately acquainted with the wording and clauses contained in this agreement. If he does not do his homework, he cannot speak effectively for Canada. In the last week he has performed in a shaky manner. He has produced a shaky press release which I must bring to your attention.

In the third paragraph on page 1 reference is made to the understanding which has been agreed upon by the administrator of the EPA and the Minister of the Environment. It says that they, namely, the Minister and the administrator, suggested—note the word "suggested"—that a 50 per cent reduction of certain—note the word "certain"—toxic chemicals, taking into account applicable water quality and drinking water standards may be achievable—note "may be achievable"—by 1995 or sooner. We have the words "suggested", "certain", and "may be". What does this kind of press

release achieve when the plan has not been announced and the wording of the statement is so vague? I urge the Minister to make that plan public and end the secrecy surrounding it.

There are other passages in the press release which really defeat the logic of any objective reader, but time does not permit me to put them on the record. When there is a suggestion of a 50 per cent reduction, when toxic chemicals are referred to as "certain toxic chemicals", and when it says that the target date "may be achievable by 1995 or sooner", it is not very convincing. This accounts for the reaction of groups which have already commented in very critical terms about the announcement made in Washington.

This leads me to the performance of the Minister as a negotiator. Quite frankly, I could not believe my eyes when I read in *The Toronto Star* of May 13 that the Minister had castigated the provincial Ministry of the Environment of Ontario for trying to scuttle a proposed clean-up agreement with the U.S. by demanding what he termed "unrealistically high standards". I do not know on what basis the Minister of the Environment for Canada can describe as unrealistic the standards set by his colleague from the Province of Ontario who shares with him the political responsibility for what happens through an agreement which is being worked out. If the Minister feels that certain standards are unrealistic, he should be forthcoming and explain why, rather than going public with what he is quoted as calling a "perception". In that article the Minister is also quoted as saying:

I'm prepared to be disabused of that perception.

Have you ever seen a better example of double talk? On the eve of a meeting in Washington with his U.S. counterpart the Minister of the Environment for Canada says that the Ontario Minister of the Environment is setting unrealistic standards and, in the same breath, he is indicating his willingness to be disabused of that perception on that eve of the meeting in Washington with his U.S. counterpart. Who in his right mind as a negotiator for Canada would, on the eve of a meeting with the representative of the other party to the agreement, go public on a disagreement among Canadians? That is unacceptable.

The Minister owes the House an explanation for that kind of silly, irresponsible and incompetent performance. If there was a disagreement between him and the Minister of the Environment for Ontario he should have worked it out in private. He should never have gone public with it. He made it public knowledge that the Government of Canada is in disagreement with the position of the Government of Ontario. If you were the negotiator on the other side of the table, Mr. Speaker, you would focus on and push for the lesser of the two positions. This is why we are gradually moving toward the adoption of a second-class plan. That is not fair, it is not right, and it is not in the interests of Canada.

When speaking for Canada the Minister of the Environment should put forth the unanimity of the views of the provincial Ministers of the Environment. That is the least he can do. If there is a disagreement, he should keep it to himself. A difference of opinion is something for Canada to resolve internally. It should not be proclaimed publicly here and in Washington to the benefit of the negotiating team on the other side of the table. I was profoundly disappointed by the Minister's action. I do not see how he can function effectively in this kind of an environment.

I am also disturbed by my impression that the Minister has not done his homework and does not understand that both Canada and the U.S. made an undertaking in the 1978 Great Lakes Water Quality Agreement. The U.S. is not doing us a favour by abiding by the content of this agreement. The Minister of the Environment does not yet seem to have understood this. This is a binding commitment. Certain parts of this agreement now seem to be in need of review and renegotiation as urged upon us by the Royal Society of Canada, the National Research Council of the U.S., and other reputable and substantial bodies in North America.

I am sure the Minister will get up and say that this is the first agreement, and the first time, and use other such wording which he has expressed in Question Period. The Minister is building on work which was done before he came on the scene. The 1978 Great Lakes Water Quality Agreement provided a building block. The study produced in November of 1984 by the Niagara River Toxic Committee is another building block. The study by the Royal Society and its counterpart in the U.S. is another building block. This is a gradual process. Now the Minister is in the driver's seat and he has to deliver. He must remember that his predecessor, in May of last year in this House, made a pretty strong statement promising some programs between Canada and the EPA on toxic chemicals in the Great Lakes.

• (1230)

I will conclude by saying we have moved this motion, and it is the second motion in 1986 on this crucial matter, because we can see that the well being of the economy and the health of Canadians of this and future generations are at stake here. This is a generational issue.

In the eight months since the Minister has been appointed he has not made one statement on his own initiative on this important matter unless prodded by us. Finally, Canadians at large, from Montreal to the west, are very nervous about this issue. I hope in his speech the Minister will reassure us that he understands the importance of being the negotiator for Canada, keeping the ranks together on the Canadian side, rather than giving away a bargaining position, and second, that he understands fully the power and the strength that he can derive from the proper, correct and decent interpretation of the Great Lakes Water Quality Agreement of 1978.

Mr. Gurbin: Mr. Speaker, I have two short questions which have to do with information. During the Member's comments he was discussing what has happened historically. He left out some of the important factors and accomplishments he was not able to achieve in his time as Minister of the Environment. Most of what he is talking about has to do with information.

I would like to make two points on the informational aspect. I would like to know if he understands that this plan, the negotiation that has occurred between Canada and the United States, which the Minister of the Environment (Mr. McMillan) in Canada has related by way of communiqué, has committed us, both the Americans and Canada, to providing the necessary information that is not available to Ontario, not available to the United States, but which is necessary to establish the loadings, targets and the timetables to reach the objectives we have committed ourselves to of 50 per cent. That is the first point.

Second, since he is familiar with events happening in Ontario and at the Ontario Government level, I wonder if he could tell us whether he will use his position as Member of Parliament for Davenport to reach an agreement to actually clean things up? Will he use his good office and his contacts with the Minister of the Environment of Ontario to see if he will release the necessary information to the Americans? The information is necessary for us, in co-operation with them, to clean up the St. Clair River.

Mr. Caccia: I find both questions extremely naive, to say the least. I do not know whether the Parliamentary Secretary realizes who is in Government. He is in Government and his Minister is in Government. I get my information from clippings in *The Star*. If the clipping is incorrect the Parliamentary Secretary has the time to correct the substance of the clipping. I do not mind at all. To expect me to operate as a mediator on his behalf, or on his Minister's behalf, or to obtain information for him is naive, I am not any more familiar than he is with what happens in Ontario. That is not the point. The point is that his Party is in Government. His Party has the responsibility to deliver. His Party, through the former Minister of the Environment in May, 1985, made a very strong statement at that time. I was happy to hear that because it showed that the predecessor to the present Minister was very keen to work out with Washington in May, 1985, a strong agreement. I am sure the Parliamentary Secretary remembers that.

Here we are a year later reinventing the wheel, talking about technical documentation, something that I thought was agreed upon a year ago, or that perhaps emerged last October when the head of EPA came to Ottawa. We have been kept completely in the dark. We do not know the contents of that particular plan, which I understand has been made public south of the border.

We can only go by what we know; a statement in May of 1985, a visit to Ottawa in October of 1985, then questioning the Minister in March, 1986, his commitment to excavation and destruction, and that is all.

If he sees in me the capacity of an alternate Government to obtain documentation and to negotiate on his behalf, I thank him for the high esteem that he has for me, but I am afraid he is overestimating my powers.

Mr. Gurbin: Mr. Speaker, what I was trying to do for the Member of Davenport (Mr. Caccia) is give him solid, clear information so that he might function from the same reasonable and accurate base that we are functioning from here. The necessary technical data for how much toxic material is going into the Niagara River and how much is totally going out is, indeed, part of the plan. We have a very rigid, close time frame in order to accomplish those determinations. What I am doing is telling the Member from Davenport that that is precisely a part of the plan. It is a very specific part of the plan and it is information that is not theirs.

I am also telling him that part of the reason it has been so difficult during this period of time, and part of the reason it has been so difficult from October until now in order for the Minister of the Environment in Canada to take the necessary leadership that he has taken now in coming to an agreement, is that if on the Ontario Government—and clearly he has political liaisons there and I think no one would argue that, himself included—the Minister of the Environment in Ontario wants to be even-handed and co-operate, as is necessary to clean up the problem, he is going to have to be open with all of us and provide the necessary information that is available only to him so we can get the job done. I am really giving him two pieces of information. I am letting him know that we, for our part, and the Minister of the Environment in all of his actions, have encouraged the co-operation of Ontario and look forward to their co-operation in any way possible in order to achieve a successful conclusion.

Mr. Caccia: Mr. Speaker, the Parliamentary Secretary seems unaware of the fact that the data on what goes into the river is already contained in a detailed study by the Niagara River Toxics Committee of October, 1984. It is a thick volume with detailed charts, containing all the emissions, industry by industry. It is right there. The data is coming out of our ears, as far as that is concerned. He can find it on pages 10 to 15 of the summary of that report, namely, the Niagara River Toxics Committee report of October, 1984.

As to the leadership of the Minister of the Environment, this is where I have difficulty in understanding what he means when leadership entails going public on a disagreement among Canadian Ministers of the Environment. What kind of leadership is that, I ask him? Does he consider that leadership?

Second, does he consider it leadership to go around, as the Minister does, trying to create the impression that in Washington they are doing us an enormous service, favour almost, by doing whatever he implies in this press release, rather than having the strength given to him by virtue of an international agreement. That is where the leadership would be. It is not this subservient attitude by which we thank Washington for paying attention to Canadians when there are so many problems with the environment in the United States. There is an agreement, with a very clearly defined set of principles. That is the basis on which the Minister of the Environment should be working, rather than creating the impression with the Press Gallery, as he did yesterday, that we should be grateful.

• (1240)

Mr. McMillan: What accord did you get from the Americans?

Mr. Caccia: As we did with acid rain, we laid out the foundation on which the Government could move. We did the preliminary work. There was an agreement with the provinces with respect to acid rain. There was an international agreement as well as a study by the Department of Energy, Mines and Resources to assign a certain amount of money for the modernization of non-ferrous matters and so on. The basis is there. The world did not begin in September, 1984.

The Acting Speaker (Mr. Charest): Order. The period for questions and comments is now over. Resuming debate.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, while I do not want in any way to play down the importance of the pollution problems in other parts of the country, I want to spend most of the few moments I have in this debate speaking about the affects of pollution on Lake Ontario. I believe this particular area deserves at least one or two days of consideration, but I will attempt to deal with it in the 20 minutes that I have.

I suggest that we fail to grasp the significance of the problem if we do not consider it an act of criminal proportions when industries pour their killer pollutants into our drinking water. I realize that it is a difficult question and I appreciate that some would rather describe its significance in more muted terms. However, the facts are clear that for many years industries and municipalities, particularly those along the Niagara River, have been aware of the degree to which they were detrimentally affecting the future water quality of Lake Ontario as a result of much of what they dispose finding its way into the waterways of Canada.

What if such action were taken privately? For example, let us assume the Minister of the Environment (Mr. McMillan) lived outside the city and had some pollutants left over from a job which he undertook. If he could not find a satisfactory way to dispose of them and decided to pour them down his neighbour's well, he would be taken to court and put in jail for such a criminal act. In my opinion, that is a situation that is paralleled by what is happening to our drinking water in Canada as a result of what is being allowed to take place within the United States.

I see the Parliamentary Secretary screwing up his nose. The facts are clear that for many years the U.S. administration, as well as the Canadian administration, has been well aware of the implications from pollutants being disposed of either through toxic waste dumps or directly into the Niagara River.

Governments have pussy-footed for so long in trying to deal with this matter that the clean-up operations will now become the responsibility of the public purse when it ought to have been the responsibility of the corporate sector. The cost of meeting that responsibility will be immense.

I make that statement with some anger because I recall that when I spoke about the same kind of problems 18 years ago we received the same basic answers. We were told that further discussion must take place, that through the negotiation process we will find a way to solve the problems, that there will be certain progress forthcoming and that they would implement the proper technology if only it existed.

The Member for Davenport (Mr. Caccia) will recall a meeting in Stouffville, north of Toronto, that was held in the early 1970s. It was a public meeting held in a school gymnasium with at least 1,500 people in attendance. We were attempting to discuss whether it would be appropriate for liquid industrial waste to be poured into a deep well and pressurized into the ground.

It sounded like a simple process until one began to consider the consequences. Much of the water that serves the northern part of Metropolitan Toronto is drawn from that area. The faults that exist within the rock formations of that part of Ontario are such that any pressure would allow those pollutants to be forced through the ground into the water table. As that debate raged, there were those who actually thought there was no danger because such seepage would take so long that the pollutants would be cleaned up by virtue of passing through the soil. It was suggested that those who held that opinion could put the pollutants in their backyards. In other words, let those who produce the pollutants get rid of them. Perhaps industry would be more concerned and conciliatory in dealing with these problems if they had the responsibility of disposing of these pollutants as well as finding new and innovative uses for them in the manufacturing process.

That argument has been made as a possible solution to the matter. The only problem is that when given the responsibility of disposing of these pollutants, they were put in steel barrels, trucked out to the country and dumped in farmers' fields or along the road. That showed the degree of commitment and concern for the environment by those who were supposed to be trying to protect it.

I repeat that I believe such acts are of criminal proportion. I believe a number of people would share this view, perhaps to a lesser degree. Companies along the Niagara River, primarily but not entirely within the United States, are putting their killer pollutants in our drinking water. This will continue to happen for many years to come, notwithstanding the Minister's latest sojourn into Washington.

My attitude toward this problem is that the pollutants in those dump sites which have been identified should have been and must be dug up and disposed of in an area far removed from the waterways. I say that the Minister used to hold that attitude as well. If we cannot dispose of industrial waste, we must find new and more innovative ways of holding it until adequate disposal can be determined. This can only be done in areas far removed from the major waterways and major sources of drinking water.

• (1250)

I seem to recall that the Minister was an advocate of that very method, which was to dig it up, take it away and put it into containment areas until such time as technoloy catches up. We will then be able to dispose of it satisfactorially, neutralize it or do whatever one must do with it. That was the position of the Minister. Unfortunately, it no longer seems to be the position which we are advancing in the discussions. It is certainly not the position I hear coming across.

If I am not mistaken we now hear Mr. Thomas and the U.S. administration suggesting that they have come up with a new way. We will all get straws and suck it up. At least, that seems to be what they are proposing. The suggestion seems to be that somehow over the next 20 years we will find a magic, innovative way, yet to be discovered, to suck this stuff out of the ground. And to do what with it? I am not absolutely sure. However, it is a wonderful suggestion. How long will it take? It appears that the process which Mr. Thomas has yet to bring forward as a workable and practical means of dealing with the problem will take many, many years. In fact, it has been suggested that it will take a period of between 30 and 50 years before all of these pollutants can finally be gotten out of the—God knows how many perhaps 80—dump sites, large and small, which exist along the U.S. side of the Niagara River. In the meantime we must hope that it does not keep leaking. That seems to be the answer. However, if it leaks in the meantime we will just have to hope that no one takes sick as a result of it.

I think people across the country have to understand that what we are talking about is a river which contributes 83 per cent of the tributary flow into Lake Ontario. In fact, the river itself almost totally determines the environmental health of Lake Ontario, which is a source of drinking water for nearly four million Canadians.

Mr. Caccia: And nearly one million Americans.

Mr. Deans: We are not talking about the drinking water from some tiny lake which if closed off for human consumption purposes as a result of its waters being unfit for drinking could be replaced with some other source. Since the early part of the 1970s we have seen the detection of a wide variety—and I could list them—of chemicals, some in low and some in much larger concentrations, flowing into this river and subsequently into Lake Ontario.

While I was mentioning the four million Canadians who drink this water and who rely upon it as their sole source of drinking water, the Hon. Member for Davenport said that there are an additional 1.5 million people, I believe, who use Lake Ontario as their primary source of drinking water. The Niagara River problem and the pollution in it is one which has been with us, I suspect, for as long as the river has been there. However, the detection of major problems started back in about the late part of the 1940s—if I recall correctly it was in 1948—when the International Joint Commission issued a report on the sewage, bacteria, chloride, phenyl and other substances which existed in the river and, therefore, within the lake. From 1948 to date there has been report after report showing the deterioration of the lake, the deterioration of the fish, and the deterioration in the quality of all aspects of that body of water.

In 1974 the Department of the Environment reported widespread contamination in terms of mirex and PCBs in fish, in gulls and in gull eggs as determined by the Herring Gull Egg Monitoring Program, in Lake Ontario. In 1976 the Great Lakes Water Quality Board compiled a list of over 400 chemicals, some of them natural and some of them man-made—chemicals nonetheless—which were in the water, sediment and fish in the Niagara River.

In 1978 the same IJC, the same water quality board, reported 38 new toxic chemicals found in the Great Lakes environment, again including dioxin in fish. In 1980 the Canada-Ontario Review Board of the Niagara River Environmental Baseline Report reported high levels of toxic chemicals in the lower portions of the Niagara River, the part leading into Lake Ontario, and when compared to what was found at the opposite end, the in-flow from Lake Erie, in 1980, there was a report of elevated dioxin levels.

In 1981 there was a special report on pollution in the Niagara River and then there was the creation of the Canada-U.S. Niagara River Toxics Committee. I think at that point a great many of us breathed, if not a sigh of relief then at least a sigh of hope. It appeared that after numerous reports going all the way back to 1948 we had a group which was committed to doing something.

In 1983 the Canada-U.S. Water Quality Board reported that there were decreasing concentration trends for certain of the chemicals. I would say that was as a result of the vigilance of environmentalists; the Government of Ontario and the federal Government of the day had begun to identify the outflows which were occurring, where they were and what was causing them. I also pay recognition to the efforts being made as the result of certain of the manufacturers beginning to recognize their responsibilities. People were beginning to show some conscience with regard to the effect that that was having, and little by little we now start to back the problem up. However, I am afraid it is not being done quickly enough. Then, the Niagara River Toxics Committee released its report in 1984, something which my colleague who spoke before me dealt with.

I do not think there is any doubt as to what the problem is. The Niagara River continues to be a cesspool. It continues to feed into Lake Ontario. There are many along that river who do not give one hoot about what they are doing to the quality of the drinking water because they do not have to drink it. There are others who pay lip service to their concerns without being prepared to take the type of appropriate action. I wish to say to the Minister that among those is the administration within the U.S. itself which, for years, has fought tooth and nail against committing substantial sums of money to the clean-up. This is something the Minister knows. I am not telling him something he does not know. The former Minister

is also well aware of the fact that the administration in the U.S. backed away when faced with the problem of having to extract from their corporate taxpayers the moneys necessary to effect the clean-up which they themselves required as a result of their own actions.

Mr. Caccia: Yet they find the money to build nuclear submarines.

Mr. Deans: Yes, that is right, they find the money to build nuclear submarines. The priorities are really a bit of a puzzle to people such as myself, and I am sure to many others.

This debate gives us an opportunity to put into perspective what we are seeing. It is not a new debate. It is a debate about a problem which has been with us probably since the beginning of the building up of the banks of that particular river and Lake Ontario. However, this problem has reached the point where, unless there is an emergency attack upon it, and unless it happens now and not in 1995, the effect of allowing it to continue will be one of disaster. The timing required to clean up the great lake of Ontario, will be such as to make it virtually impossible for people to continue to draw their drinking water from it into the year 2000. There is more which needs to be done.

I have a couple of minutes left and I will finish my remarks when we resume at 2 p.m.

[*Translation*]

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

At 1 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deans: Mr. Speaker, I understand I have only a couple of minutes left. I want to end where I started.

It is indeed an act of criminal proportions to pour into the Niagara River the industrial waste that is going into that river and it can only be treated as such. If we understand them correctly, we consider the proposals made by Mr. Thomas, the Administrator of the U.S. Environmental Protection Agency, to be in the main inadequate. In certain areas, they are a step in the right direction.

We agree that plans to pre-treat municipal industrial discharges of toxic chemicals into the Niagara River and plans to more strictly control and monitor companies discharging industrial waste into the same river are a step forward. The plans to determine whether or not cleanups are required at approximately 60 lesser known toxic waste dumps along or near the river are a step forward. However, when discussing specific proposals to clean up the largest and most dangerous dump sites along the Niagara River including the Love Canal, Hyde Park, 102nd Street and the S-Site, Thomas apparently made it clear that EPA action does not envisage the actual digging up of the deadly toxins. These toxins are slowly seeping into the drinking water of almost six million people, four million of whom are Canadians. Instead, he is going to suck these up with some magic process he has not yet developed. The cleanup proposal outlined by Mr. Thomas is completely unacceptable.

I would call upon the Minister to make Mr. Thomas aware that the House of Commons, and I think I speak for most Hon. Members, will not accept anything less than an immediate start with adequate funds on the cleaning up of the mess that was created as a result of years of inactivity and negligence. If that cleanup is not undertaken, then we must find alternative ways of solving this extremely dangerous problem that has been allowed to develop over a number of years, notwithstanding the fact that information relative to the problem of the killing of Lake Ontario by Niagara River pollutants has been availble. Unless that problem is resolved, we will not be able, when the time comes, to clean up that water sufficiently to find it suitable for human consumption.

Mr. Gurbin: Mr. Speaker, the question I would like to ask the Hon. Member for Hamilton Mountain (Mr. Deans) relates to industries, and particularly those in the Hamilton area. I think the Hon. Member might be able to offer some comment on this.

The Hon. Member spent a fair amount of time during the part of his speech I heard talking about the industries and their disposal practices and techniques. He mentioned that industry was a major if not the major contributor to the problem with which we are faced regarding toxins in the Niagara River and the Great Lakes Basin in general. I think members of the NDP often have difficulty removing the stereotype from industries. I think there is a valid point to be made here. Are all industries the same?

When the Hon. Member refers to industry, does he mean every industry? I think there are many examples of industries which in fact exceed the guidelines established and limits imposed through regulation or other means. I wonder if the Hon. Member for Hamilton Mountain would care to reflect a little on whether or not industry is the only cause of the problem. I think it is at least fair to recognize the efforts that have been made by some industries which have had some success, and on the other hand to identify and do something about those industries which have not responded in that way?

• (1410)

Mr. Deans: Mr. Speaker, I take that question to be a serious one. Of course in part the answer is that not all industries are the same. It would be a little foolish for me to leave the impression that I believed that; I certainly do not. Certain industries have made an effort and have been assisted in the making of that effort by public funds. However, there are industries operating in Hamilton—and my colleague just

provided me with industries operating on the United States side of the Niagara River—which have been identified. The major pollutants in the Niagara River, the area upon which I concentrated primarily, have been clearly identified.

The most significant point sources of priority pollutants of the Environmental Protection Agency are the following: Buffalo Sewer Authority; Niagara Falls, New York Waste Authority; Bethlehem Steel; Niagara Mohawk Power; Atlas Steels, Ontario; Olin Corporation; Spaulding Fibre; the Town of Tonawanda, New York; the Town of Amherst, New York; and Donner-Hanna Coke, New York. In the area about which I am speaking, the primary producers of pollutants are almost entirely on the U.S. side.

If we are to have this matter cleared up, we have to treat it as a criminal matter. It is not an offence against the social fabric of society; it is a criminal matter. If people know that what they are putting into the rivers and lakes of the country is likely to make it impossible for that water to be used by plant, human or marine life, then they are committing an offence of a criminal nature. Having had it pointed out, there can be no acceptable explanation or excuse for continuing it. It is that simple.

Once it is pointed out to a company, a town or a city that it is polluting to the point where the water quality is being destroyed in such a way as to make it virtually impossible to recover from it, and peoples' lives are being placed in danger as a result, it has to be treated as a criminal matter. If that company, town or city continues to do it, it must face criminal charges. I speak for myself in that regard. That is my opinion of it, that is how I feel about it, and that is how strongly I take the position.

I do not think that slapping a weak fine on someone will make any difference, and begging them to change their wicked ways will not solve the problem. Therefore, I say to the Parliamentary Secretary that I recognize certain industries and municipalities are worse offenders than others. They should be told to stop now and, if they continue, that their principals will go to jail if found guilty. If they have no other way to remove the pollutant, they have either to decide not to use the product any longer or to find an appropriate way to store it until some satisfactory method is found to treat it.

Mr. Gurbin: Mr. Speaker, I appreciate the forthrightness of the Hon. Member for Hamilton Mountain (Mr. Deans) in treating my first question in a serious manner, as it was a serious question. My second question is also a serious one and relates to available technology. I will not give my comments in the form of a long preamble, but I wonder whether the Hon. Member would describe his impression of available technologies. In his mind, what are the differences between extraction and the present proposal of the United States, which is being monitored in a way that will prove whether or not there is effectiveness and what has to be done?

It would be helpful for those of us on this side of the House to understand his sense of the situation. I would not necessarily blame him if in my opinion it was not accurate, but I would like to know what he thinks about extraction versus the proposal which he described as a straw, a proposal which really has a lot more to do with leachates than the simple sucking about which he spoke.

Mr. Deans: Mr. Speaker, let me put it into context. I am speaking about the proven method of extraction; going in, digging it out, and removing it from the areas of greatest environmental concern. That can be done in a relatively short period of time. It will require a considerable amount of time, effort, and work to do it. I accept that. However, if we accept a method which has yet to be proven or yet to be developed satisfactorily, it will take 30 years to 50 years, by Mr. Thomas' own admission, to achieve the result he anticipates could be achieved if it works.

My view is that we do not have 30 years to 50 years to wait for the clean-up which must take place. I well appreciate that the leaching operation, during the period about which we are talking, from an excavation point of view will be difficult to contain; of course it will. However, it will be more difficult or equally difficult to contain it in the other operation, and it will go on for much longer in the other operation if it takes some 30 years to 50 years to solve it.

In terms of existing dumps, it is my opinion that the excavation method is the only method which can be proven to work right now and can be proceeded with immediately. This must be kept in mind.

With regard to the future, I have held for years that no one should be allowed to introduce a new method of manufacturing which requires some form of disposal of industrial waste without producing concurrently the method to be used to dispose of the waste. If one wants to produce a new coolant, lubricant, or a new liquid into a process—it does not have to be a liquid, but that has been the major problem—one must produce at the same time the way one intends to deal with what is left over after it has been used. I believe that would go a long way toward solving the future problem. As far as the problem we have right now, I just cannot wait for Mr. Thomas to work it all out.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if I were to clean up the Niagara River with the help of Hon. Members of the House and the Canadian people, my first suggestion would be to start right here in the House of Commons by clearing the air and by introducing Hon. Members opposite to a much needed dose of realism. The issue of toxic clean-up is too complex and the consequences too serious to allow for *naïveté*, much less for grandstanding and for playing to the galleries—especially to the Press Gallery.

Let us deal in facts. The Great Lakes Water Quality Agreement was first signed in 1972 and was revised in 1978. It covers all boundary waters, including the Niagara River, which lie within the Great Lakes system from Duluth, Minnesota, to Cornwall, Ontario.

We know that there are more than 800 toxic chemicals present in the Great Lakes waterway alone; what we do not know, as I have pointed out in the House and elsewhere, is what affect most of those chemicals have upon the environment, including upon human health. However, we do know enough to be alarmed and to act.

Although my hon. friend's motion does not mention the fact, the Great Lakes Water Quality Agreement is one of the great success stories of North American environmentalism. The facts tell us why: the total phosphorus loadings to Lake Erie—and I use it only as an example—once listed as "dead", have been reduced by almost half. The rotting algae that made it largely unusable have virtually disappeared. Restrictions in the use and disposal of organochlorine in the Great Lakes basin was a major factor in the ten-fold decrease in the presence of 2,3,7,8-TCDD, one of the most deadly forms of dioxin in herring gull eggs in Lake Ontario between 1960 and 1980. In 1983, the mean annual concentration of DDE, DDT, HCB, mirex and total PCBs from two herring gull colonies on the Lake were lower than at any time since monitoring began in 1974. The decreases range from 55 per cent to 98 per cent.

• (1420)

Without a doubt, Mr. Speaker, our ability to clean up the havoc we have created in the Great Lakes has been outstripped by our skill at dumping more junk into them. We have to go beyond the present agreement to address the current problems in the Great Lakes and to prepare ourselves for the future. That is why it is fortunate that the Great Lakes Water Quality Agreement is up for renewal this very year. It, along with the International Joint Commission, has been a very effective instrument for co-operative action by Canada and the United States.

We must recognize though that the situation in the Great Lakes waterway has a different meaning for Americans than it does for Canadians. Ironically, although the St. Lawrence and the Great Lakes provide drinking water for about 20 million Americans in all and about nine million Canadians—and here I am treating the Great Lakes and the St. Lawrence system as one because they should be viewed as such—only 8 per cent of Americans derive drinking water from that system compared to one-third of all Canadians. When there is a problem in the Lakes, as there is, it constitutes merely a local or a regional concern to Americans and their federal Government, albeit a serious one.

In Canada, by contrast, the situation is a major national issue by virtue of the proportion of the total population affected by the pollution. For example, while we are appalled at the leakage of toxic waste dump sites along the Niagara River, Love Canal, 102nd Street, S-Site, Hyde Park and so on, Lee Thomas, Administrator of the U.S. Environmental Protection Agency, has to deal with similar problems all over the United States, not just along the Niagara River.

Mr. Caccia: They are not covered in the agreement.

Mr. McMillan: In that sense, his deep concern, and I don't doubt it, must be spread among more sites than is the case in Canada, where the effects of "hot spots" are concentrated largely in one part of the country. That is why, in discussing a new Great Lakes Water Quality Agreement, Canadians and Americans approach the bargaining table with different perspectives and a different sense of urgency, not because, I stress, Canadians are somehow purer and more environmentally sensitive than Americans, but, rather, because American problems are more widespread in a more populated, more evenly industrialized country. It would be well to remember that essential fact before we start sanctimoniously lecturing the United States on the conduct of its environmental affairs in particular cases, because our record as Canadians is pretty checkered too.

Ninety per cent of all the toxins that offend the Niagara River originate in the United States. Only 10 per cent do so in Canada. Partly as a result of the work done by previous Canadian Governments and previous Ministers, among whom I include the Hon. Member for Davenport (Mr. Caccia), and perhaps partly out of personal interest, Lee Thomas has become particularly determined to find a solution to the Niagara. Given that the United States has, unlike Canada, numerous Niagara type environmental dump site time bombs ticking away in all parts of the country, Mr. Thomas' focus on the Niagara *per se* should be welcomed by all Canadians.

This week, he and I discussed the Niagara River Toxics Management Plan, a four party framework that will co-ordinate the individual action plans of the U.S. and Canadian governments, New York State and the Province of Ontario. The Management Plan is designed to define clean-up action and to schedule substantial reductions in toxic chemical loadings to the river.

Let me make two points, Mr. Speaker, about the plan. First, the largest share of the work is obviously going to be carried out by the Americans since the problem is overwhelmingly American in origin. Second, the American component of the plan, as originally presented to me by Lee Thomas, the head of the U.S. Environmental Protection Agency, in Ottawa on October 17, 1985, did not meet our expectations or objectives, and I told him that.

Since then, after extensive meetings among officials and scientists of all four jurisdictions, after many direct personal representations by myself to Lee Thomas, to his agency and, through his agency, to the Government of the United States, significant improvements have been made to the original plan. In other words, the United States has been steadily more accommodating and co-operative in dealing with the problems of the Niagara River with each passing week in the last year. That is a fact. Although we are not being given, and I would not accept, empty gestures devoid of any real chance of progress, it would be unrealistic to act—certainly it would be ludicrous in the extreme if I, as Minister, were to act as though I could dictate the terms of the U.S. Government's own action plan for this purpose, however much I would like to do so.

Americans, I think, and I say this as a grandson of an American, are basically rational human beings, however irrationally they might perform on the world stage from time to time. If you want to sway them, you have to be able to present a strong case and Canada certainly has a strong scientific and factual case to present. Americans will not accept, and Canada does not need, attempts at persuasion that are grounded in ill manners, shrill sermonizing and in taking cheap shots.

Canada and the United States have been negotiating on transboundary water related issues for nearly 80 years, twice as long as I have been living on the face of this earth. Much progress has been made in those eight decades, but never before in the history of our two countries, until this week, have we achieved an agreement on a major reduction in toxic loadings in any Canada-U.S. waterway, let alone in the Niagara River. Yet the problem is long term and the solution will remain the same, despite our current progress.

At this point we have an agreement, an accord, an understanding, an entente, a meeting of minds, if you will—deficient in some ways, imperfect as human instruments frequently are, and certainly not what I would have preferred in an ideal world. But the agreement is a very good start toward solving a problem that has bedevilled Canadians for more than half a century.

Americans and Canadians are now committed to establishing specific goals to cut toxic loadings substantially. Our immediate target for our two countries is a 50 per cent reduction by 1995 or sooner. I stress "sooner". It will be very clear by July, 1987, whether we can both advance that timetable and increase the reductions. At that time, high level scientific discussions will make it possible to refine targets and dates. I stress that the plan addresses all of the toxic subtance problems in the Niagara, including municipal and industrial point source contamination, dumpsite leakage and run-off.

• (1430)

Canada would certainly prefer to deal with the dump site problem by excavating. As the Hon. House Leader of the NDP (Mr. Deans) pointed out, that is a preferred option. I am talking about completely removing toxins, sediment, debris, embankments and all other contaminated materials to be found on both sides of the Niagara River, especially on the American side. If the Americans were to excavate only the worst sites in and around the Niagara frontier, they would have to deal with an area of several hundred acres. The size of all of the dumpsites in the Niagara area is equivalent to the Province of Prince Edward Island, from which I come. We are talking about a lot of space, a lot of toxins, a lot of sediments, a lot of debris, and a lot of embankments to be excavated. Once the material was dug up, it would either have to be removed to a safer place, if such could be found, or destroyed completely.

There are three considerations to take into account consistent with the preferred excavation model, three major technological obstacles weigh heavily on American officials and scientists in that connection.

First, as Canada's Pollution Probe has noted, based on work on excavation it has been doing on contract for Environment Canada, digging up the dumps is highly risky because the buried chemicals are, by definition, extremely volatile and emit dangerous fumes that could injure workers and area residents.

Second, even if the millions of tonnes of excavated material could be handled safely, which is a big assumption, the political problems, in the best sense of the word "political", aside from the scientific and technological problems, present enormous obstacles to the completion of the option we prefer. The problems of relocating the amount of toxic materials with which the toxic chemicals have come in contact with over the years are horrendous. Canada is not the only country in the world afflicted by the NIMBY, "not in my backyard", syndrome. The Americans have a real problem, given their uniform population, finding any community in which to locate the substances until such time as they can be incinerated safely.

Third, if the material were to be incinerated instead of relocated, the sheer volume of material to be destroyed presents technical problems, as well as genuine threats to human health and the natural environment. I am now talking about incineration rather than relocation or the process of excavating. Indeed, massive incineration, which would be involved, given the sheer volume of the chemical substances at stake, would produce pollution often as bad as, if not worse than, the substances being burned, including cancer-causing dioxins.

As a result of the technological and scientific considerations, the Americans favour extracting the toxins and destroying them on site. There is a problem of semantics. People tend to use "extraction" and "excavation" as though they were synonomous when they are, in fact, two different processes. Rather than excavating the sites themselves, extraction involves treating the sites and handling them in such a way so that they become virtually hermetically sealed units from which the toxins could be extracted. Mr. Thomas acknowledges, however, that excavation might well need to be applied at certain sites and that extraction would be used only where it was more effective than excavation in dealing with wastes that had seeped into surrounding bedrock.

To guide both countries in choosing the safest and most effective method for each dumpsite, whether using extraction or excavation, Mr. Thomas and I agreed to mobilize the best scientific minds in both countries for a major international working conference to be held over many days, even weeks if necessary, probably in Toronto, in the fall.

I emphasize again that the plan to which I am referring is not the one which, in isolation, other things being equal, the Government of Canada itself would have devised if it were putting together a program for the Americans. However, it reflects a major impact by Canada on the American approach

to this highly complex and difficult environmental problem. That impact would have been denied us if we, and I in particular, had mounted a campaign in the United States or in Canada of empty rhetoric of the kind, if I may say so with all due respect to him, too often characteristic of the mover of today's motion.

It is ironic that the Member for Davenport accuses me of returning from Washington with a second-rate plan mended together for public relation purposes. I will set aside for the moment the question of how many arrangements, let alone first-class ones, he was able to make when he was Minister of the Environment for longer than I have been to date.

Mr. Caccia: We laid the groundwork for you to do this.

Mr. McMillan: If I was truly interested in playing to the grandstands, as the Hon. Member for Davenport has been saying, I would have chosen the route he frequently prefers: shrill rhetoric disguised as policy, inflexibility masquerading as philosophy, and rudeness defended as resolve. It is easy to cast oneself as a hero prepared to settle for nothing less than the perfect plan. According to that kind of environmental theology, it is preferable to let the rivers spoil with toxins until perfection can be achieved in some ideal world than to act now to deal with the problem in the real world. In my view, the goal of perfection is a prescription for procrastination. Some people would prefer a plan that will never be agreed upon by anyone but themselves to one that, whatever its imperfections, helps us get on with the job. That is not my approach, Sir.

In conclusion, while some people waste their time figuring out how many environmental angels can dance on the head of a pin, my Department and I are busy making the environment better, not for angels but for Canadians, their children, and generations of Canadians yet unborn. We recognize that the management plan is not the end of the road. In a sense it is, instead, the beginning of it, in that we have a long way to go before anyone will feel safe bathing in the Niagara River let alone drinking directly from it. Our goal is nothing less, as, I believe, is the goal of the Opposition, than the restoration of what was once the mighty Niagara, a symbol of our shared continent and of a commitment to real work, real solutions, and real progress in the real world. I think that what happened in Washington this week was, by any standards, an important step along that road.

Mr. Caccia: Mr. Speaker, why is the original plan which was produced in October of last year still unknown? The public and the Opposition could at least measure progress against that plan in order to know what the significant improvements are.

• (1440)

Secondly, why is the present plan that he and the EPA administrator discussed still unknown? Thirdly, why did he choose to make public his difference of opinion with his colleague in Ontario? I asked him this question in my speech and I think he owes an answer to this House and the Canadian public. Given the statement he made at the beginning of this week before going to Washington, it seems to me he has to prove it was not irresponsible to break ranks on the Canadian side and give Washington an idea that Canada was receptive to two different levels of quality. That is why we are saying it is second-rate stuff.

If the Minister does not believe in basic thinking, in principles and guidelines in an approach to the environment, if he wants to play it by the seat of his pants, he did not mention once in his speech that there is an agreement between the two countries. Lee Thomas, with all the problems he may have, has an international obligation to us. The Minister seems to be totally unaware of that fact. He has not done his homework. He has not done the studies needed in order to put forward Canada's position. He persists in creating the impression that the EPA is doing us a favour by contemplating the problems along the Niagara River. It is not a favour. Lee Thomas has an obligation to Canada but that does not seem to get through the skull of the Minister.

I have asked him three questions, I hope he will answer them because they are important. Why the secrecy over the plan? Why did he go public on his differences on the Canadian side before going to Washington, and while in Washington?

Mr. McMillan: Mr. Speaker, it puzzles me that the Hon. Member for Davenport, as a former Minister of the Environment, would not understand the process. There was a Niagara River toxic chemicals committee report. It was a general study or analysis of the condition of the Niagara River. On the basis of that report, there were to be four action plans, each done by one of the participating jurisdictions: the Government of the United States, the Government of the State of New York, the Government of Ontario and the Government of Canada. Each was to have its own action plan in the context of the Niagara River toxic chemicals committee report, addressing the same problem from different perspectives and jurisdictions.

What we are talking about, as far as this plan is concerned, is the American response to the committee. It is their action plan, not mine. I was invited by Lee Thomas to participate in the improvement of an American action plan. We have a Canadian plan, an Ontario plan, a New York State plan, and, of course, the Americans have a national plan. It was not my plan. It was not mine to release. It was an internal American Government document designed to be made public by them on their own schedule. That is point number one.

His second question is why we do not release the new document. I have been working on that action plan hand-in-glove with the Americans almost every day since October 17, 1985. My officials have been directly involved, many of them have gone to Washington for this purpose. I also worked on it myself on a one-to-one basis with the head of the EPA. Even as I went to Washington this week, the plan was not completed. Had it been, I would not even have gone. My purpose in going was to see if we could give it one more shot. We did. In particular, we agreed on a statement that would

represent an understanding between the two countries on the way in which the U.S. Government action plan would be implemented. In that sense, the statement added to their action plan.

For example, I am not even sure whether there will be mention, in the document to be released, the 50 per cent reduction we expect to achieve by 1995. That is an understanding woven into the text of our distillation agreement this week. This will be a companion document to their action plan and will be seen together as constituting the one action plan the U.S. Government will be taking hand-in-glove with us, Ontario and the State of New York, in the context of the Niagara River toxic chemicals committee report. That is your first answer.

Why do I not release the October 17 document so you can judge how much of a change there has been? It is not my document. Why have we not released the new document? Because it has just been changed in a major way this week as I left Washington. Instead, we released a distillation of what was agreed upon. The new document is being printed and will be released by the Americans in due course, on a schedule they will have to devise.

In response to the second or, if you want to look at it in a different way, the third question about Mr. Bradley, it is not my style to engage in public altercations with my colleagues among the environmental Ministers. I have been working with Mr. Bradley day in and day out on many questions, acid rain being one. I think I have had a good personal rapport with Mr. Bradley. I like him, respect him and I think that is mutual. However, I must say that I viewed with a great sense of frustration his antics and those of his Department in connection with our negotiations with the Americans. I was getting feedback from the Americans with whom I was trying to get a deal for all of Canada that they did not trust him.

Mr. Deans: Whoops!

Mr. McMillan: That they did not—

Mr. Deans: That is not a good thing.

Mr. McMillan: Let me put it this way. I will say this to the House Leader of the NDP—

Mr. Deans: On a point of order, Mr. Speaker. The question and answer have taken an inordinately long part of the 10-minute—

Mr. Clark (Yellowhead): Oh?

Mr. Deans: No, hang on a second. All I was going to say was that in the process of making—

Mr. Clark (Yellowhead): It is an attempt to cut off an answer you do not like.

Mr. Deans: No, I am quite happy to hear the answer. I am concerned about the long-term implications of an answer which leaves the impression that the U.S. administration does not place any trust in a Minister of the Crown in Ontario.

The Acting Speaker (Mr. Charest): Order.

Mr. Deans: I am just concerned about that. I think it results from long, involved answers.

The Acting Speaker (Mr. Charest): Order. The Hon. Minister of the Environment (Mr. McMillan).

Mr. McMillan: I would like to conclude my answer by saying there was a strong feeling among those with whom I was negotiating that there was a breakdown in good faith between the Ontario Government and the Government of the U.S.—

Mr. Deans: That is a better way of putting it.

Mr. McMillan: —on an important bilateral agreement. I had to distance myself from the person viewed as responsible, if I was to get a deal with the Americans that was a credit to Canadians and that was going to protect their health and their natural environment. I was not interested in being party to or identified with an exercise that was viewed by those on the other side of the table as a sham. Certain Canadians were going down to Washington, looking the Americans right in the eye, saying everything is fine, smiling benignly and sweetly, and then returning to Toronto and saying something completely different to *The Toronto Star*, which the Americans, after all, read. That is not good faith. I am not a champion of the American ethos or the American cause; they can do that themselves. I am a champion of the Canadian cause, and I distance myself from anything that is detrimental to it, and that is exactly what I did in that instance.

• (1450)

The Acting Speaker (Mr. Charest): Very short question.

Mr. Deans: I want to preface my very short question by saying that I do resent the fact that the question and answer took eight and a half of the ten minutes allotted. I think it is the responsibility of the Chair to make sure there are brief questions and answers. That is what this was intended to be.

The Acting Speaker (Mr. Charest): I do not think it appropriate for a Member to make such a remark, and the Hon. Member for Hamilton Mountain (Mr. Deans) knows that. There is a different situation in every question and comment period. There are recourses for Members if they want to extend that question and comment period; they can make a request to the House, and the Member from Hamilton Mountain is aware of that. I would ask him to put his question, because time is limited.

Mr. Deans: I hope you exercise the same judgment in other cases.

Let me say to the Minister that I find his comments about the Minister of the Environment in Ontario offensive; not

because I support him, not because I think what he did was right or wrong, but I do not think it helps the Canadian cause to create an argument in Canada over what is the appropriate way to deal with the issue.

I would say the same thing to the Minister in Ontario, that it does not help our cause to have an argument on the floor of the House of Commons over whether or not one or the other of the Ministers can be trusted.

Mr. McMillan: That was the question.

Mr. Deans: It could have been answered in a different way.

Mr. McMillan: That's the answer.

Mr. Deans: If that's the answer, well, fair enough. Remember when you start that it goes on *ad nauseam* and causes us in Canada to look stupid, quite frankly. It could have been answered better, if you will allow me, and briefer too for that matter.

Did the Minister get some inkling as to how the technology proposed by Mr. Thomas will work, when he proposes to be able to start utilizing it, and how many dollars have been committed by the United States administration to this on an annual basis for the next five years?

The Acting Speaker (Mr. Charest): On a very short answer, the Minister of the Environment (Mr. McMillan).

Mr. McMillan: I must say, for someone who wanted short responses, he ensured that I would have a difficult time acceding to his request by weaving into his question three separate, highly technical considerations. The simple answer is we have begun, the two sides have already begun.

The Acting Speaker (Mr. Charest): Point of order, the Hon. Member for Gander—Twillingate (Mr. Baker).

Mr. Baker: Point of order, Mr. Speaker. I think it is the opinion of the House that we allow the Minister to answer the question as completely as the House wishes and not be limited by time.

The Acting Speaker (Mr. Charest): If the Hon. Member from Gander—Twillingate is putting that proposition to the House, is there unanimous consent to permit the Minister to answer?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Agreed, unanimous consent.

Mr. McMillan: There is some impression, created in part by the Hon. Member's colleagues, that somehow the plan that we have agreed to would not begin to be implemented until July of 1987. That is not true, we have begun already. We set 1995 as the target date by which we hope to achieve a 50 per cent reduction. There is a lot more science needed to be mobilized to identify the exact toxins in the river, and the different sources. We know enough to justify action, but we do not know enough to define the date and the percentage with the kind of precision we require.

By July, 1987, we hope to be in a position, following all the scientific mobilization we will set in motion, to specify with more certitude the 1995 date and 50 per cent reduction. We hope it may be earlier than 1995, and we hope the reduction will be larger than 50 per cent. How much is it going to cost? It is going to cost tens of millions of dollars. We cannot put a price tag on it.

Mr. Deans: I asked how much has been committed on an annual basis?

Mr. McMillan: This is the typical, if I may so, NDP approach. If it does not have a price tag, it is not effective. What we are talking about is the full mobilization of the scientific and technical resources of the Government of Canada, the Government of Ontario, the Government of New York State and of the United States Government itself. How do you put a price tag on that kind of mobilization? How do you do it?

Mr. Deans: That wasn't the question. I didn't ask you to put a price tag on it. I asked you to tell me how much they committed annually for the next five years for the cleanup?

Mr. McMillan: What is that if that is not a price tag? What is the difference between cost and a price tag? I am saying you cannot quantify the expenditure of money that the foreign Governments are going to have to devote to this cause over at least the next decade.

Mr. Deans: I asked how much they had.

Mr. McMillan: I do not think you could do it even for one year. For example, there are a lot of hidden costs. How do you put a price tag or a cost on the civil servants, the scientists and the technicians within Environment Canada, within Health and Welfare Canada, and within other Departments that are being mobilized within the Government of Canada for our part of the bargain? That is not to say that we cannot, in general, state with some certitude that it is going to cost tens of millions of dollars, and whatever it is going to cost it will be an awful lot less than the cost of not doing anything.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, a word of advice to the House Leader of the New Democratic Party—

The Acting Speaker (Mr. Charest): On a point of order?

Mr. Langdon: Perhaps I misunderstood the request which was being made, but as I heard it, it was that the questioners would be permitted to continue raising questions with the Minister, not that it would apply just to one questioner.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary also on the same point of order.

Mr. Gurbin: Mr. Speaker, what I specifically understood and agreed to in giving unanimous consent was for the Hon. Minister to finish his response to that statement. I think other Members need an opportunity to speak on this important subject.

The Acting Speaker (Mr. Charest): Let me thank all Members for their generous contributions, but my understanding was to the effect that the Minister be permitted to finish his answer.

Mr. Baker: Mr. Speaker, you were absolutely correct, but I can tell by the Parliamentary Secretary's response that there is no sense in my asking the House for unanimous consent to allow the Minister to be questioned. I was going to say to the House Leader of the New Democratic Party that he has a tendency recently of giving speeches as he walks through the door. It is extremely difficult for the translation people, the camera crews and the microphones to pick up what the Hon. Member is saying, but you will notice how much respect he has in the House; everybody listens even when he speaks in the corridor, even the Speaker.

The Minister of the Environment (Mr. McMillan) says that unless there is a price tag on it it is not effective as far as the New Democratic Party is concerned. After the record of this Government I would say that if it does have a price tag on it their philosophy is it is not necessary.

One only has to go back to the actions of this Government since they took power. On the subject of toxic wastes and on the subject of the effects that chemicals have on the environment there were cuts. We saw this incredible decision made by the Government of Canada, by the Department of the Environment, for which this Minister is now responsible. To my knowledge all of the studies that were done affecting wildlife and the effect that toxic chemicals have on wildlife were cancelled, from British Columbia right to Newfoundland. The Centre of Toxicology was also cancelled. We saw the study in British Columbia on the shore birds cancelled. Some people might say it is not very important to study how shore birds are reacting to certain elements in this environment. Then it went across the Prairies and cancelled the study on the effects of herbicides on the reproduction of ducks. Some people may say that this is not a very important study.

• (1500)

The Government then came to Ontario and cancelled the study on herring gull eggs and the effect that toxic chemicals along the shores of the Great Lakes were having on those birds. Some people may say that that study is not very important.

The Government went on to eastern Canada and laid off people associated with the study on the effect of insecticides and some herbicides on birds in Atlantic Canada as a result of aerial spraying. The results of that study would apply right across the country because chemical spraying on forests kills food for the birds. As a result of those studies, scientists were discovering that the very chemicals used to kill the insects that were the food for birds were actually killing the birds as well. Given that record, how can the Minister of the Environment stand up and say the Government has been doing a wonderful job since it came to power?

The National Research Council has had a number of projects cancelled. For example, there is the study on the effects of acid precipitation and toxic waste dumps on the quality of ground water in Canada. An updated scientific analysis of the key issues in the assessment of polychlorinated biphenyls that was requested by the Government of Ontario was cancelled. Some may say that that is not very important, but the fact is that polychlorinated biphenyls were originally used in Canada as a coolant in electrical transformers. They were outlawed in this country because PCBs were a toxic material that could have very serious effects on humans. The fact is that, unlike the United States, we have no way of getting rid of our polychlorinated biphenyls. The power corporations, the electrical companies, telephone companies and the provincial governments put them in casks and stored them in vacant mines and old buildings across the country. There is very little control or monitoring.

An examination of viruses in water and their impact on human health was cancelled. That study was requested by the Department of National Health and Welfare and the Canadian Public Health Association. The study of viral infections of fish and their impact on fisheries in Canada, requested by the Department of Fisheries and Oceans, was cancelled by the Government since it came to power. The Minister talks in glowing terms about what the new Government of Canada has done in the area of toxic wastes, the use of chemicals and their storage. Is it any wonder that people who are knowledgeable of the facts ask what the Minister is talking about?

The Minister was very critical of the Hon. Member for Davenport (Mr. Caccia), the Minister of the Environment under the previous Government. I recently read a transcript of a meeting that was held with the former Minister of the Environment and some environmentalists and scientists. It dealt with an interesting major development in your province, Mr. Speaker, and in fact, perhaps in your riding or close to it. They were talking about a biotechnological orientation national fermentation complex which would produce Bacillus thuringiensis from a mixture of potatoes, which they would get from the Chicoutimi region or elsewhere, and fish-meal that they would get from the Gaspé or elsewhere.

The reason I raised this subject is that today in Newfoundland, for example, chemical aerial spraying is probably taking place to kill either the balsam woolly aphid or the hemlock looper. The chemical being used is fenithrothion. According to the studies I have seen, fenithrothion is one of the most illogical chemicals to be used in aerial spraying over a large area. The studies conducted by the National Research Council

show that when that chemical is sprayed over large areas of forest land, it kills the reproductive systems in the very birds that kill the insects for which the chemicals are meant. Yet, that is the only chemical registered by the Department of Agriculture in its pest control program to combat the hemlock looper.

At this time of year, we are also seeing aerial spraying of toxic chemicals on the forest lands in other parts of Canada. We also see forest management in parts of Canada in which chemicals are being used experimentally as a forest management tool. Not only is it used to destroy hardwoods that cannot be used in the paper-mills, it is also used for the reproduction of forest lands with the type of forests they need.

We see a policy in Canada and in many other countries whereby the Government intentionally approves plans to spray toxic chemicals over entire forest areas, encompassing hundreds and hundreds of miles. The toxic chemical is supposed to control the insects that eat those parts of the forests that people want for economic purposes. However, while the chemical kills harmful insects, it also kills the insects that are necessary in the ecology chain.

The Government of Canada has made an attempt to eliminate the use of chemicals by aerial spraying. It took place at the Laurentian Forest Research Centre in Ste Foy, Quebec. The one thing they did was discover an insecticide which is not a chemical. It was an incredible discovery. As I mentioned before, it is called Bacillus thuringiensis.

• (1510)

Representatives of countries from all over the world came to Quebec to see the studies which were ongoing by the federal Government over the last eight to ten years. They came from Japan, China, Norway, Sweden and Denmark. They even came from countries where chemicals are not used to control forest insects but where bird hatcheries are used instead. In other words, the logic is that if birds eat insects in controlled forest lots, then bird hatcheries could be used to get rid of the insects which needed to be got rid of. When people were looking for such an insecticide, it was found that the Government of Canada, through the Canadian Forestry Service, was also searching for a way not to use chemicals over our forest areas. Today, Canada is known around the world as the country which did all the experimental work in this area. This firmly establishes Canada as the country which led the way in the discovery of a non-chemical solution which could be used over forest lands. As the former Minister of the Environment knows, today, in most of the provinces, this non-chemical insecticide is sprayed over forest areas.

I am sure the former Minister of the Environment will be interested in what I am about to say. I am sure he will be absolutely shocked to discover that the entire research team at the Laurentian Forest Research Centre has been terminated. It was in the process of further experimentation on other types of forest insects. The team was considering mosquitoes and black flies. Would you not love to have black flies controlled without the use of chemicals, Mr. Speaker? That is what the research being done by Dr. Smirnoff was about to accomplish. As I understand it, Dr. Smirnoff reached retirement age and the new Government refused to allow him to continue his work. I cannot understand that since this Government introduced a Bill after his retirement which states that it is not necessary to retire at the age of 65. As I understand it, this world-renowned gentleman is now teaching at Laval University. I believe he is studying the papers done in biology for Ph.D. theses. But his research has been terminated. Why? Because it was cut back by the Government. The Government said that it would continue research in other parts of the country.

When the present Minister of the Environment is so quick to criticize the former Minister, he should think about what the former Minister did. I can assure Hon. Members that he never would have been party to a Government decision to discontinue this research team in the Province of Quebec which was doing such world-class research work.

We can stand up as often as we want in the Chamber to talk about this chemical problem and the problem regarding the storage of chemicals here and there and those which are seeping into the water supply. However, we should realize that today, in 1986, under the authority of the federal Government, and mostly under the jurisdiction of the provincial Governments, we have large planes which spray toxic chemicals over thousand upon thousands of acres. When one takes a walk in the woods and wonders why the birds are not chirping, I can tell Hon. Members why they are not chirping—

Mr. Gurbin: Because there are no bugs!

Mr. Baker: The Parliamentary Secretary says because there are no bugs. Well, that is probably one of the reasons.

To bow to the pressure of the industries in the U.S. which produce these chemicals, a great many of them for registry in Canada, is certainly not acceptable. It is also not acceptable to bow to our own lobby in Canada which says that the fastest way to grow a profitable tree as far as forest management is concerned is to use these chemicals.

The record speaks for itself. The present Government has done a great deal to discourage those people who were working with and associated with environmental concerns and scientific research. I believe the biggest step backward ever taken by the Government was when it terminated the tremendous work being done by the previous Governments in Canada, dating back over the last 10 to 15 years in terms of searching for and finding a non-chemical insecticide.

[*Translation*]

The Acting Speaker (Mr. Cadieux): Questions and comments. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Duplessis: Mr. Speaker, I felt some comment was necessary because my hon. colleague from Gander—Twillingate (Mr. Baker) mentioned the Laurentian Forest Research Centre which happens to be in my riding. Since I am fully

aware of the *bacillus thuringiensis* discovery and the steps taken by Dr. Smirnoff to have his assistant take over research on the budworm, I would like to pass on some information which he omitted to give in the course of his speech.

First of all, research in this area has not been abandoned. It is continuing, especially in the Chute-à-Galets centre located in the Parc des Laurentides between Quebec and Chicoutimi—actually closer to Chicoutimi.

I may also point out to my hon. colleague that today, the researchers who work at the Laurentian Forest Research Centre, in my riding, are moving to new quarters. They are right in the middle of moving day, so to speak, and cannot be ready to work right away. They are closing their old offices and moving to new premises that are not quite finished yet.

They do not intend to abandon their research in this particular area.

They are also pursuing another line of research on the budworm, that is, they are trying to make certain evergreen species more resistant to the budworm.

I think my hon. colleague is mistaken and has omitted to pass on this particular information, and I therefore welcome this opportunity to set the record straight, since this happens to be a subject I know very well.

[*English*]

Mr. Baker: Mr. Speaker, I appreciate the interjection of the Hon. Member. I have in my possession a chart which outlines the complete reorganization made by the present Government as it relates to insect behaviour, insect control, pesticide evaluation, registration, pesticide technology and all research work done in Canada.

• (1520)

To put it in the words of the Canadian Forestry Service, there has been a reorientation of that particular work. As described by Dr. Smirnoff, who is known throughout the world, the reorientation as a whole tends to suppress research into the successful use of Bacillus thuringiensis for the operational control of the spruce budworm conducted in the Laurentian Forest Research Centre. He says that this is quite unbelievable considering that the insect pathology unit of the centre is the only unit in Canada and even in North America to have an international reputation in the use of Bacillus thuringiensis against the spruce budworm. He says that this is a blind decision and, as the former Minister of the Environment asked me to point out, this letter is under the signature of Dr. Smirnoff. I did not receive his permission to read that letter, and perhaps I should have before I did.

Government representatives should be down on their knees pleading with Dr. Smirnoff not to leave the Laurentian Forest Research Centre since he is the only thing they have going for them internationally. He is the only man who ever discovered a non-chemical insecticide to fight forest insects. What did they do instead? I have the letter here proving it. They turned him down. They told him that he could not have an extension. They said that that work was terminating in that centre.

I am glad to hear the Hon. Member say that some work is still continuing in that centre. However, the work that is continuing is certainly not as complete without the services of Dr. Smirnoff. I do hope that the Government will see the light and pay attention to the international journals which print his articles and speak about him and I hope they will try to get that man back working for the Canadian Government.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I simply want to make a comment about the intervention of the Hon. Member for Gander—Twillingate (Mr. Baker).

If, instead of allocating substantial amounts to pure research and very sophisticated laboratories and spending so much money on large research buildings, for which we must now pay maintenance costs even though they are empty, the previous Government had allowed co-operation between private business and the research sector, we would not be faced with these problems today.

We now have to bear the consequences of your mismanagement when you were in power.

[*English*]

Mr. Baker: Mr. Speaker, that sounded as though it could have come from the mouth of the Minister of Finance (Mr. Wilson) or the President of the Treasury Board (Mr. de Cotret). I congratulate the Hon. Member for actually being able to copy what those people say on a daily basis.

The hon. gentleman said that the former Liberal Government wasted money constructing research buildings and carrying on research when it could have had the private sector conduct that research in co-operation with the Government. He says that the Government would not have had to waste money paying all those salaries and buying all those test tubes. He is saying that that was not necessary. He is saying that we could have built tents but not buildings and that we did not need the person-years. He claims that if we had not over-spent on research, we would not be in the bind we are in today.

I presume the Hon. Member is talking about the almighty deficit of the Government of Canada. If the previous Liberal Government spent too much money on research, then my goodness gracious, he must really have a case in every other area contained in *The Oxford Dictionary*.

[*Translation*]

The Acting Speaker (Mr. Cadieux): Questions or comments? The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Duplessis: Mr. Speaker, I think that the Hon. Member for Gander—Twillingate (Mr. Baker) did not understand what my colleague was saying. He said that you mispent the money allocated to research.

I would like to emphasize once more that Dr. Smirnoff is a remarkable man who has made great strides in research and wonderful discoveries.

I can assure the Hon. Member that I keep myself well informed. I have visited the centre personnally and I am aware that work is going on at Chute-à-Galets. I repeat that the research centre is still looking at non-chemical methods to reduce or eliminate the spruce budworm.

[*English*]

Mr. Baker: Mr. Speaker, I presume the Hon. Member said that I misinterpreted the remarks of her colleague and that I had not understood his remarks correctly. I did understand his remarks absolutely correctly. I know what he was saying. I can only deduce that he was referring to the Budget, and I am certain that I heard him correctly. However, in trying to solve that problem, it should not be blamed on the people who work in Quebec.

[*Translation*]

The people in Quebec are not responsible for the problem. The Government is.

The Acting Speaker (Mr. Cadieux): The Hon. Member for Louis-Hébert.

Mrs. Duplessis: Mr. Speaker, I want to tell something else to my colleague for Gander—Twillingate. One thing that he is forgetting is that the provincial Government is involved in all sectors of forestry research. There are agreements about this sector and a political will. The federal Government must respect the wishes of the provincial Government.

This is another factor to consider.

[*English*]

Mr. Baker: Mr. Speaker, there is only one area for which the federal Government is responsible under the Constitution of Canada as it relates to forests, and that is research. The Hon. Member is absolutely correct in saying that the provincial Governments control the forests as such, but the federal Government has a responsibility for research, and that is what we are talking about here today. The only role the federal Government plays in the use of chemicals in forest areas is in approving the chemicals that the provincial Governments can use. That is the problem we have with this Government.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would hope that this debate will be kept at a non-partisan discussion level as it proceeds. I would like to begin by stressing the importance of the crisis that faces us in the Great Lakes region. It is because of the significance of that crisis that this motion has been moved today by the Hon. Member for Davenport (Mr. Caccia). It is a part of his and our continuing efforts to make certain that public awareness increases and, as a result, Government action is taken.

• (1530)

I do not want to spend a lot of time on this matter because I have spoken about it before. However, I stress that the recent excellent report of the Royal Society of Canada assessing the 1978 agreement between Canada and the United States, to which the motion refers, came to some very sober conclusions. It concluded that the more difficult programs, such as controls on diffuse sources, remediation of contamination from landfill sites, development and implementation of measures to control in-place pollutants, and a more general comprehensive strategy to control atmospheric deposition of toxic substances, have been slow in advancing. In short, movement on the very heart of the problem has been least rapid, and the agreement before us paid little attention to it.

Perhaps that does not catch the imagination of people as does a study of the United States Environmental Protection Agency which was released this week. That study referred to dioxin contaminants in fish in the Great Lakes. It found that contrary to the information we have been receiving from the provincial Ministry of the Environment and from the federal Department of the Environment, over 41 parts per trillion of dioxin were found in a number of species of fish in different parts of the Great Lakes system. It showed that Lake Ontario had the highest dioxin level, with levels as high as 41 parts per trillion, as I just indicated.

That information tells us that people are eating fish with dioxin levels well above health standards. Also, it tells us that there is a potential for that dioxin to move further into the food chain and to be higher concentrated throughout the system, so as to make the entire situation significantly worse.

It is a crisis which has been marked not only by studies but by the emergence of local groups in areas throughout the Great Lakes Basin, partly in response to the basic conclusion of the study of the Royal Society of Canada that the Great Lakes Basin was the most polluted part of North America when it came to toxic substances. In Windsor there has been the formation of a group known as the Clean Water Alliance which met recently with the Minister when he visited that city. The Alliance put across very strongly the great public concern which exists in respect of the issue.

The sense of crisis comes not only from those of us in the Opposition, but from the federal Government itself, which issued a report card yesterday on its own performance. I would not say that the over-all report card was modest, but I think some of the marks are perhaps a little higher than I would give. However, in respect of toxic wastes, it was dead on. It said that the Government deserved an F or a failure in the control of toxic wastes. It made the point quite clearly that poor disposal practices were emerging as Canada's number one environmental problem. It also indicated that urgent actions were required to identify health risks, to set standards, and to implement control measures.

That is the reality which we in the Great Lakes Basin face. It is something which I do not think any Government,

Parliament or country should tolerate. We in the Windsor area have seen it dramatically demonstrated with the pollution which was discovered and formed a backdrop to concern about pollution issues in the St. Clair River, the so-called St. Clair blob. Some Hon. Members of the House may think that that blob disappeared once the Minister reported on it in January. In fact, our information indicates that there continues to be seepage from the Dow Chemical site in Sarnia, and that the blob itself continues to re-emerge in smaller quantities.

That is certainly and very thankfully true, but it tells us about the basic problem of dealing with dangerous substances in the drinking water which flows downstream to the communities in which people live. Fish live in that water, and that water evaporates into the air and falls back down on our crops. We may not know as much as we would like to know about those dangerous substances, but they clearly have the capacity or potential to cause cancer in human beings and to generate other health risks.

With this as the backdrop, what do we make of the agreement which the Minister brought back from Washington? As the person in my Party who deals with the trade issue, I was particularly interested in examining its details. I see that the two Ministers who deal with this issue are talking to each other at the moment. I was interested in discovering whether we have succeeded in this document in getting a tough and effective accord with the United States on environmental issues. I thought it might give us some indication of whether we would be able to do likewise in respect of trade issues.

As I examined the document, my sense of grave disappointment increased line by line. In his speech today, the Minister tried to suggest that in effect it was an accord or an agreement between the two Governments. If one examines carefully the press release, for that is what in fact it is, one will find that there are only two or three points on which commitments were actually made. If this is not the case, I urge the Minister to rise after my speech to make a point to the contrary.

• (1540)

In fact, this press release as one reads it carefully says only that the Minister and the head of the EPA agreed that it is necessary to achieve significant reductions in the loading of toxic chemicals in the Niagara River. That is wonderful, but it does not exactly represent tremendous progress. They committed their agencies to complete a technical documentation of the pollution control measures needed to reduce direct discharge to the river. They also agreed, as we go further down in the document, to co-ordinate existing pollutant control activities, to establish a common basis for assessing the toxic chemical loadings in the river, to identify priorities for control measures and to evaluate the success of these measures.

However, no place within this document, Mr. Speaker, is there any commitment whatever to make this issue a priority, to take action, or to carry forth a massive effort to deal with a pollution problem which has made Lake Ontario the most polluted part of the Great Lakes system with dioxins, according to the EPA study that has just been released. Instead, we see this extremely weak phrase: "both agency heads stated that it is highly desirable to establish goals for the reduction of toxic loadings". As an example, they suggested that a 50 per cent reduction of certain toxic chemicals, taking into account applicable water quality and drinking water standards, may be achievable by 1995 or sooner.

I am not a lawyer and I am not a Minister, so I do not have to look at this through rosy glasses, but I can recognize flim-flam when I see it, and that is what we have here. We have emptiness wrapped in words and no commitment to the people of the Great Lakes Basin that that particular problem will become the priority that it should become.

I have to come back to an assessment of the Minister's performance since his appointment. I do this with some reluctance because I had very high hopes for the Minister when he was appointed. I think in his early days in office, as he reacted to the emergence of the blob and worked closely with people like Jim Bradley in Ontario, we had effective action being taken for the first time. The report that dealt with the blob itself was a good report, and the Government showed its good faith quickly by saying it would implement all 24 of the recommendations within it.

Frankly, since that period I fear that the Minister has entered what one can only call the Conservative mold for up and coming Cabinet Ministers. It is a mold which concentrates on image. It is a mold which concentrates, as we saw in the speech this morning, on insults to the Opposition. It is a mold which talks about participation and consultation, yet it leaves a group like the Clean Water Alliance in Windsor feeling very very unhappy with the so-called consultation which they had with the Minister. They felt it was contrived, that the time was far too short for them to communicate and discuss effectively the crucial issues, as they saw them, that affect the Great Lakes Basin.

We see something that seems to mark the new approach of the Conservative mold, the attack on the provinces. It has been evident in the free-trade context with the 90 day deadlines being massively overrun and with a continuing shout from the roof-tops by the Secretary of State for External Affairs (Mr. Clark) and by the Prime Minister (Mr. Mulroney) that there is one Government that speaks for the country and that is the Government in Ottawa.

An Hon. Member: Right on.

Mr. Langdon: You would think that Pierre Trudeau was still Prime Minister.

In addition, there has been an attempt, which also seems part of the mold, at control of communication, control of output from the Ministry, evidenced in this case by reductions and changes in policy which have been especially evident at the regional office levels in the Department of the Environment.

I hope that this is a temporary passing phase for the Minister, that perhaps the lessons of his own home island will come home to him and he will break out of the mold and try to go back to some of those hopes he kindled with a great many groups when he was first appointed. I fear that will not take place and the country will have to look for others to give some policy direction on the environmental quandary we face.

There is a direction we have tried to set out based on a philosophy of zero discharge, stressing independent monitoring of industrial companies rather than leaving them the right to police their own pollution, stressing the need for much stiffer penalties when pollution does emerge from industry and stressing tough action with our own dump sites. We would speak with much more authority on dump sites in the Niagara Escarpment if we had acted with equal dispatch in excavating dump sites in Lambton County which are dangerous to the people who live down river from that area.

If the Government is looking for direction, another direction is to give more help to municipalities so they can start to handle the sewer problems which are quite serious in the case of Windsor, for example. Finally, we should be much firmer when we negotiate with the United States. We should never see ourselves in the situation where a federal Minister attacks a provincial Minister in order to get an agreement with the United States. Instead, we should look for firmness. We should look for commitment to this country. If we do that, I think we can solve this problem.

• (1550)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, there is one particular point I am going to make in response to the speech just made by the Hon. Member for Essex—Windsor (Mr. Langdon). While I in no way want to take away from the importance of and need for action on the difficulties which we face with the toxic chemical situation in the Niagara River, I do want to correct one point. That point is with regard to the relative level of the problem in other areas in North America.

Categorically this does not really represent the worst problem, even in North America. In fact, evidence will be presented next week at the World Large Lakes Conference on Mackinac Island which will show that we suffer no more from the pervasive influence of toxic chemicals than anywhere else on this chemical globe. In many instances we find that we are better off than other parts of the world, both developed and developing countries. This is not to suggest that this is not an important problem in many areas. However, in terms of perspective, I just want to correct that one point made in the Hon. Member's comments.

Mr. Langdon: Mr. Speaker, I rise on a point of order. That was the conclusion of the report of the Royal Society of Canada, not something which I brought independently into the debate.

Mr. Gurbin: Mr. Speaker, I was not suggesting that the Hon. Member brought it in independently. I just thought that the information should be available.

The essence of the motion moved by the Member for Davenport (Mr. Caccia) is timely, but it is redundant. This motion is predicated on either an incomplete assessment and understanding of the situation and circumstances which exist today, or a desire to, in some way, take away from the work that has been done, the achievements that have been recorded, and the leadership that has been shown by the Government of Canada through the Minister of the Environment (Mr. McMillan) in co-operation with other jurisdictions, including Ontario and the United States of America.

I would like to focus my remarks on several somewhat difficult and technical areas. One premise of this motion has very much to do with the relationship and obligation, if you like, which exists through international arrangements beginning with the Boundary Waters Agreement of 1909 through to the 1972 and 1978 Great Lakes Water Agreements. In some ways this is a dry discussion, but it is important that the Member for Davenport understand this so that in the future, instead of bringing forward a motion such as this, he will be able to work from the proper information base and the proper understanding of what those international agreements and understandings represent and mean and what we and the United States have done in terms of complying with them.

I will leave the Boundary Waters Agreement of 1909 and go straight to the 1972 agreement. This agreement initiated a process which has continued to evolve. The 1972 agreement established a foundation on which to build by defining a set of principles to guide the preservation and enhancement of the Great Lakes. The most important of these principles were, first, the setting of water quality objective in the lakes, second, the establishment by the parties of a commitment to undertake all reasonable and practical control programs and, third, the institution of a surveillance and monitoring program which would assess the effectiveness of the control programs and the emergence of any new problems. When a revised agreement was signed in 1978 it preserved the basic principles while, at the same time, broadening the scope of the agreement and introducing the Great Lakes eco system concept.

What has really happened is that we have not only not made concessions but have met the obligations of those agreements. As that agreement is worked out and enacted between the federal Governments in the two respective countries, it becomes subject to the overview, suggestions and control of the IJC. The IJC is a body, the very presence and existence of which depends on the agreement of the two respective Governments to commit themselves to its determinations and findings. Rather than having a magic wand which we can wave to ensure that we or they will do this or that, we have an agreed upon process which is very dependent upon the co-operation of both Governments and upon the reasonable agreed upon action of the International Joint Commission for its effectiveness.

I would argue very strongly that this process and the obligations which flow from it have not only been complied with, but have been respected in every way. It is a process which is evolving very greatly. Why is it an evolutionary process rather than an absolutely black and white regulation? It was only about 50 years ago that we were cleverly beginning to create very complex chemical molecules which were, in many ways, of great benefit to society. We began sticking atoms together in ingenious ways for pharmaceuticals, plastics, and pesticides, many of which were capable of enduring for a long period of time.

We could criticize our ancestors for ignorance of the persistence of chemicals and the analytical techniques which would come along to reveal the existence of chemical substances throughout the environment in vanishingly small concentrations, but that would not help to solve our modern-day problems. Instead, we must take positive, co-operative action. Rather than criticize, we could marvel at the wisdom of generations ago of recognizing the need for co-operation to not pollute the waters of the Great Lakes. I refer, of course, to the Boundary Waters Agreement which was entered into in 1909.

Having discussed the process in a way which I hope explains the redundancy of the motion of the Member for Davenport I would like to suggest that no one in the House could challenge the success of the 1972 Great Lakes Water Quality Agreement. Its main focus was to resolve the phosphorus problem in the Great Lakes. Members will recall that, as the Minister mentioned in his remarks, in the 1960s phosphorus was choking the Great Lakes. It was over-fertilizing them, leading to massive amounts of algae blooms. These blooms would die and wash up on the shore, creating foul-smelling masses of unsightly decaying algae. They would die off each fall and settle to the bottom of Lake Erie, in particular, robbing the lake bottom of its oxygen supply and making fish breeding impossible.

We agreed with our colleagues south of the border to get the necessary treatment facilities to remove the phosphorus from the Great Lakes System. It was a costly undertaking. It cost $8 billion. I would like to remind Members of the House and Canadians in general that the Americans paid for three quarters of the cost of this $8 billion project in 1972.

In dealing with phosphorus, we set specific targets to deal with modern-day problems. Today we are also setting specific targets. The results in terms of the phosphorus problem has been abundantly clear. Concentrations have gone down and those lakes are now being restored to their once great status. Clearly in this area the U.S. Government accepted the Great Lakes Water Quality Agreement as an obligation and delivered in the end a *bona fide*, solid performance.

• (1600)

The 1978 Great Lakes Water Quality Agreement has been much harder to implement. This is not surprising because dealing with 1,000 complex chemicals is 1,000 times more difficult than dealing with one. The U.S. acceptance of the 1978 agreement as an obligation has meant steady, methodical improvement with relation to our discussions with them as the Government of Canada. Both the U.S. and Canadian Governments have banned many chemicals like mercury, PCBs and dioxins. To make further progress, we will have to.continue to co-operate. We have secured this week a U.S. agreement to set specific targets and take specific action on the Niagara River. This is clearly an acceptance of the obligation. However, there is more.

The U.S. Government also agreed this week to apply the strictest standards to the Detroit incinerator in order to save U.S. and Canadian citizens from toxic air pollutants which would fall into our shared water resources. I hope the Hon. Member for Essex—Windsor appreciates the very successful representations the Minister of the Environment made on behalf of the Government of Canada to the EPA.

In contrast with what the House Leader of the Official Opposition said in newspaper articles, this is a commitment to not allow the operation of that plant without complete compliance with the U.S. Clean Air Act. That means millions of Canadians, to say nothing of Americans, will be spared the increased health risks which would have occurred if that plant had been otherwise allowed to operate. That is a real success. That is one of three or four things which were on the agenda and which this Government was able to secure on behalf of Canadians in discussions with the EPA.

There is still more. As the 1985 International Joint Commission water quality report shows, most toxic chemicals in the Great Lakes have declined substantially since the 1970s. Chemicals which have seen dramatic reductions include DDT, mercury and many others. This is not Government propaganda, but the objective report of a respected bi-national body of highly qualified environmentalists. The Great Lakes Basin is not the most heavily-polluted ecosystem in North America. I made that point at the beginning and I make it again. That I am sure will be of interest to all Members as the information is released next week in the discussions which will take place on Mackinac Island.

I do not know how much more evidence Hon. Members opposite need to convince them that we are making progress. We have never claimed that we have been totally successful. We know the objectives we have established, both in accepting the fact that there should be zero emissions of these toxic materials, but also in the very practical way of looking at a realistic goal of a 50 per cent reduction by 1995. We know these things are not perfect but they are real, solid progress and they have been achieved through successful negotiations in good faith with the U.S.

The record also shows quite clearly that areas along the St. Clair River, which in 1977 were polluted along 21 kilometres at the bottom of the river itself, have been reduced to only 10 kilometres. That is to say, since 1977, through action already taken by previous Governments and continued by this Government, we are now dealing with an area of concern on the bottom of the St. Clair River which is approximately one-half

the original size. In co-operation with the Province of Ontario, we are taking the necessary positive steps to reduce this degradation even further. It is clear that we are threatened less now than we were then, but we still have a long way to go. We can only take the next steps in a co-operative fashion with all Governments at all levels.

Consider the areas of concern described by the Water Quality Board of the IJC in its 1985 report. The Governments of Canada and the U.S. have agreed to take a methodical, step-by-step approach to cleaning up these areas of concern. The steps agreed to include the full description of the problem, the development of concise action plans with specific dates and targets, and the monitoring of the situation after these action plans have been implemented in order to establish that the desired conditions in the areas of concern have been restored. We are on that step-by-step route for most of the areas concerned in the Great Lakes Basin. We must all co-operate to see this process through to succcess. We must not throw adversarial hurdles in our path.

Hamilton Harbour is one of the areas of concern described in the Great Lakes Water Quality Board report. There is little to be proud of in the emissions at Hamilton Harbour, but even this degraded area is on the relentless path to renewal. We have to help the process with co-operative and positive action, not negativism.

To this end, we have invited the IJC to play an even larger role in our work. It has the authority, both under the Boundary Waters Treaty Act and the Great Lakes Water Quality Agreement of 1978, to look at our standards, laws and regulations and to assess them as to their adequacy on both sides of the border in order to resolve the common problems in the Great Lakes Basin. We are so confident in the successes which we have achieved in the Niagara River area this week that we are inviting the IJC to look at our plan to restore the quality of that area of the Great Lakes Basin.

I said at the outset that the Hon. Member's resolution is both timely and redundant. Since the U.S. Government recognizes its obligations under the Great Lakes Water Quality Agreement and the actions it is taking with us are timely, let us not divide our energies and be conquered. In the field of international agreements, the pen is surely mightier than the barbed tongue. The prophet of gloom is doomed.

There is one other point I would like to add from a technical point of view in discussing this subject. The Hon. Member for Hamilton Mountain (Mr. Deans), in considering excavation versus the alternatives for the dumpsites, left out one critical factor. Having established that our preferred option would be to dig all this stuff up and get rid of it somewhere, we have to at the same time recognize the reality of needing to get on with the job as quickly as possible and doing it most effectively.

There is a technical aspect which is difficult for everyone to grasp. No one knows for sure, nor can they until additional work has been done and assessments made. The problem is that we know we must contain so far as possible whatever chemicals there are in whatever area. Having been there for so many years, you can see the chemicals oozing out of the walls along the side of the Niagara Gorge. You can see the rot coming out. Chemicals have leached through bedrock and, even if there were excavation of many of those sites, it would still represent a continual and considerable environmental problem.

One of the options, which may or may not be real because it has yet to be determined, is that by removing the water and the contaminants therein contained, we may be able to reverse that leaching process. Instead of going toward the river, it would come back toward the dumpsite. It could then be removed and destroyed. That would be a technique which would have obvious advantages as opposed to simple excavation, and still being left with the problem of having to destroy the materials we have removed.

With that additional technical point, I think the House would want to recognize the ongoing interest of the Hon. Member for Davenport, but would like to suggest that he look at those agreements again. I think there has been a serious oversight in his estimation of what is contained in the Great Lakes Water Quality Agreements of 1972 and 1978, and what they really mean. Second, insofar as possible with whatever information we can give him, he should be in a position to look at the realities of technology and what is real and what is not.

• (1610)

Finally, through assessment, and this gives me confidence as a Member of Government and as someone who is paying as close attention as he can to this matter, I think we have the start of solid action here for the first time in a long time. We have in place, through solid agreement, the mechanisms and the best technology available to make sure that the agreements are adhered to and that our efforts are effective. If they are not, we obviously have to take other action.

Mr. Caccia: I want to reassure the Hon. Parliamentary Secretary, who has given us a fine speech according to a well prepared text, that I have looked closely at the agreements. That is what makes me say that the Minister of the Environment (Mr. McMillan), if he had done the same, would not need to go cap in hand to Washington in order to obtain the co-operation of our neighbours on this matter.

Having said that, I would like the Parliamentary Secretary to look at his own press release, the one issued in Washington on May 14, and provide me with an answer to my question. The press statement recognizes that the administrator and the Minister agreed it is necessary to achieve significant reductions in the loadings of toxic chemicals in the Niagara River, which is a great statement, as you know, because it was made a year before by the predecessor of the present Minister of the Environment. It indicates the two had agreed on co-ordinating the existing chemical pollutant control activities in establishing a common basis for assessing the toxic chemicals, loadings, et cetera. It mentions, in identifying priorities for control measures, evaluating the success of these measures, which are

all very marginal activities that do not come to grips with the question of cutting the emissions.

I would like to ask the Parliamentary Secretary to what extent, in the establishment of the goals that are outlined or referred to in the third paragraph of the press release, namely that both had stated it is highly desirable to establish goals, to what extent the 24 recommendations outlined in the 1984 Niagara Toxic Chemical Committee report have been incorporated in the goals? Can he tell us that?

Mr. Gurbin: Mr. Speaker, I can respond to that question. What I have to tell him is that the American action plan, which flows from the agreement that will be reached between the Governments, hopefully including Ontario and New York, are the only specific things that we will have access to. If he is talking about all specific 24 recommendations, I have to tell him clearly that I never sat down and tried to put 1 to 24 against specific things. In that sense I cannot answer the question. We know that within a period of two weeks or less the specific action plan for their part will be produced. That is number one.

Number two, if he reads only the first paragraph of the communique, he will know that the agencies are committed to complete by July 1, 1987 the technical documentation of the pollution control measures needed to reduce direct discharges. That means specific targets and dates. He and I have already had a discussion over the technical problems there are now which make it impossible for Ontario, New York, or any other level of Government to say any more than that, because while there are very specific findings in specific areas, 61 or 66, whatever the number is, there is not agreement, nor even a complete way of evaluation. There has not been agreement on how the full loading is going to be evaluated at one end as compared to the full loading at the other end.

The Hon. Member will know there have been a variety of figures ranging from one to nine tonnes of total load in the system. For that reason, until that additional information is available, it would be irresponsible for anyone to try to do other than this ambitious and very action orientated commitment by July 1, 1987. It would be nice to be able to say more and be accurate. It is just not technically possible, and no one can say that it is.

Mr. Langdon: If I could start with just a brief comment to recognize the fact that the Parliamentary Secretary stressed—which I had in fact included in my notes to make as an aside—that the incinerator solution in Detroit is something that we feel is the result of the kind of forceful representation of our case to the United States that we would hope would routinely take place on these cross boundary issues. It is something very much appreciated.

Second, a brief preliminary point is just to note the point that I raised surreptitiously as a point of order, which is that it is not the Opposition which is claiming that the Great Lakes Basin is a pollution disaster point, but instead a neutral group of both Canadians and Americans. In the report of the Royal Society of Canada and the National Research Council of the United States, they say their committee finds substantial evidence from the results of studies done by both the U.S. and Canada that the human population in the Great Lakes Basin is exposed to and accumulates appreciably more toxic chemical burden than other human populations in similarly large regions of North America for which data are available.

My question is to try to pin the Parliamentary Secretary down, because he once more has repeated the suggestion in his speech that, in fact, there is a commitment to a 50 per cent reduction by 1995 in toxic loadings with respect to the Niagara Escarpment.

I ask him specifically where in the press release, which is the only documentation we have and which I have in front of me, there is anything which even implies that that is a commitment? What we have instead, as I suggested, is a flim-flam statement that says, as an example, they suggest that a 50 per cent reduction may be achievable by 1995 or sooner. That is very nice, but it is not the kind of commitment which I am sure the Parliamentary Secretary, as a technical person, and others throughout the country would look to see as a real promise to achieve that goal.

Mr. Gurbin: Mr. Speaker, I thank the Hon. Member for the appreciation of the work that was accomplished in so far as the Detroit incinerator. I just mention in passing that another subject on the agenda was the progress on acid rain, and there are some good signs and some good activities in keeping with the commitments that have been made through the summit meeting with the President and the Prime Minister (Mr. Mulroney). We have had an update on that, which we are encouraged by, and we look forward to additional actions in the near future. We also discussed some of the nuclear repositories that have been suggested and are keeping the Canadian position and concerns of that development very much in the forefront in our discussions with the United States. I can mention other aspects as well.

• (1620)

With respect to the second question, it is academic whether it was him or the Royal Society report. I was not attempting to discredit him or the Royal Society report, I was merely trying to give additional information. The academic aspect is that it does not take away from the problem in any way. That is not what I am trying to do. I am simply indicating that while it is as serious as everyone believes and we should be working as hard or harder than we are now, it does not seem to represent the same level in comparison to the other problems in North America.

Let me try again to make my point with regard to the 50 per cent objective. Our goal is to achieve 50 per cent by 1995 or sooner. It is impossible to set those precise targets and dates until we have a firm and complete data base from which to work. The problem is that such a data base does not exist. While good information is available, it is limited and does not tell us about all of the leaching that comes out of the walls—

The Acting Speaker (Mr. Charest): Order. Debate.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, before speaking to the motion moved by my hon. friend from Davenport (Mr. Caccia), I would like to say that I was somewhat surprised earlier today when I saw the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) rise in the House and start off his speech by denigrating my hon. colleague's motion and describing it as redundant and even useless.

I find this surprising, because first of all the motion is not negative. We often have Opposition motions that censure the Government, which is not the case here. This motion is positive from beginning to end. It does not censure the Government. It acknowledges what has been done so far. It mentions existing agreements between Canada and the United States on removing pollution from the Great Lakes. It asks the Government to do more, which is only normal, and I fail to see why my colleague, the Parliamentary Secretary, is trying to lessen the importance of this motion.

Mr. Speaker, I think we should look at what the motion says and try and find whatever negative aspects it may contain. The motion says, and I quote:

> That this House urges that the Government of Canada insist that the Government of the United States regard the fulfillment of responsibilities under the Great Lakes Water Quality Agreement as an obligation, rather than a concession, and further urges the Government of Canada to renegotiate the Great Lakes Water Quality Agreement to include toxic substance control programs to restore water quality in the Niagara, St. Clair and St. Lawrence Rivers for the benefit of millions of Canadians and Americans and that such negotiations should lead to the adoption of the zero discharge principle already embodied in Annex 12 of the Agreement.

As you see, Mr. Speaker, the motion does not even criticize the Government. It asks the Government to take some additional steps, and in my comments I intend to ask the Minister for some clarification. I also intend to ask him to act more specifically in certain areas, but I am not going to start by kicking him in the shins and tell him that he didn't do a thing, although you must admit that during the year and a half this Government has been in power, in some areas, at least as far as my own region is concerned, some more specific action could have been taken.

To get back to the motion of my colleague from Davenport, it will at least have given Parliament the benefit of a full day's debate on the quality of the water of the Great Lakes, which is something I can only applaud.

Mr. Speaker, the Montreal riding I represent, the riding of Saint-Jacques, may seem very far from the Great Lakes. And it is. It is hundreds of miles away. However, we are closer than we think.

The St. Lawrence River binds us together and ties us closer, but it is not necessarily to our advantage when it comes to pollution. The riding where I live lies along the St. Lawrence River, all the way from Atwater Avenue to Papineau Street. Unfortunately it has been years since Montrealers—at least those who live in my neighbourhood—were able to enjoy their proximity to the river water because the port of Montreal covers the full extent of my riding. Thanks to certain initiatives taken by the previous Liberal Government, an opening has been made through the port of Montreal so that we now have a window through which downtown Montreal residents can have access to their river. One problem remains to be solved, however: now that people have access to the river they are quite upset to realize that they cannot enjoy it as much as they would like to for the simple reason that the water of the St. Lawrence River does not lend itself to the kind of activities which people generally look forward to. Perhaps they can take boat or canoe rides, but they cannot play in the water, go for a swim or practice scuba-diving because it is prohibited as a result of pollution.

At the risk of being somewhat sentimental, Mr. Speaker, I can tell you that some of the fondest memories of my younger days— or of my life, for that matter—relate to an annual visit we made when I was living downtown at the age of eight or nine. It was almost an annual pilgrimage. My parents were not rich by any means, but they managed to save a bit of money to take us for a whole day to Belmont Park close to the Rivière-des-Prairies. Not only did we enjoy ourselves in the various rides, but the best part of it was going for a swim in the Rivière-des-Prairies at the end of the afternoon. Unfortunately, Mr. Speaker, it has been years since people have been allowed to swim in the Rivière-des-Prairies.

At the risk of letting on that I am getting older, I was thinking earlier that you have to be at least 45 to remember people swimming in the St. Lawrence River and to recall the great beaches along its shores. I can understand your smile, Mr. Speaker, as I have just betrayed the fact that I am over 45 even through I may not look it. In any case, for young people today, the St. Lawrence is not a river where people swim, it is a dump, and as a certain Minister of the Environment said a while ago, it could even be described as a cesspool.

Naturally, a lot of the pollution does not necessarily come from the Great Lakes. A lot of it comes directly from the Montreal region. For instance, the sewers of a centre with a population of some two million people certainly do a lot of damage to the water of the St. Lawrence. There is also the fact that surface waters contain a lot of lead because of the very dense automobile traffic in the greater Montreal area, and there are also the industrial wastes from a number of plants as well as waste from the many cities and villages upstream from Montreal as far as the Ottawa River and all the way along the St. Lawrence up to the Great Lakes.

Mr. Speaker, a major part of the pollution in the immediate vicinity of Montreal is being cleaned up gradually thanks to initiatives of the city of Montreal and the various Governments. The newspaper of Saturday March 1 pointed out one thing which is certainly cause for rejoicing, namely the fact that the great sewage treatment plant in Eastern Montreal will provide some breathing space for the St. Lawrence River, called "this chronic patient" in the newspaper, when it

becomes truly operational in two years. That is the objective. But, of course, treatment will not solve all environment problems, because all the pollution in the Great Lakes, which has been described by some Hon. Members who spoke before me, ends up being carried by the St. Lawrence waters and creating problems in the Montreal area. And even with all our efforts to treat our own local effluents, something else must be done to clean up the St. Lawrence River at its source, that is the Great Lakes, because that pollution comes from the Great Lakes.

Mr. Speaker, I had the opportunity some three years ago, if my memory serves me right, to attend meetings of the Joint Canada-United States Great Lakes Commission. I was suprised to realize that the Canada-U.S. agreement, the Agreement on the Great Lakes Waters Quality, the so-called Boundary Waters Treaty, covers an area that is very large but stops in the vicinity of Cornwall, right at the door to the Province of Quebec. This means not only that the area covered by the Boundery Waters Treaty stops at Cornwall, but that funding also stops at Cornwall. And so does the expertise of that international body, and this is what I am concerned about.

Also, concrete steps taken by the Government of Canada to try and prevent pollution in the Great Lakes from reaching Montreal fail to go beyond mere words, and the Cornwall area.

One of the best reports on the St. Lawrence waters' pollution situation in the Montreal area, especially in terms of its originating in the Great Lakes, was published on April 14 in *Le Devoir*. It was written by Louis-Gilles Francoeur, who suggested that the Canada-U.S. Great Lakes agreement could be extended to cover the St. Lawrence River. I will go further, and suggest that it be extended to the St. Lawrence River because as severe as pollution may be in the immediate area of the Great Lakes, even though it is just as bad as far down as Montreal from the Great Lakes, the problem remains unsolved.

The Minister is aware of the situation, and in the same *Le Devoir* of April 14, we read:

> According to the federal Minister of the Environment, Ottawa is prepared to negotiate a comprehensive plan with Quebec to clean up the St. Lawrence, and would even be willing to renegotiate the Canada-U.S. agreement on the Great Lakes and extend it to the St. Lawrence River system, which is receiving increasing amounts of the toxic substances dumped in the world's largest bodies of fresh water by industries in Ontario and in the U.S.

Which is more or less what I was trying to say earlier, Mr. Speaker, but in more elegant prose. I shall go on, to show how well disposed the Minister seems to be, at least according to this article, where he says:

> I am quite prepared to discuss with Quebec the possibility of the province becoming a partner of the federal and Ontario Governments in this project—

He was referring to projects included in the Great Lakes Agreement.

Mr. Speaker, the sad truth is that all that rhetoric which we appreciate and endorse have not led to concrete action. This Government has now been in office here in Ottawa for a year and a half but nothing has happened, except eloquent speeches in which we are told that pollution in the Great Lakes is appalling, and following his trip to Montreal the Minister—fully briefed by his political advisers, I would imagine—now tells us in the House that the situation is terrible in the Montreal region and that something has to be done about it. Yet nothing concrete ever came out of his visit.

Again I quote some of the comments the Minister made when he was in Montreal:

> The federal Minister of Environment emphasized that Ottawa "is prepared to sit down with Quebec" to draft an "over-all plan" to fight the river pollution. The Canadian Government has the same responsibilities towards the St. Lawrence River as it has towards the Great Lakes—

These are reassuring words, and I will certainly not take the Minister to task for saying that. It being so, I would simply ask him: What are we doing to reduce pollution in the Great Lakes and in the water system which extends as far as the Montreal region?

And I am still quoting the Minister who, after giving some examples of what could have been done, became very cautious when asked whether Ottawa would invest as much in cleaning up the St. Lawrence as for the Great Lakes. It is very easy to say that there is a serious pollution problem in the Montreal area and that the federal Governement should sit down with Quebec to discuss it.

However, when we ask specifically how much the Canadian Government is willing to spend, the answers become more evasive.

When the Minister was asked how much money he intended to spend, he answered: The Government of Canada has the same commitment to the St. Lawrence system as to the Great Lakes. However, the Minister added that he could not reply to the question and clearly state that an equal amount would be allocated because a lot of very complex factors had to be considered.

The St. Lawrence pollution problem in the region of Montreal will therefore be judged as important as the Great Lakes, pollution problem, but when the Minister is asked to provide equal funding, he answers that he cannot do so.

Mr. Speaker, that is what find unacceptable. I have nothing against the good intentions of the Minister. On the contrary, I congratulate him about his good intentions.

However, I am asking him to take practical action—

• (1630)

[*English*]

In other words, as is said in English, he should put his money where his mouth is. If he were to do only that, then federal money would be added to the money which is already being spent in the Montreal area, since we are already depolluting the damage which we are doing to our river in that area. Let us have the federal Government give us a hand to try to kill the pollution which comes from the Great Lakes.

[*Translation*]

I therefore conclude by saying that the Canada-U.S. Great Lakes Agreement should, and not could, apply also to the St. Lawrence River.

[*English*]

Mr. Warner: Mr. Speaker, the Hon. Member for Saint-Jacques (Mr. Guilbault) made some comments which I certainly share since my constituents also occupy an area along the St. Lawrence River. We are quite concerned about the pollutants in the Great Lakes system and how they affect the St. Lawrence River. This concern relates to the efforts of one of my constituents, Mr. George Williamson of 1603 Princess Street in Cornwall.

There are something in the order of 500 to 1,000 man-made chemicals which are discharged into the Great Lakes system. We must be concerned about these pollutants. As an individual, Mr. Williamson has certainly made an effort to do something about the pollution of our waters. It is something in which all people can participate, Governments included.

The Hon. Member for Saint-Jacques mentioned that sewers empty into the St. Lawrence River and into the Great Lakes system. The efforts of municipal and provincial Governments, as well as those of the federal Government, are required to do something about these pollutants.

Mr. Williamson of 1603 Princess Street in Cornwall has developed a $30-product which will clean sink drains without the use of chemicals. The product uses only pure, clear water in a pressurized system which is adaptable to all faucets. There are no chemicals, there is no mess, there is no danger, there are no plumbing bills. It is something that can be used in all homes, in industry or in Government offices.

• (1640)

Mr. Williamson of 1603 Princess Street in Cornwall will certainly be glad to hear from anyone who is interested in contributing to elimination of toxic chemicals which are in such common usage in drain cleaners. Would the Hon. Member for Saint-Jacques be interested in using this product?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, if the Hon. Member for Stormont—Dundas (Mr. Warner) is offering me a sample of the product in question, I would be glad to try it. As I said earlier, there are more than two million people in the Montreal area, so it does not take much from each individual to make a river absolutely polluted. A good many of the sewers are now cleaned up because there is a plant in Montreal, but the problem is not entirely over. It will take two more years before all the sewage is treated before being returned to the river. Meanwhile, we could be using this product of Mr. Williamson.

I believe that a good part of the Hon. Member's riding would fall within the area which is under the jurisdiction of the Great Lakes Agreement. His area can benefit from all the expertise and funding of this joint international organization whereas we in Montreal are on the outside. That is why I have been pleading that the area covered by this international agreement be extended to Montreal or even to Quebec City. The St. Lawrence River has to carry all the stuff that is dumped into the Great Lakes.

Unfortunately, if we want to solve the problem in Montreal, we have to buy Mr. Williamson's product on our own. We are not subsidized to do that, though I am willing to try it. However, in the Hon. Member's area, he can use Mr. Williamson's product, but he can also use all the services of the joint commission, something which I cannot do.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Saint-Henri—Westmount.

Mr. Johnston: Mr. Speaker, it gives me great pleasure to rise in this House to support the motion of my colleague, the Hon. Member for Davenport (Mr. Caccia).

[*English*]

I did not anticipate this opportunity but I assure you, Mr. Speaker, that I welcome it very much.

The specific subject matter of the motion dealing with the Great Lakes, the St. Clair River and of course the St. Lawrence River is of particular significance to me as it is to my colleague, the Hon. Member for Saint-Jacques (Mr. Guilbault), who, like me, represents a riding in the great City of Montreal. I will return to that subject in several minutes.

[*Translation*]

Mr. Speaker, but I would like to point out that the Lachine Canal, which has extraordinary recreational potential for the city of Montreal, is also located in my constituency. That canal is so badly polluted that even canoes have been banned.

[*English*]

You can see, Mr. Speaker, that I have a personal interest in this matter on behalf of my constituents and the residents of the City of Montreal.

Before I deal with the specific motion, I would like to place it in a larger, global context. Those of us who have been following the environmental debate around this planet realize that our biosphere is truly in peril. As particular environmental problems reach crisis proportions in one country and another, those nations feel compelled to act. However, it has been a slow process and of course the essence of the motion put by my colleague serves to illustrate some of the problems that occur in environmental policy when different nation-states are involved.

Nations have always been slow to get into gear. Polluters are not often quickly detected. Only recently, the Minister of the Environment (Mr. McMillan) fingered five major polluters of the St. Lawrence. However, polluters are not always easy to detect and they are not all located within the boundaries of the country suffering the effects of pollution. What better example

could there be than the example of the Great Lakes and that great St. Lawrence Seaway System.

International discussions can easily become deadlocked in an attempt to assign blame on one side or another or in an attempt to come to agreement on how to clean up the situation. I suppose the celebrated acid rain debate is a perfect example of this. The President of the United States has finally acknowledged that acid rain is indeed a problem. Upon the return of the Prime Minister (Mr. Mulroney) from Washington, the President's admission was heralded as a major breakthrough in bringing the acid rain situation under control. Meanwhile, people not only here in Canada but in the United States gradually watched their forests waste and their maple trees die. At that point, we had only got to the stage of agreeing that there was a problem.

I suggest that we who live on this wonderful planet earth and in this magnificent biosphere are only seeing the tip of the iceberg, albeit an important tip. There seems to be countless problems dotting the landscape. There are countless time bombs just waiting to explode. Almost every time I pick up a scientific journal, I read about another threat to the biosphere. For example, we are told that the ozone layer is being depleted. That means that the consequential greenhouse effect is likely to change climatic conditions and raise temperatures. As we know, tropical rain forests are being depleted, thus affecting the biosphere, the atmosphere and the oxygen content of the atmosphere. We know that the deserts are growing. Of course, the subject matter at hand is recognized by all as underlying the dreadful pollution that affects our water and causes poisons to accumulate in our air.

Undoubtedly, many Members of the House have seen some of the recent studies which have gone beyond the issue of acid rain to the issue of other toxic substances carried in the air. These in turn will create serious medium and long-term environmental problems.

I suggest to my colleagues that the consequences of our biosphere being in peril are almost beyond our imaginations. Another ice age may come. The polar ice caps may melt. Huge sections of low-lying land are likely to be flooded. Plant and animal species are likely to disappear. Of course farmland may no longer be able to bring forth the crops and bounty which have made those of us in this country one of the best fed and healthiest people in the world. Indeed the situation is a very, very serious one on an international basis, and one which all Governments must be called upon to address.

• (1650)

As we discuss the situation as it applies to our Great Lakes and waterways system, I raise today with my colleagues the question of what we as individuals, not just as lawmakers in the House of Commons—or it may be Congressmen or Senators in the United States or other elected representatives in other countries—can do and should do about the situation. Let me offer from personal observation what I consider to be good news about what has happened in our environment, largely through the efforts of individuals. Those Members of the House who are my age or approaching my age will have noticed a dramatic difference in the attitudes of individuals toward the environment. I remember growing up as a youngster both here in the Province of Ontario and later in the Province of Quebec.

Mr. Gurbin: How long ago was that?

Mr. Johnston: Perhaps the Hon. Member is not aware of it, but I recall how litter on our highways was deplorable and accepted, by and large. Cigarette cartons, packages, tin cans, and beer bottles were thrown out of the windows of automobiles as if it were the way to dispose of such items. It is seldom today that I see anyone throw litter out of a car window. It is not simply because we have anti-litter laws. I suggest that the culture has changed. Indeed there has been a greening of Canada and of America in the minds of our citizenry. People are becoming more responsible in terms of collecting garbage, in terms of keeping the landscape under control, and even in terms of their own individual pollution of lakes and rivers. I think individuals are much more conscious of the importance of preserving the environment, especially for generations to come.

Unfortunately there are issues today which really affect the environment and create a spectre of the kind I just described, namely, putting our biosphere truly in peril. Unfortunately those issues are really beyond the reach of individuals. They are and must be the subject of public policy. Of course, individuals will be there to ensure that politicians have the political will to make sure that the Great Lakes are cleaned up, that our waterways are not polluted, and that the kinds of doomsday scenarios from an environmental point of view which I have described will not occur. I believe that is happening. When one looks at surveys of public opinion, one sees that indeed the environment is very high on the Richter scale of public concern, as it should be. Hence, it will find its way into the public policy of all nations where environment has become a matter of great public concern.

I suppose one of the problems in the minds of many people is that while important, the environment may still be seen somewhat as a luxury for which inadequate funding is provided in a period of recession, or the axe falls on the environment when there are cuts to be made. As I just said, it is true that the environment is a legacy which we must leave for future generations. Unfortunately too many people in public life do not yet recognize that the future has a constituency. I believe that the future has a growing constituency, that people are becoming more and more concerned. I mentioned the polls and so on. The very fact that such debates are occuring in the House of Commons and in legislatures across the country is evidence of the fact that that constituency is growing.

However, I fear that often political programs to monitor, to protect, or to clean up our world will land on the chopping block, just as critical programs in research and development

land on the chopping block. It is up to us on all sides of the House to ensure that that does not take place.

While cuts in environmental programs and while cutting back on monitoring the circumstances of our biosphere may indeed have a marginal impact upon reducing the dollar deficit about which everyone is perforce concerned, we must recognize that in this case we are simply substituting a major environmental deficit for a dollar deficit. That environmental deficit in the long term will result in many, many times the impact or the value of a cutting exercise.

Unfortunately I am nearing the end of my comments this afternoon. I see I have approximately four minutes remaining in which I should like to talk about the great St. Lawrence system that in part is the subject of the motion. The motion calls for the Great Lakes Water Quality Agreement to be extended to include toxic substance control programs and to restore water quality in the Niagara, St. Clair, and St. Lawrence Rivers.

My home is in Montreal, a great and vibrant metropolis. It is on an island at the confluence of two wonderful rivers—the Ottawa River and the St. Lawrence River. It is surrounded by lakes, by beaches, by smaller islands, by rapids, and by inlets. The area should be an absolute paradise for fishing, swimming, sailing, canoeing—all manner of water sports and recreation. As well, of course, it should provide good drinking water for the population of the area. Effectively the waterways are sewers. They have been polluted through decades of wasteful and thoughtless abuse.

I have already mentioned the historic Lachine Canal. Some years ago a group came to me and asked, because the Lachine Canal cuts through my riding, whether it could hold a canoe race on that canal as part of the summer games. When we applied for permission to conduct such a race, it was denied because the pollution level of the canal was so high that it was considered to be a health hazard, not to swimmers, not to water-skiers, but to canoeists. Parks Canada denied our people, with good reason, the right to conduct a canoe race on the Lachine Canal.

I should like to refer to one last example which I do not think is partisan but concerns another Liberal function.

[*Translation*]

Last year, we had the Liberal Associations from approximately three or four constituencies together for an evening boat tour on the St. Lawrence River. It was a grand night. There was dancing, there was a buffet, etc., and during that tour with my colleagues, my wife, my children, my friends, my friend the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who was also there, I was struck by the fact that it was impossible to have a swim in the St. Lawrence River, that swimming was dangerous. Despite that beauty all around us, we were cruising around on a completely polluted river.

[*English*]

It is a wonderful area to which the public is effectively denied access and is at risk, if it accepts access, of being ill and effectively using a sewer, which drains the Great Lakes, for recreational purposes. It is a situation we can no longer tolerate.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

Pursuant to Standing Order 3(2), this House stands adjourned until next Tuesday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, May 20, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I am honoured to present the First Report of the Standing Committee on Aboriginal Affairs and Northern Development and I am pleased to report Bill C-93, an Act relating to the establishment of self-government for the Sechelt Indian Band, as amended.

* * *

PETITION

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by several hundred residents of my constituency of Burnaby, particularly senior citizens, who call upon Parliament to direct the CRTC to deny to telephone companies such as B.C. Telephone Company the right to implement a system of local measured service whereby there would be a charge for each call, and point out that such a system of charging would impose a very severe hardship on thousands of Canadians, particularly senior citizens and the handicapped.

* * *

MOTION TO ADJOURN UNDER S.O. 29

FOREST FIRES IN ATLANTIC CANADA

Mr. Speaker: I am in receipt of a motion of an application under Standing Order 29 from the Hon. Member for Fundy—Royal (Mr. Corbett).

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, consistent with Standing Order 29, I have today informed you that it was my intention to raise a matter in the House requesting an emergency debate on a situation that I consider to be extremely serious. The debate I seek centres on the disastrous situation that has developede in Atlantic Canada during the past week as a result of many major forest fires. The fires have been particularly devastating in New Brunswick and Newfoundland, provinces heavily dependent on the woods industry for the employment of their people and the maintenance of their economies.

The forestry sector is the largest employer in the nation. One out of every 10 employed persons in Canada is employed by that sector. It is our biggest foreign exchange earner and one of the largest purchasers of manufactured goods in Canada.

With the devastation of Atlantic Candian forests, the potential disastrous ramifications to the nation are enormous. We cannot as legislators allow the seriousness of the situation to go unaddressed. We have a moral responsibility to respond immediately, and for that reason, Your Honour, I respectfully request an adjournment of the House for an emergency debate on this important issue.

Mr. Speaker: I have examined the letter the Hon. Member sent and I may say his application was exemplary. I am persuaded that the conditions and terms of Standing Order 29 have in fact been met. Does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Some Hon. Members: Agreed.

Mr. Speaker: Leave having been granted, debate is set down for eight o'clock.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Mr. Gauthier: Mr. Speaker, on Friday last, I asked a question of the President of the Treasury Board (Mr. de Cotret) concerning pensions in the Public Service. I have had a question on the Order Paper for close to a year now dealing specifically with that matter. Given that the Minister told me he will give me an answer by the end of May, and that those

figures for which I asked a year ago are very important for understanding this subject, I wonder if I could ask the Government to get an answer for my written question before the end of this week or next.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

The House resumed from Friday, May 9, consideration of the motion of Miss Carney that Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be read the second time and referred to a legislative committee.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is going to be a pleasure for me to speak for a few minutes on the new proposed Canada Petroleum Resources Act. This is something in which of course all Canadians have a great interest, but for those of us who hail from the areas where this Act will govern the disposition of oil and gas rights it is of double interest.

This Bill, Sir, is one of the final nails in the coffin of the late and not particularly lamented National Energy Program. If we compare Bill C-92 with the Canada Oil and Gas Act, which is to be no more after the passage of this Bill, we can perceive the difference in philosophy between the Liberals, who were responsible for the National Energy Program, and the Conservatives, whose philosophy is to be enshrined in the new Canadian Petroleum Resources Act.

• (1110)

On the one hand we have extreme Government supervision of the industry, for example, a great deal of government control over the day-to-day activities of the people who drill for and produce oil and gas in northern and eastern Canada. Under the Canada Oil and Gas Act the deals were negotiated. When someone has to go to Government to make a special deal, it always leaves room for abuse. It is much better if the rules of the game are known beforehand and if we have an open competitive system such as that contemplated under Bill C-92. Under the Bill it is to be left largely to market forces to determine such things as the amount of drilling to be done, the amount of production which will take place, and the prices at which crude oil and gas can be sold. All things which can be left to the open market will be left to that open market.

In my opinion it is time the dispositions on what is now known as Canada oil and gas lands be made available. Under the present circumstance of lowered oil and gas prices, there might not be quite the same level of interest in acquiring oil and gas lands as there would have been some time ago, but land should be opened up. There has not been any land made available for years and years, except some special cases wherein Petro-Canada was concerned.

One corollary which arose because the previous Government refused to make land available was that Canadian companies had to go cap in hand to the multinational companies that had previously tied up all this land to negotiated farm-ins at great expense. That is not the way it should have been; it worked to the detriment of Canadian companies and to the advantage of largely foreign-owned multinational corporations. That was the result of the Liberal policy of refusing to make oil and gas lands available.

One of the best things the Bills does is to remove the back-in, the infamous 25 per cent back-in. It was one of the worst aspects of the national energy policy. It put us on par with banana republics, that type of approach to life. It was grossly unfair. I am pleased to say that it will no longer exist once the Parliament of Canada has passed Bill C-92.

Now I should like to look at some of the specific measures contained in the Bill. One of the first things which hits someone reading the Bill is that there seems to be some discrepancy between the English and French versions. The French version is much shorter than the English one, which is not usually the case. Certain paragraphs on the English side are not on the French side. For example, in the English version there is Clause 37(1)(a), (b), and (c), whereas there is only a Clause 37(1) in the French version. When this matter gets to committee we will have to look at it closely so that both the English and French versions of the Bill read in the same manner. Otherwise I can foresee us getting into difficulty in the courts in years to come.

The Bill changes the name of Canada Lands, something which I did not really like that much, to the term frontier lands. I have certain reservations about that term as well. Undoubtedly the Bill regulates dispositions on the frontier lands. There is no doubt the Sverdrup Basin is a frontier area, as are the Beaufort Sea and the eastern offshore. Anyone who lives in Watson Lake, Yukon, or Hay River, Northwest Territories, might take exception to being told that they are on the frontier; that is not quite the case.

The lands in question can be divided into two parts. There are those over which there is no doubt that Canada has continuing jurisdiction, and there are those lands which are more correctly territorial lands, those lands in Yukon and Northwest Territories which are presently held in trust by Canada for eventual provinces to be established in those areas. Although it may not make a difference to this Bill, it ought to borne in mind by the Government of Canada and by the Parliament of Canada that at some point in time those lands will be transferred to new provinces and that in the meantime there is a trust relationship. We, as the Parliament of Canada,

are legislating over lands which we are holding in trust, so we have to be very careful about it.

The Bill does not contemplate a resource revenue sharing agreement between the territories and the federal Government. It does not preclude it, but it is something to which I wanted to allude. I believe it was on May 25, 1985 that the Minister of Energy, Mines and Resources (Miss Carney) said in Inuvik that the Government of Canada would negotiate a resource revenue sharing agreement with the territories, along the lines of those which exist with Newfoundland and Nova Scotia. I urge her to continue in the negotiations so that that resource revenue sharing agreement can be brought into being at the earliest opportunity.

This is not a revolutionary Bill. In a way, it is evolutionary in that a lot of what is in it is something to which Canadians in the oil and gas patch have become accustomed. It follows on the oil and gas regulations made under the Territorial Lands Act and, to a certain extent, on the concepts involved in the Canada Oil and Gas Act when we come down to administrative-type things.

Purists—and among those I would include myself—wonder what has happened to the venerable institution of the oil and gas lease. In this Bill, as under the Canada Oil and Gas Act, the highest form of ownership which someone can have is a licence to produce. In most provinces we have oil and gas leases which give title to the resources contained in the ground. However, under this Bill we are stuck with the highest form of ownership, being the right to produce that oil and gas. I should like to see some explanation given why we cannot go back to the idea of having oil and gas leases.

The exploration licence is another aspect that has been carried over and something to which we have become accustomed. These licences will last for a period of some 9 years unless a significant discovery is made and some new regulations come into play. The licences will be issued on a bid basis. I am pleased to see that we are going into the posting system which has been quite successfully used in Alberta. This is part of the open market philosophy in which people who want oil and gas rights will have to bid openly on them and not make these special little deals with Government, as was the case under the old system. People will bid, presumably, on a basis of cash or commitment. All the terms and conditions should, and under this Act, I presume will be made known beforehand. For instance, if there is a requirement regarding local participation or a requirement regarding Canadian business opportunities, those things will be spelled out in advance, and we will not have one company running to COGLA trying to make some special deal that no-one else knows about.

• (1120)

I would presume, and hope this is the case, that the various licensed areas can be different depending upon the location. If you are exploring for oil and gas in the Sverdrup Basin where it is unlikely you will have significant production for sometime to come, where the drilling of wells is very expensive, you might need a different regulator in your regime, a disposition of maybe larger areas of land than would be the case say in the Cameron Hills just north of the Alberta border. The disposition ought to be of the same order of magnitude of those just to the south in northern Alberta. There is a difference between the non-frontier areas and the frontier areas proper where you are exploring in virgin territory in an area that is very expensive.

The Bill contemplates the making of drilling orders by the Minister. I would urge that only careful use be made of this provision. I would not want to see the case where a company has oil and gas lands, the seismic work et cetera looks pretty good, but for some reason, and the reason could very well be the one we find ourselves in today, namely, the company has no money because the price of oil and gas is so low, the company loses that land because it could not comply with a drilling order made by the Minister. This power should be used only very sparingly.

I am pleased to see there is no foreign ownership provisions in the granting of exploration licences. I think it is quite proper there should be at the production stage, but at the exploratory stage where there is no production I think it is better to have the maximum amount of money and the maximum amount of expertise brought to bear in finding new reserves for Canada. When we get to the production licences, which I note will be for a 25 year term and extended automatically when actual production is taking place, there is a requirement for 50 per cent Canadian ownership.

As I said before, I feel this to be right and proper. I would go even further than that. I would venture to suggest that we do not need all the exceptions to this that are in the Bill. If we just spell out exactly what we mean by 50 per cent Canadian requirement and make it a condition of getting a production licence, I think that would suffice. Maybe you would want to give a little discretionary authority to the Minister, but if you spell out all kinds of exceptions in the Bill they will become the rule rather than the exception and people are likely to take all kinds of advantage.

With respect to development orders contemplated under the Bill, I want to say the same thing that I did about drilling orders, but to make the case even stronger. If we look at the experience in Saskatchewan with the potash industry where the Government used its authority to tell people: "You develop a potash mine or you lose the right to that ground", we will note that everybody put new mines into being in an era when you could not sell all the resulting potash. That did not make economic sense. The idea of development orders is something you need in the Bill, but the provision should be used extremely sparingly, otherwise we could have an improper allocation of resources and flood our own markets. We have to be very careful about that provision.

The provisions with respect to subsurface storage leases, what is contemplated here I would imagine is the underground storage of crude oil, natural gas or maybe even petroleum products. If you read that provision in the Bill, the clause

dealing with subsurface storage leases, it could mean dealing with the subsurface storage of butter, cabbages or anything else. I think a little bit of rewording is necessary.

With respect to royalties, let me put the good point first. I am pleased to see that a proper appeal procedure is to be put in place so that if someone has an objection against a royalty payment that they are obliged to make, they can appeal. There are a few points that are probably not to good, Sir. The amount and method of calculation for royalties has been left entirely to regulations. We had an explanation by the Parliamentary Secretary when he introduced the Bill saying what the royalties were to be. Generally speaking, the amount and method is pretty good, 30 per cent of net cash flow. I just wish these things had not been left entirely to regulations. There should be something in the Bill so that you could determine in an act of Parliament what is the maximum royalty to be paid. It is most important to know this when you are making a decision whether to invest or not to invest in the exploration for oil and gas.

I had many more things to say, Mr. Speaker, but I guess my time is getting nigh. I will put some of my notes aside for a further occasion. I think the Bill is a vast improvement on the Canada Oil and Gas Act. It will, however, require very careful study in committee. I imagine that many amendments will come forward as a result of committee study. I am pleased to support a Bill that will work to the best benefit of petroleum explorers, producers, consumers and Canadians in general.

Mr. Althouse: Mr. Speaker, I was interested to note in the comments of the Hon. Member for Western Arctic (Mr. Nickerson) when that he mentioned the back-in provision and the insistence, I suppose would be the word, of Canada to remain involved in the development or ownership of these oil lands. He compared that to an attitude of banana republics. He implied that only very backward nations followed such practice. The British have used a system of common lands all through their history, with a few minor exceptions. There was an enclosure movement at a time when some of the new capitalist class and the lords were getting very strong. They actually took over the common lands and enclosed them for a period of time, a move which was not remembered very fondly by most people.

• (1130)

Does the Member see that period of time as being the ultimate in the development of a country? Is he in fact advocating that Canada no longer treat parklands and our northern areas as part of the right of all Canadians? Does he feel that the use of oil from these lands should not at least partly accrue to Canadians as has been the British approach of keeping some lands for common use? Is he proposing to return to a form of enclosure?

Mr. Nickerson: Mr. Speaker, I did not anticipate getting into a debate on the enclosure movement which occurred in England and other European countries as early as the 14th century, continuing until the 18th century. It is significant to note that the enclosure movement in Europe did not coincide with the great increase in capitalism of which my friend does not approve. It began much earlier than that and had much to do with the development of the wool trade, if I understand my English history correctly.

In any event, whether or not that is the case, I cannot see any analogy between what happened in the 15th century in England and what is happening under this Bill. It is made very clear that the people of Canada own the oil and gas lands. The most that will ever be given to anyone is a licence to produce. They will not even be given a lease. What do national parks have to do with this issue? This Bill has absolutely nothing to do with Banff National Park or any other national park. This Bill has to do with the disposition of oil and gas lands in areas which are not national parks. If the Hon. Member had taken the trouble to read the National Parks Act he would know that it is not possible to get any kind of oil and gas rights in a national park. I do not know what the Hon. Member is talking about.

Mr. Althouse: Mr. Speaker, I wanted to make certain that the Hon. Member put his own philosophy very clearly before us as it applies to national parks. From his remarks it sounded as though he was proposing to back away from the system of keeping Canadian content in those lands.

The Member went on to discuss the posting and bidding system in this Bill. He mentioned that the terms would be known before the drilling began. Does this mean that the public and interested bystanders would know the precise terms arrived at, or is there still some protection of so-called commercial confidentiality? Will other bidders become aware of why their bids lost out? Will that kind of information be made available?

Mr. Nickerson: That is the whole idea behind it, Mr. Speaker. Under the Liberal administration there was secrecy. One person said he would do one thing and another person said he would do another. Other people did not know what they were doing. Some bureaucrats then decided that one deal was better than another. Perhaps the Minister stuck his nose into it too. They considered which bidder was the best Party supporter and which would help out in the next election. That was the old system under the Liberals. We now have clear skies. Everyone will know what are the terms and conditions before the bids are made. It will be a free and open process. That is what it is all about. I am very pleased that the Hon. Member raised this point because it has allowed me to stress that very important difference in philosophy between the Conservatives on this side of the House and the socialists who hide under a shroud of secrecy on the other side.

Mr. Althouse: Mr. Speaker, would the Member for Western Arctic (Mr. Nickerson) confirm that the Government is proposing quite a different process than that currently being followed in the Department of Regional Industrial Expansion?

Mr. Nickerson: I was going to say that I hope so, Sir. I must say that I am not thoroughly familiar with the way in which the Department of Regional Industrial Expansion transacts its business. I know that it has come under some degree of criticism. When I was in my riding the other week a number of people complained to me about the way in which grants had been given. Business people were concerned that, after having paid taxes, this Department of the Government gave a large grant to their competitor on the other side of the street.

As a personal opinion, I have some reservations about some of the things which that particular Department does. I think it would be much worse if it had not been headed by such an Hon. Minister of the Crown who did his best to try to alleviate some of the worst shortcomings of a system of grants and subsidies which has grown up over the years.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to say a few words this morning on Bill C-92, a Bill to amend the Oil and Gas Production and Conservation Act which will be known as the Canadian Petroleum Resources Act when it is passed by Parliament. This is a very appropriate time to be dealing with this because never in the history of the energy industry have we faced such a tremendous downturn as we have in the last three or four months. Even government Members talk about it as the most difficult time in the history of the Canadian energy industry. This Bill implements a number of the policies of the present Government which have already had a tremendously negative impact on the country.

In the 1984 election campaign the Minister of Energy, Mines and Resources (Miss Carney) promised in Prince Albert and Halifax that 100,000 to 300,000 new jobs would be created. Recent information and analysis provided by the Canadian petroleum industry shows a dramatic drop, not only in investment, but in jobs. StatsCanada estimates that during March and April nearly 10,000 jobs were lost in Alberta, nearly all due to the downturn in the energy industry. There are projections that the level of unemployment in Alberta may go as high as 16 per cent by August of this year, with even higher estimates for the cities of Edmonton and Calgary which are especially dependant on this industry.

In the first weeks of May there were 39 rigs drilling in the western sedentary basin out of a total of 480 in western Canada. It is estimated that only one or two rigs will be operating on the east coast offshore, and there will be a decided downturn as well in the Beaufort. The most recent estimate of the Canadian Petroleum Association is that there will be only $6 billion of investment by the industry in 1986. That is down from a $10.5 billion expenditure in 1985, and a forecast expenditure for 1986 of $11.2 billion. Of the $6 billion, half was spent in the first quarter. That means there will only be about $3 billion to be spent over the last three quarters.

• (1140)

Obviously we have an energy policy which is not equipped to cope with the current downturn in the price of oil. In both the Western Accord and the Altantic Accord there is a very small paragraph saying that if there should be a precipitous drop in the price of crude oil, it would be subject to negotiation and discussion with the industry and the provincial Governments. So far we have not seen negotiations or discussions which will have a beneficial impact. Clearly the industry is gearing down and the economic and social carnage throughout western Canada is evident.

We do not have to look just to Alberta. We can look to communities throughout Ontario and Quebec. In my own constituency Algoma Steel is shutting down its tube-making facilities. A staff of about 800, members of the United Steelworkers' Union, have been or will be laid off very shortly. There is a new $370 million tube mill coming onstream late this year and the prospects for employment there are very negative. According to the front page of the Sault *Star* of Tuesday, May 16, the Algoma Ore Division of Algoma Steel has to reduce its production or develop a plan for an orderly shutdown. Communities like Wawa are facing the possibility of a complete shutdown. Carrying ore from Wawa to Sault Ste. Marie represents a majority of the tonnage carried by the Algoma Central Railway. If it loses that business, the viability of the entire operation will be in doubt.

Even government Members are complaining, saying that the Government has to take action. The Tories, when they were in Opposition, demanded that the PRGT be eliminated. They saw it as a source of additional revenue for the industry to be used in exploration and development. Yet the Government, which spoke so fervently against the tax, is maintaining it at the rate of 10 per cent in 1986, 8 per cent in 1987, and 6 per cent in 1988. At the same time, the oil industry is calling on Alberta and the other producing provinces to reduce their royalties from 30 per cent or 40 per cent to something in the order of 20 per cent or 25 per cent. So far no action has been taken.

Let us look at some projects which were onstream just a year ago and which have now been knocked off the rails. The Lloydminster upgrader was an excellent project, very labour intensive. It would provide a great deal of employment and a secure oil supply in the future. Yet the Government has backed away from the commitments made by the previous Government for some $50 million upfront and $750 million in loan guarantees. That project seems to be on the back burner. There is a very limited amount of activity in the Beaufort. Exploration and development in Hibernia is tied up in fiscal negotiations between the Newfoundland Government and the federal Government. Everything was supposed to have been solved with the wave of a hand and a quick handshake, but it is not very clear now whether Hibernia is going to go forward. The Venture and Sable Island projects certainly seem to be on hold and there is not likely to be any action there this year. Canadian-owned companies like Husky Bow Valley were promised PIP grants on some eight or ten wells but those PIP

grants have been ground down to one or two. Certainly the legislation before us today is not adequate to deal with these kinds of problems caused by the international price of oil today.

During the election campaign the Minister and the Prime Minister (Mr. Mulroney) talked about energy self-sufficiency. Yet the CPA assessment indicates that statistical self-sufficiency could be lost as early as 1990, and a very significant supply gap would develop by 1995. This would make Canada dependent on imported oil for some 30 per cent of its requirements.

The low level of exploration spawned by the Western Accord and the Atlantic Accord will have a very negative effect on our exports. For example, if we compare the amount of oil and gas exports in 1986 with 1985, we see a 25 per cent reduction in the first quarter. In 1985 oil and gas sales to the U.S. were $1.497 billion. In the first quarter of 1986, they were $1.863 billion. It is projected that over-all our exports of natural gas and crude oil will decline from $9.8 billion in 1985 to $6 billion in 1986.

• (1150)

The present level of oil and gas exploration, development and exports will have a very significant impact on exports from our country, and thus our balance of trade, which has been one of our strongest points in the whole free trade debate. We have been able to look with pride at our oil and gas exports, along with automotive exports, softwood lumber exports and many other commodities as generating $20 billion worth of surplus exports. Whereas we see in oil and gas alone the projections are that we will lose about $3 billion this year.

The promise of the Minister of Energy on self-sufficiency certainly does not seem to be carried out. It does not look like we are going to be self-sufficient with the current level of exploration and development which is taking place under this Government. Certainly the Minister and the Prime Minister in the Prince Albert declaration talked about increased Canadian participation. Although this legislation before the House does provide for 50 per cent Canadian ownership at the developmental stage for oil and gas, it really takes away from the small Canadian companies.

All you have to do is attend the energy committee and hear the Independent Petroleum Association members talking about how they are not going to be able to fulfil their share of the current exploration and development phase; without the Petroleum Incentive Program they are not going to be able to keep their share. Even the big ones like Husky Bow Valley said that they were not going to be able to complete their share. The PIP grants were being taken away so rapidly that in their case, where they had hoped to carry out the completion of seven or eight or ten wells, they are only going to have adequate funding for one or two, and they consider that a breach of trust.

The new program of providing a 25 per cent exploration tax credit, only 40 per cent of which is refundable, is not adequate to keep the Canadian players in the field. Not only will it not be adequate in the future, but even for the current cycle of exploration and development it is most inadequate.

We will see the Canadian share being developed by Imperial, Texaco and Shell, the other multinationals, so that the Canadian participation will be very limited. It is hard to believe that the Canadian companies will find their share with the current system of financial assistance.

The final point in the Prime Minister's declaration at Prince Albert and in Halifax during the election campaign was fairness to producers and consumers. Clearly we have outlined the unfairness of the current system for small Canadian companies to paly an adequate part in exploration, whether it is off the east coast or in other areas of the country.

If we look at the pricing of gasoline and diesel, comparing it between Canada and the United States, we see a differential of anywhere from 10 to 15 cents a litre for gasoline. Clearly there seems to be a system going on in which we have the worst of both worlds. We have a low crude oil price which put the steel workers in Algoma Steel out of their jobs, whereas the retailers are charging—the big multinationals, including Petro-Canada—very high prices for gasoline. We end up with very high retail prices. Many pumps are selling at 40, 46 cents a litre. In many parts of northern Ontario it is even higher than that.

I do not think the Government's energy policy and this Bill which is before us today are really adequate to deal with the current energy situation in the world and current oil prices, because we see thousands of people being laid off in the energy industry right across the country, not only Alberta but in communities like Sault Ste. Marie, at a time when the Government promised hundreds of thousands of jobs in the energy industry, and that the energy industry would be an engine of growth. In fact, it is one of the most beleaguered industries in Canada today. Certainly this legislation and this policy do nothing to help it.

Mr. McDermid: I listened to the Hon. Member's speech with some interest. I was not entirely enraptured with it. I noticed he was quoting statistics from last year when the energy industry in Canada had a record year, and comparing last year with this year. I wonder if he might admit to the House and to the public that in fact falling world oil prices, over which Canada has absolutely no control might have had something to do with the problems being experienced with the energy industry today, rather than in fact, as he would like the people to believe, the energy policy? The energy policy last year generated a record year in energy in Canada. Since that time we have seen the fall in world oil prices. Would he not admit that that has had the major impact on the energy situation as we see it today in Canada?

Mr. Foster: The falling oil prices have had a very adverse effect on the energy interest, and that was the point I was

trying to make, that the energy policy of the Government is not adequate. In the Western Accord, if you read through it, you will see one little paragraph about an inch long saying that in the event of catastrophic low energy prices, crude oil prices or, conversely, very high energy prices, the Government would take action, it would consult with the producing provinces, with the consumers and so on. That small paragraph obviously is not adequate to deal with the situation, because instead of having hundreds of thousands of new jobs being created, as was promised just a year ago, we see at least 100,000 jobs being lost in the energy sector.

I think the notional figure is that for every $1 billion worth of investment in the energy industry lost, you lose about 30,000 jobs in the Canadian economy. As I quoted the figures from the Canadian Petroleum Association in their most recent survey, it appears that the loss of investment will be in the order of $3 billion this year. The problem is that $3 billion in lost investment will occur during the last nine months. Therefore, we should expect that at least 100,000 jobs will be lost either directly or indirectly in the Canadian economy because of the inadequacy of the Western Accord.

• (1200)

When we examine the Atlantic Accord we see the loss of the Petroleum Incentives Program. During our consideration of the previous Bill, every company in the IPAC asked the committee for a system to extend the PIP grants for a certain period until they could at least complete their current exploration and development phase. So far, there has been no response by the Government and I do not see anything in this Bill except the 25 per cent exploration tax credit. Therefore, companies like Husky and Bow Valley, which had a commitment from the Government for the exploration of eight to ten wells, are being limited to one or two wells.

The suggestion of the Hon. Parliamentary Secretary fails on two counts. The Bill does not provide those incentives to continue exploration and development off the east coast. Second, the Western Accord is not adequate to deal with the current low oil prices. I do not understand how he believes that the Western Accord can adequately deal with this situation as thousands of workers are being laid off from steel mills in communities like Sault Ste. Marie and other parts of the country.

Mr. McDermid: Mr. Speaker, the Hon. Member failed to mention in his brief remarks that the reason money is not being expended now is that there is a lack of income as a result of the price of a barrel of oil. Billions and billions of dollars in investment funds left the country under the National Energy Program and went to countries that were more hospitable in regard to exploration. That is not what is happening now. Money is not being transferred to other areas for exploration; the companies do not have the money because of the decrease in cash flow as a result of the price of a barrel of oil. The Hon. Member should be fair in his remarks.

I have yet to hear what the Liberal's energy policy would be. I want the Hon. Member to give me the specific details of their energy policy and tell me what the Liberals would do today, if they were in power, to correct the situation in the energy industry. Will he explain to the Canadian people how the National Energy Program, which drove billions of investment dollars out of the country, would do any better under the circumstances of world pricing that we are experiencing today? It is interesting to note that prices are now back up to over $17 a barrel U.S. Obviously, the market is very volatile and the prices are fluctuating. Will the Hon. Member answer those two questions?

Mr. Foster: Mr. Speaker, the Parliamentary Secretary talks about billions of dollars leaving the country. He promised that there would be billions of dollars coming into the country, but I have not seen that happen. Clearly that money is not going to Atlantic Canada or we would be seeing more than one or two wells being drilled there. Nor is it going to western Canada because exploration and development has been cut back to only $3 billion for the last three-quarters of this year. Many people in the petroleum industry say that this will cost thousands of jobs at a time when the Government promised hundreds of thousands of jobs.

Mr. McDermid: Answer the question.

Mr. Foster: The Government's policy was that by going to the world market price up to 200,000 jobs would be created. Under the National Energy Program the Government was in a position to adjust the price and the incentive programs to ensure that there was continuation of exploration and development. Even during the recession between 1982 and part of 1984 the oil and gas industry was more active in Canada than in the United States. That continued through 1985 with the Petroleum Incentive Program.

The present Government promised to get rid of the PGRT but, for some reason, in 1986 it is reluctant to do so even though the industry is demanding it. The proof is in the pudding.

The question we ask is why is there such an inadequate clause in the Western Accord to deal with the problem of precipitous drops in crude oil prices to the level of $10 or $11 a barrel or, conversely, an increase in world price to $40 or $50 a barrel? The Hon. Member knows that we end up with legislation that seems inadequate, and the Bill before us today will be inadequate to meet most of the criteria in the Prince Albert announcement. There will not be enough incentive for exploration off the east coast and certainly not for Canadian participation in drilling and exploration.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am pleased to have the opportunity to add my thoughts to the debate on Bill C-92, An Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act.

One of the characteristics of the energy debate which began even before the last election campaign, and one of the characteristics of statements that have been made by the Minister of Energy, Mines and Resources (Miss Carney) in regard to Bill C-92 and its erstwhile predecessor with the previous administration, is the attractiveness of the rhetoric that the Government has been able to marshal in its support for the measures that it is proposing in this Bill. Some of the rhetoric is literally on the acceptability level of God, motherhood and apple pie.

The Government has been talking of simplification. Of course, no one would oppose that, except upon realizing what is entailed in that simplification process.

We have heard the energy industry described as an engine of growth, as indeed it has been for many areas of Canada. I do not doubt that the energy industry has the potential again to be an engine of growth in those areas but we must also remind ourselves of the difficulties that fluctuations in energy prices have caused in other parts of the country. We should remind ourselves that this engine of growth cannot be created without assistance from the Government and cannot spring from the ground, fully armed, at the Government's behest with the passage of this legislation. Nor is it something that could or indeed should be insulated from the world market. It will not happen automatically by the Government's legislative or, as we see in this Bill much more clearly, regulatory fiscal fiat.

• (1210)

We heard, after all, as part of the campaign of rhetoric the so-called putative practice of "drilling for grants" condemned. Indeed, with the generosity of the previous fiscal regime, a suspicion might legitimately have been held that companies were "drilling for grants" rather than for energy finds, were it not for the fact that those of us who spent a substantial portion of our lives in the private sector know very well that whether or not there are tax incentives applied, a company will always choose the most attractive form of action, the more attractive field to drill, if it is faced with a number of potential opportunities.

Another part of the rhetoric which was included in the Prince Albert declaration was the elimination of confiscation. Of course, the very idea of confiscation in a free and democratic society is something which is abhorrent. But the whole rhetorical campaign about the elimination of confiscation entirely begged the question and, indeed, ignored the evidence of what Canadians were contributing by way of tax incentives, subsidies and the whole range of breaks, bonuses and inducements in the National Energy Program to the development of Canada's oil and gas industry, particularly on the frontier. In reality there was no confiscation proposed but, as I will attempt to demonstate later in my speech, simply a measure which provided some return to the Canadian taxpayers for the very substantial investments we all have been making in the development of Canada's frontier lands.

We were told that the Government would guarantee Canadian participation. My colleague, the previous speaker, exposed some of the fallacies regarding that particular piece of rhetoric and I will attempt to uncover more. We were told, and this must surely be a phrase which is imbedded in the instant memory of the Government word processors, presumably available at the pressing of one key, that the changes would ensure effective regulation and administration. That again begs some very profound and fundamental questions as to what should be regulated and what should be administered. We were told that this legislation would protect the public interest. That is again something which is right up there with apple pie in terms of rhetorical content. We were also told that, in an echo of the drilling for grants and not for oil, that the policy would reward success and not effort. I am glad to see that the Bill before us does increase the claimability of earned tax credits, because that is something I believe will reward small Canadian companies which are active in this area, but this is really just a pale whimper of the rhetoric of rewarding success and not effort.

Something I must say about Bill C-92 is that we are glad to see that hindsight and experience have tempered some of the measures the Government might otherwise have been tempted to take. We are glad to see we do not have a Bill which is predicated on the assumption of continued strong rising prices on the international oil market. I am also glad to say we have a Bill which seems to come fairly close to being "assumption-neutral" in those terms. It is a Bill, in fact, which will provide for a regime which will at least function whether the prices go up or down.

There are some pretty significant points of criticism about this Bill, some which I would like to go into at some length. One of these criticisms relates to the idea of a single bidding criterion to replace the existing process of negotiation between companies and the Government, which can be used to foster local employment, contracting, the training of workers of aboriginal origin, the pace of development and a wide range of other considerations.

One of the great fallacies we continue to commit in the framing of industrial policy instruments, such as Bill C-92, is that such developments occur in a vacuum, whereas manifestly they do not. They occur as part of over-all economic development and as part of over-all social development. There is one thing we should never allow ourselves to forget in this Chamber and in our public pronouncements elswhere, and that is that the whole purpose of an economy is to serve society. The whole purpose of any part of our industrial, commercial trade or, indeed, administrative economy, is to serve and develop society. Something I see in the reverting to a single bidding criterion is the potential danger of ignoring or overruling, or the simple discarding of the very legitimate concerns of people in the affected areas, many of whom are the descendents of the original inhabitants of Canada, the danger of glossing over the concerns they very legitimately hold and the disruption of their traditional economic and social patterns.

I would like to quote from a few documents with respect to those matters, because one thing I notice, and something

others have commented on in this legislation, is that we see a very strong representation from the energy side, so to speak, to the sponsors of this legislation, and very little evidence of consideration, safeguarding and policy analysis by the Department of Indian Affairs and Northern Development, which should have a very strong say in the framing of such legislation and which is mandated by treaty and trust responsibility to look after the legitimate concerns and interests of Canada's aboriginal people.

I would like to quote from a brief submitted to the Minister of Indian Affairs and Northern Development (Mr. Crombie) by the Dene-Metis Negotiations Secretariat. These are concerns which were echoed at the Standing Committee hearing of which I was a part three weeks ago, I believe, in Yellowknife. Under the heading of "Opening Up New Lands", the Secretariat says:

> Neither the Bill nor the policy statement of last fall gives any assurance that the current "land freeze" in the Mackenzie Valley will remain in place until a final aboriginal rights settlement is in place, or until a co-ordinated process involving the Dene-Metis and the affected communities approves the opening up of new land.

Here is its submission:

> We ask that you follow up on our correspondence with you on this issue by making it clear that there will be no exploration licences on new lands prior to a final claims settlement without the direct and explicit approval of both the Dene-Metis and the communities directly affected.

That is a provision which is very evidently absent from this legislation. Yet it is a provision which relates to the very articles of the foundation, if you like, of the country and society in which we have the good fortune to live.

One of the ways in which Canada has traditionally operated, at least ostensibly, and overtly, is that we would not arbitrarily extinguish the rights of native people, whether it be their territorial rights, land tenure, or the right of their own form of government. Yet we see in Bill C-92 the potential at least—and I do not wish to accuse the Government of bad faith—for the overruling of legitimate native interest in the process of the bidding criterion. That is something which gives us cause for concern.

Essentially the only protection for native people which is offered in the text of the Act is a statement that their rights would not be abbrogated. That I think is frankly inadequate, because it begs the question of what are the rights and interests in the land and the land claims themselves. To put that in legislation without some documentation, some specificity as to what those rights are is, in my opinion, not taking adequate care of those rights and opening up the possibility in the future of the abrogation of them.

• (1220)

Another criticism we have is that there is really very little provision in the Bill for the pacing of development to accord with Canada's best interests. We do not know if we are setting the country up for a feast or a famine when it comes to oil development. We really do not know what the effects will be on the Canadian economy, whether there will be a stampede to the frontier or another capital strike of the nature of the one that occurred after the introduction of the National Energy Program and led to very little drilling in the frontier. By moving away from a system of orderly development, something that could have been negotiated according to the Government's priorities, policies and goals, will simply be at the mercy of commercial decisions which, in almost every case, will be taken entirely outside of Canada and beyond the bounds of Canada's ability to express the national interest and the Government's ability to influence the decisions that are being made.

Returning to the Crown share, I would like to echo the theme developed by my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), who discussed the back-in provision of 25 per cent which gave the federal Government the right to acquire the interest in commercially viable petroleum funds in recognition of the very substantial burdens imposed on the Canadian taxpayer in the development of these frontier lands. It is all very well for the Government to refer to the 25 per cent back-in provision as being confiscatory, but there are two facts which the Government cannot influence. One is the success by comparison of the Norwegian oil industry. The Norwegian oil industry is one which, far from having a 25 per cent back-in provision for the state-owned company, Statoil, has a 50 per cent, and in some cases a 70 per cent back-in provision. Yet the Norwegain oil industry has flourished. Norway has gone from being a country which produced no oil 20 years ago to a substantial producer of oil and gas, indeed one with surpluses available for export.

Perhaps I could note one thing by distilling the evidence given by representatives of Statoil who were invited to the hearings on Bill C-28 of the previous Parliament at the initiative of my colleague, the Hon. Member for Vancouver—Kingsway. They were starting from zero. Essentially, as did Britain in the North Sea oil and gas, they started out without any experience, without a great deal of expertise in oil production, with no regulations and with no history of the production of liquid or gaseous fuel hydrocarbons. The Norwegians went ahead and introduced this legislation which gave them the right to a 50 per cent share through Statoil. I suppose our Government would call that double confiscation since it thinks of a 25 per cent back-in as being single confiscation. Yet the Norwegians built a successful oil industry.

Of course, the other thing that the Government cannot change is the fact that Canadian taxpayers have invested very heavily in this industry in the past. Surely we as taxpayers have the right to some return on that investment. Surely the Crown share is an effective way of getting that return.

I suppose others have already pointed this out, but I think it bears stating again that the Government is being inconsistent in this. In the Prince Albert declaration of 1984, the Conservatives had the following to say:

> We will set aside this retroactive "back-in", which is expropriation without compensation and has done so much to damage our relationship with international and Canadian investors. Instead, we will introduce a "Canadian share" which will encourage Canadian private and public ownership of oil and gas production on discoveries made after October 28, 1981.

In the speech by the Minister of Energy, Mines and Resources she said that there will be no Crown share in the legislation. We are left with the idea that somehow the private sector will provide an equivalent return to the economy as the Crown share unless, of course, it is the Government's intention not to provide an equivalent return to the Canadian taxpayers. That is a theme on which I would like to hear the Government expound and justify.

Regarding the interests of Canada's aboriginal habitants, Clause 3 states that nothing in the Act abrogates or derogates from aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this Act. As I have said before, apart from that clause, there is really nothing in the Bill that provides protection for Canada's aboriginal peoples.

As has been pointed out at some length by the previous speaker, there is nothing in the Bill to ensure that the costs which can be saved by the fall in world oil prices will be passed along to the Canadian consumer. We have seen a drop in the price of gasoline at the pump but it has not been of the magnitude of the drop in the world price. It is a particularly sore point in my riding that we have not seen any drop in the price of heating oil; rather, there has been an increase. We have not seen a drop in the price of aviation fuels; rather, there has been an increase. In committee last week, the Minister of State for Tourism (Mr. Murta) said that he really did not see doing anything about that.

As well, there is no commitment to the continuation of gas distribution incentives. Instead, we are being told by this legislation to trust the companies. I submit that the previous experience and recent history of the companies indicates that they serve interests which are largely based outside Canada, and they have an eye toward profits. Indeed, they are determined, because of the present fall in prices, to recoup what they see as being the reduced profits which, in their opinion, they have suffered over the last while.

I do not think Bill C-92 adequately addresses the energy situation in Canada today. I do not think it adequately addresses the needs of Canadian consumers or of Canadian taxpayers. It remains to be seen, of course, if it will provide the benefits in the frontier lands that it says will be possible.

Mrs. Sparrow: Mr. Speaker, my colleague, the Hon. Member for Kenora—Rainy River (Mr. Parry), said that taxpayers supported and paid for the exploration and development in the frontier. Back in about 1980, the previous Government introduced the National Energy Program which included a petroleum-gas revenue tax. That tax started out at 16 per cent and was a front-end revenue tax. The moneys collected from that came from western producers and supported PIP grants. The PIP grants were 80 cents on the dollar in the frontier and 35 cents on the dollar in provincial land, depending upon Canadian ownership.

My colleague stated that the taxpayers of Canada paid for the exploration in the frontier. Perhaps he could comment on the PGRT, a tax paid for by the western producers. That is how the money to explore in the North was found.

Mr. Parry: Mr. Speaker, I am sure that the Hon. Member for Calgary South (Mrs. Sparrow) is not suggesting that the total revenue reaped by the PGRT was equivalent to the incentives, direct subsidies and grants that were paid out for frontier exploration. I do not have the figures with me, but perhaps the Hon. Member does and would like to put them forward.

I would certainly challenge the Hon. Member by saying that the revenues collected through the PGRT did not come close to paying the cost to the Canadian taxpayer of the investment in frontier exploration.

• (1230)

I should like to remind the Hon. Member for Calgary South that we in the New Democratic Party, after all, opposed the PIP grants because we thought they were in fact too generous. I should also like to remind her that the previously available superdepletion allowances were in some cases giving back to the companies more than they were actually spending. In other words, they were receiving a tax break on their drilling investment which came to more than 100 per cent. At the time of debate on Bill C-48, we estimated that the combination of PIP grants and other tax breaks would mean that taxpayers would be putting up 93 cents for every dollar spent by a Canadian company and 72 cents for every dollar spent by a foreign company on Canada Lands.

Setting aside for the moment the superdepletion allowance, which is a fiscal measure of a different order that had the same effect of making frontier drilling very profitable for companies, I would defy the Hon. Member to say that a 93 per cent participation in the cost of exploration was anything other than a very substantial investment by Canadian taxpayers.

A couple of other points should be made. One is the enormous investment by Canadian taxpayers in picking up some of the costs incurred by other parties, particularly native people, and the costs of supporting and in many cases expanding communities which acted as jumping off points for that type of exploration.

Failing the presentation of further information by the Hon. Member for Calgary South, I would have to say that her hypothesis that the western oil industry funded frontier exploration through the Exchequer is entirely unproven.

Mr. Nickerson: Mr. Speaker, the Hon. Member for Kenora—Rainy River (Mr. Parry) spoke very sympathetically about the view advanced by certain land claimants that no further dispositions on oil and gas lands be made until such time as outstanding land claims had been resolved. I did not quite understand whether he was saying that it was the policy of the New Democratic Party to accept that and, in so doing, to give the right of veto to a group of private citizens, as important as they are, over such dispositions on oil and gas

lands. Could he clarify that point and say whether or not his Party, were it to be in office, would grant that power of veto?

Mr. Parry: Mr. Speaker, I thank the Hon. Member for Western Arctic (Mr. Nickerson) for that very friendly question. I always enjoy discussing what our Party will do when we are in power.

I say to him very frankly that the native people of Canada are far more than private citizens. They have the commitment of the New Democratic Party to their claim to a share in oil and gas development and, more important, to their claim to a say in how that development will be carried out. However, I believe that we have a non-expressed or implicit commitment in the Constitution. We also have the commitment of the present Minister of Indian Affairs and Northern Development on this point.

Perhaps I should reiterate that it was not suggested by the native people that they should have an absolute veto on development, but that no development on any lands subject to land claims, be they comprehensive or specific, should go forward without consultation and without the approval of the native people affected. Of course, none of these developments should ever go forward without proper provision for the participation of native people, and the employment and other economic benefits which would result.

Mr. McDermid: Mr. Speaker, I noted with interest the Hon. Member's concern about the single bidding process. I wonder whether he thoroughly read the Bill. Although there will be a single bidding process, the terms and conditions of that bidding will be clearly enunciated. For example, there could be a work project, there could be core, or the concerns could be those of the native peoples of Canada. The concerns will all be spelled out in the bid process and pre-published so that everyone in the country will know exactly what are the terms and conditions of the bid. It was done in secret before. There was wheeling and dealing behind closed doors. The Minister might have had a favourite or might have cut out the other guy because he or she did not like him. Now it will be up front. The terms and conditions will be laid out. They will be bidding on one item, on the lands as laid out, and on all the conditions which go with the issuance of an exploration licence. Does the Hon. Member not see the advantage of that to our native peoples?

Mr. Parry: Mr. Speaker, of course I am very glad to have the commitment of the Hon. Parliamentary Secretary that such provisions as employment for native people and participation in the benefits will become part of the single bidding process.

Mr. McDermid: Could become.

Mr. Parry: I heard that they would become part of the process. I hear the Hon. Member saying "could". I must accept his correction of what he actually said. However, we are very glad to have it on the record whether it be "will" or "could".

In raising the point I wanted to make very clear that we in the New Democratic Party, if Bill C-92 goes through unchanged, would be looking very closely at those bids to ensure that employment and other benefits are provided for native people and that they will be consulted in the preparation of single bid documents.

Mr. Waddell: Mr. Speaker, with reference to the matter raised by the Hon. Member for Calgary South (Mrs. Sparrow) and by my friend who spoke on the Bill, that is, the drilling in Ottawa for frontier moneys, for getting money from the Government, I draw the attention of the Hon. Member for Calgary South to my speech in the debate as reported at page 13143 of *Hansard*, in which I referred to former Energy Minister Marc Lalonde who spoke to the Energy Committee on January 20, 1981. He said at that time that some $4.5 billion to $5 billion had been spent to date on frontier exploration. He meant from about 1960 to about 1981. That was the period before the National Energy Program and under the old Canada oil and gas lands regulations. Mr. Lalonde felt that it was fair to say that some three-quarters of that, or some $3 billion, had been footed by Canadian taxpayers. He went on to say that more than 90 per cent of every exploration dollar had been covered by Canadian taxpayers. Some $3 billion was spent from 1960 to 1981, and we learned in committee that $7.3 billion was spent in PIP grants from 1981 to 1986. That is a total of about $10.3 billion which Canadian taxpayers have put in to subsidize the oil industry which feels it has been treated so badly in frontier development and exploration.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the Liberal Government ran the country for 16 long years, and it led Canadians into a pit of debt so deep that a quarter of federal revenues must go to service our national debt. Canadians are fed up with wasting productive revenue on debt interest.

By the end of the decade, the measures announced by the Minister of Finance (Mr. Wilson) in his recent Budget will stop the national debt growing faster than the national economy. In just over 20 months we have begun to reverse 16 years of Liberal damage. We promised to reduce the deficit, and we have. We said we would create jobs, and we are. In 20 months more than 580,000 new jobs have been created and 82 per cent of these are full-time jobs. The official number of unemployed has fallen by about 17 per cent from September, 1984. But that is not the entire picture, Mr. Speaker. Tens of thousands of Canadians who had exhausted their unemployment benefits and therefore no longer counted among the officially unemployed are also finding jobs. Canadians are finding jobs because the economy has improved. The economic upturn is a direct result of the policies and programs this Government has introduced.

• (1240)

The frontier policy statement made on October 30, 1985 ended the five year nightmare thrust upon our economy, particularly upon our energy sector, by the Liberals' National

Energy Program. In opposition we said there was a better way to achieve the goals of the NEP, but our views and the views of Canadian workers and business leaders were not taken into account by the previous Government.

We faced an uncaring Liberal Government that talked of fairness but then confiscated property. We were dealing with a Government that promised opportunities, then took steps that cut off investment in Canada's energy sector, sending tens of thousands to the ranks of the unemployed. The Liberals talked about security of supply, then through overly generous PIP grants they promoted drilling for taxpayers dollars and not for oil. To make that situation worse, Mr. Speaker, they imposed punitive taxes that discouraged commercial production.

At their first opportunity, Canadians rejected the Liberal claim of fairness, opportunity and security of supply. Canadians have lived with the NEP's inflexibility for nearly five years and many have suffered from this destructive policy. The Progressive Conservative message of fairness and market responsiveness was heard. It was understood by Canadians in every region. They demanded a change and gave the Progressive Conservative Party the mandate to reverse the economic decline, to put Canadians back to work and to re-unite the country after it had been torn apart by federal-provincial disputes.

As consumers, we felt the National Energy Program cut into our personal revenues as gasoline prices increased. In Ottawa, for example, prices for regular leaded gasoline rose from 29.3 cents a litre in December, 1980, to 51.5 cents a litre in October, 1985. That is a 75 per cent increase.

Crude oil prices are now entirely set by the market, and consumers today are benefiting as price decreases work their way through the system. The past Government did not want prices to fall because it was amassing a national debt. It looked upon the oil and gas industry as its cash cow, but even a 75 per cent increase in gasoline prices could not sustain the massive debt the Liberals created.

Under Conservative deregulation, crude oil price decreases that from time to time occur in the market-place are allowed to work their way through the oil production, transportation and refining systems and to consumers at the gas pumps. Deregulation of crude oil prices is only one feature of our energy policy which has been radically transformed in just over one year by the Atlantic Accord signed in February, 1985, by the Western Accord signed in March, 1985, by the Agreement on Natural Gas Prices and Markets and by Canada's Energy Frontiers: A Strategy for Jobs and Investment.

The Canadian Petroleum Resources Bill is an example of the spirit of consultation and co-operation that are integral parts of our energy policy. The Government understands the important role the north and offshore regions can play in Canada's economic and energy future. We saw the potential for development of our frontier resouces, but we also saw the need for new policies; policies that encourage development rather than smother initiative, policies that replace taxpayers subsidies with private sector investment, policies that pursue the national interest rather than nationalization, policies that respect the rights of others rather than confiscating their property, and policies that are based on the principles of co-operation and shared management among governments.

The Canada Petroleum Resources Bill meets these high standards. It is market responsive, internationally competitive, free of excessive Government intervention and sensitive to regional interests. This approach to energy policy reflected in all the measures we have taken is needed more today than ever before.

As Members know, the industry faces a severe challenge in the form of falling oil prices. Cash flow is dropping, exploration and development plans are being re-assessed and, yes, some jobs are at stake. But this Government is seriously concerned about the situation. The Prime Minister (Mr. Mulroney) announced a tax relief program on April 30 targeted at small producers in order to help maintain their cash flow and short-term exploration activity. The changes to the Petroleum and Gas Revenue Tax, or the PGRT, included an increase in the small producers tax credit from its current level of $500,000 to $2 million. A zero PGRT rate for the Sycrude and Suncor Oil Sands projects for the rest of 1986. These measures added $175 million to the significant tax relief announced in the Western Accord last year. They are consistent with royalty relief measures provided by the Government of Alberta.

This Government will continue to assess the impact of prices on the industry in close consultation with the producing provinces and with the industry itself. The Government has freed the industry from excessive taxation and regulation. Measures such as this Bill and the Western Accord have left the industry better able to do what it does best, respond to the challanges and opportunities of the market-place.

The Canada Petroleum Resources Bill responds to frontier challenge. It recognizes that exploration and production in Canada's far north or offshore carry a higher cost and a greater risk than in the conventional areas. This Bill will replace the existing Canada Oil and Gas Act with a simplified and fair set of rules designed to encourage development of our frontier resources. The Canada Petroleum Resources Bill provides the legislative framework for the Atlantic Accord and for agreements that may be reached between the federal Government and other coastal provinces and territorial governments. The Bill establishes a fair set of ground rules for exploration, development and production of our oil and gas resources on the frontier lands and offshore. Under this Bill the Government of Canada will introduce a simple, competitive bidding system for exploration rights to prospective lands based on a single criterion, one in which the best bid wins. This will ensure the maximum return to Canadians as resource owners. It will ensure fair treatment of companies bidding for exploration rights.

• (1250)

The Government does not confiscate property retroactively. Thus, the Canada Petroleum Resources Bill does not have a Crown share. However, this Bill does provide for 50 per cent Canadian ownership in frontier production projects. The Bill will require a company applying for development approval with respect to a pre-1982 discovery to submit a plan showing how it will attain a 50 per cent Canadian ownership rate by the time the production licence is issued. Unlike the previous legislation, the provisions in Bill C-92 are non-retroactive and non-confiscatory and emphasize private sector solutions. The Canada Petroleum Resource Bill respects the rights of companies regardless of their nationality.

This Bill does not give preferential treatment to Petro-Canada. The Minister of Energy, Mines and Resources (Miss Carney) has instructed Petro-Canada to operate as a private sector company and to deliver the best possible return to its shareholders, the people of Canada.

The proposed legislation provides for the fiscal measures outlined in the frontier policy statement. These changes will limit the royalty burden during the early stages of production, but will ensure an equitable sharing of revenue between Government and industry after the investment has been recovered. A 25 per cent investment royalty credit will be applicable to eligible costs of up to $5 million for new exploration wells. The credit will be applied against royalties otherwise payable within the region. This royalty credit will provide conventional onshore frontier exploration with reasonable fiscal incentives. A 25 per cent exploration tax credit will be introduced in separate legislation. It is part of a broader energy strategy that allows the industry to respond to the marketplace. It was the approach Canadians wanted. It is why they elected a Progressive Conservative Government.

It has been a pleasure for me to speak in support of Bill C-92 and I look forward to seeing it go to a legislative committee as quickly as possible.

Mr. Caldwell: Mr. Speaker, I would like to ask the Hon. Member from Calgary a very brief question. Her expertise in the oil business is, of course, known across the country. What price does she believe oil would have to reach in order to really stimulate exploration?

Mrs. Sparrow: Mr. Speaker, I would have to discuss conventional exploration versus frontier exploration. With regard to conventional, which would take place in the producing provinces such as Alberta and Saskatchewan, and to some extent B.C., as well as north of the 60th, the figure I have been given is about $18 to $20 U.S. a barrel. As my hon. colleague knows, yesterday the posted price was $17.30 to $17.40 U.S. per barrel. It is, therefore, gradually, escalating upward. It is, of course, far more costly to explore and develop in the frontier regions. In order to be economically feasible to produce in the frontier the price must reach $23 to $25 U.S. a barrel.

We must realize that in order to achieve a viable oil and gas industry and security of supply, all Canadian consumers will have to participate. The Government is communicating and consulting constantly with the Governments of Saskatchewan and Alberta with regard to conventional lands. The Government is looking carefully at the Beaufort because it has tremendous possibilities.

Mr. Foster: Mr. Speaker, I want to ask the Member from Calgary a couple of questions about the approach taken by this Bill with regard to petroleum incentives for the east coast offshore. Does she agree with the proposal contained in this Bill that we go to a 25 per cent exploration tax credit in such a rapid way? The Member talked about the Bill not being confiscatory with regard to Canada Lands and the percentage of federal Government ownership and so on.

In view of the tremendous investments which have been made by companies like Husky Bow Valley which has invested hundreds of millions of dollars in exploration and development equipment, does the Member feel the Government has treated them fairly by cutting off the Petroleum Incentive Program grants? This Canadian-owned company made massive investments on the basis that it would be treated fairly by the Government. Now the Government is cutting off those Petroleum Incentive Program grants. It had an agreement to drill eight or ten wells and is suddenly only going to be able to drill one or two.

The Hon. Member heard the concerns of these companies before the Committee on Energy, Mines and Resources, which she chairs in a very distinguished way. It is great to get to the development stage and, fortunately, the Bill does not take away 50 per cent Canadian ownership at that stage. However, does she really think it is in the best interests of the country to take away the assistance which was committed to these Canadian-owned companies, especially in view of the massive investments which they have already made with a view to the completion of many wells rather than only one or two which will be the result?

Mrs. Sparrow: Mr. Speaker, my colleague mentioned 10 wells which were "typical" with regard to Bow Valley and the East Coast. That is not the right number. My colleague will also remember that at committee stage when we were discussing the grandfathering of the typical well, which the Minister of Energy, Mines and Resources handled so well, companies were allowed to maintain grandfathering on four wells off the east coast under the energy agreements. We must realize that all wells must be based on geology and economics rather than dollars and cents. We must have the economics and geology to explore.

It is very interesting to note that prior to the National Energy Program and prior to the implementation of the Petroleum Incentive Program there was far more activity off Hibernia. The discoveries were made long before PIP grants were in place. We put the onus back on the resource companies

to go to work and base their exploration on geology and economics. That is the way it should be done.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At one o'clock p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

LUMBER EXPORTS TO UNITED STATES—APPLICATION FOR COUNTERVAILING DUTY

Mr. Maurice Foster (Algoma): Mr. Speaker, today we learned that the U.S. softwood lumber industry has applied for countervailing duties against Canadian lumber exported to the U.S. It has asked the International Trade Commission and the Department of Commerce to impose a 27 per cent duty on Canadian exports of softwood lumber. If this action were successful it would cost Canadian producers some $1 billion in duties and decimate the industry, costing tens of thousands of jobs. Canadian lumber producers are not improperly subsidized by low stumpage fees, as has been alleged in the application.

At the same time an omnibus Trade Bill is working its way through the U.S. Congress. It would further define items subject to countervailing duties and would be harmful to Canadian exports of lumber.

The Prime Minister (Mr. Mulroney) boasts about his good relationship with President Reagan and how all he has to do to get action in the U.S. is to make a quick telephone call. Now is the time for him to show how much influence he has with President Reagan. Thousands of jobs and billions of dollars—

Mr. Speaker: Order, please. Sixty seconds.

* * *

NUCLEAR ENERGY

POSSIBLE RADIATION FROM NEVADA BOMB TEST

Mr. Jim Fulton (Skeena): Mr. Speaker, concerned citizens around the world have been worried about the effect of the Chernobyl accident on their health. However, there has been an abuse of the disaster by some for cold war purposes. Perhaps our own Prime Minister (Mr. Mulroney), who has been so openly critical of the Soviet Government for withholding information on the Chernobyl accident, should apply the same criteria to the fallout from the April 10 nuclear bomb test in Nevada, code-named Mighty Oak. Not only was there no official statement by Canada opposing the irresponsible American test, there has yet to be an official statement of concern about the effects of radiation from the Nevada test on Canadians.

This nuclear malfunction has been shrouded in intense secrecy for over a month. Canadian scientists such as Dr. Rosalie Bertell have raised concern that the high levels of radiation in B.C. may be from Nevada as well as Chernobyl. Carl Schumaker, a radiation expert from Alberta, shares this concern, as does Ian Thorsen, manager of the Subatomic Research facility at UBC. Nuclear radiation is dangerous, whether from an American or Soviet accident, and secrecy should be condemned equally and publicly.

* * *

HISTORIC EVENTS

MOLSON BREWERY BICENTENNIAL

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, I wish to draw the attention of this House to the 200th anniversary of the founding of the Molson brewery. John Molson, who immigrated to Montreal from England in 1782, began the family business in that city four years later, in 1786. Since that time the Molsons have been business and civic leaders in Montreal, Quebec, and Canada. This evening Her Excellency the Governor General, the Right Hon. Jeanne Sauvé, will honour this remarkable family and their tremendous contribution to our nation.

[*Translation*]

I therefore invite all my colleagues in the House to join me in extending congratulations to the Molson family on this 200th anniversary.

* * *

[*English*]

SPORTS

GUELPH PLATERS WIN HOCKEY MEMORIAL CUP

Mr. William C. Winegard (Guelph): Mr. Speaker, many Members of this House know Guelph because of its famous university. Others know the city and the countryside around it as the agricultural centre of Canada. Some acknowledge our leadership in diversified industry. Still others recognize one of the beauty spots of our nation. Guelph is all of that, and more. It is now the home of the Memorial Cup. Only a ruling by you prevents me from congratulating the Guelph Platers.

Some Hon. Members: Hear, hear!

CROWN CORPORATIONS

TELEGLOBE CANADA—OPPOSITION TO PRIVATIZATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Teleglobe Canada recently tabled its annual report announcing a 1985 after-tax profit of 15.4 per cent. This is another wellfounded reason why the Government should reconsider its decision to divest. In its zeal to privatize the Government is dismantling a leading edge, high-tech communication service built by the Canadian taxpayer through proficient labour and management. Teleglobe's remittance to the federal Government will jump to $80 million this year. Its revenue increased to $678 million in 1985 and operating expenses dropped 1 per cent.

This side of the House will continue to pressure the Government for assurances that, if this unwise sale is to take place, Teleglobe Canada will remain totally Canadian owned, there will be no lessening of service or increased cost to consumers, the company will remain Montreal based, and the present employees' benefit package is guaranteed. Selling our only international communications network for a one shot charge against the federal deficit is shortsighted and poor management of our very precious public funds.

* * *

• (1405)

ROYAL CANADIAN MINT

PRODUCTION AND PROFITABILITY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, with total revenues close to a billion dollars a year the Royal Canadian Mint is big business and contributes substantially to Canada's economy. Some 5 million ounces of gold are being refined annually, making the Canadian mint the third largest refinery in the world after the Soviet Union and South Africa.

Sales of the Maple Leaf bullion coin, 1.88 million ounces in 1985, are most successful, as are sales of numismatic coins and circulating coins for foreign countries.

The Mint has geared up for the production of the proposed $1 Canadian circulating coin.

It is significant to note, Sir, that this year Canada will host the International Mint Directors Conference. This is the first time that this important event will be held outside Europe.

* * *

DISASTERS

DESTRUCTION BY FLOODING OF CREE VILLAGE AT WINISK

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, on Friday a flood destroyed the Cree Village of Winisk killing two

people and leaving only seven buildings standing in a community that once counted 60.

This foreseeable tragedy in a village which is flooded more often in the spring than not, would not have occurred if the community's long planned relocation had been carried out already.

While we should be thankful for all the lives that were saved we should also be ashamed that this tragedy happened, since the best emergency planning cannot secure inherently unsafe situations. I therefore call upon the Government to act to help the Winisk band to build its new community this year.

* * *

HUMAN RIGHTS

ETHIOPIA—RECORD NUMBER OF INFRACTIONS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, Ethiopia has the worst record on human rights in the world. That is the claim of a study of 120 countries published by *The Economist*. Ethiopia scored only 13 per cent, far behind the Soviet Union and even South Africa.

Ethiopia, for example, has over 10,000 political prisoners, some like Haile Selassie's family who have been held for over 10 years without even a charge. I am reliably informed that Berhanu Dinka, the Ethiopian Ambassador to the United States and Canada, recently made the mistake of going home and is now being held in detention.

With this kind of political tyranny and human rights record surely it behooves Canada to help. We have influence in Ethiopia. We have moved to help their hungry. Surely we could move to help their oppressed. Linking development to human rights would be a good start.

* * *

[*Translation*]

TRADE

IMPORTANCE OF AMERICAN MARKET TO CANADA

Mr. Guy St-Julien (Abitibi): Mr. Speaker, for a number of months, the leaders of the Opposition parties and their Members have been doing everything in their power to try and scare Canadians. They brandish the spectre of unemployment before our workers, whenever we talk about increasing trade with the United States.

Mr. Speaker, the facts tell us otherwise. The United States is Canada's first trading partner and vice versa. Canadian-U.S. trade exceeded $110 billion in 1984, making it the most important bilateral trading relationship in the world.

Canada does about 75 per cent of its trade with the United States. The United States have more commercial exchanges with Ontario than with Japan, their second trading partner.

Unlike what the Opposition likes to think, the U.S. market is a source of employment for Canadian men and women, and we intend to keep those jobs in Canada and in Abitibi.

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[*English*]

ENVIRONMENTAL AFFAIRS

CRITICISM OF MINISTER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, regrettably Canada's Minister of the Environment (Mr. McMillan) had to cry from the rooftops that he and Jim Bradley disagreed on the U.S. cleanup plan for the Niagara River. What was wrong in adopting the stronger standards proposed by Ontario? Why did Canada's Environment Minister have to reveal to the Americans, on the eve of negotiations in Washington, that he was in favour of a weaker plan than the one his Ontario colleague proposes?

If details of negotiations are not public knowledge with free trade then why should it be so with the environment?

Incompetence as a negotiator is not all. The Minister's decision to accept the weaker proposal advanced by EPA, despite the urging of the NGOs and his Ontario colleague, reveals that he has no idea of what the Great Lakes Water Quality Agreement is all about. The U.S. has a responsibility to Canada because of the agreement which entitles Canada to a cleanup in the Niagara as a matter of international agreement, not as an act of kindness.

* * *

DISASTERS

NEW BRUNSWICK FORESTS—TRIBUTE TO VOLUNTARY FIREFIGHTERS

Mr. Bob Corbett (Fundy—Royal): This past weekend thousands of people throughout New Brunswick and the Atlantic region reacted to a series of very serious and risky situations in the most heroic and admirable way. They acted to save homes, property, and perhaps even lives.

• (1410)

Throughout New Brunswick and the Atlantic provinces over the holiday weekend, literally thousands of volunteer firefighters made tremendous and tireless efforts to cut the progress of many raging fires and to bring flames that seemed unextinguishable under control. Today a major portion of the damage is behind us, although the situation remains critical. This success is due in large part to volunteer efforts. Without the brave and selfless efforts of these men, it is certain there would have been much greater loss of homes and real property.

I saw many of these men at work with their hoses, axes, and heavy machines. Long after they were exhausted by the physical demands, and when lesser men would have quit, they struggled to contain the fires and the smoke.

I have now come to realize first hand how reliant a community facing fire fears is on those who act on its behalf. In many areas the only thing standing between a community and disaster was and continues to be the tremendous efforts of firefighters.

I think many of us in this Chamber would be humbled by the noble actions of the volunteer fire-fighters in New Brunswick and the Atlantic region.

Mr. Speaker: Order, please. Sixty seconds.

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SOCIAL AFFAIRS

GROWTH IN NUMBERS DEPENDENT ON FOOD BANKS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, last week Bishop Remi De Roo and a number of other representatives of churches who were meeting at a conference in Calgary took note of the very large increase in the number of people in Calgary who are now depending on food banks. They took note of the fact that this is happening in all parts of Canada and expressed a belief that it is morally wrong that people should have to depend on charity for food. They called on the federal and provincial Governments to re-evaluate the delivery of welfare to Canadians.

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[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, under the Liberal Government, employment in Quebec went down and unemployment went up. However, as a result of the favourable economic conditions we have created in Quebec, 127,000 jobs have been created. A drop of almost 4 per cent in interest rates since September 1984 has encouraged small business. Since the beginning of 1986, more than a third of small business owners have decided to increase their investments, something unheard of under the previous Liberal Governement.

Mr. Speaker, that is why permanent jobs are now becoming available for more Canadian men and women. This contrasts favourably with the unsuccessful Canada Works programs developed by the former Government. As we promised in 1984,

every Thursday evening more and more Canadian men and women are receiving pay cheques.

* * *

[*English*]

THE ECONOMY

CREATION OF JOBS IN ONTARIO

Mr. Alan Redway (York East): Mr. Speaker, ever since the Progessive Conservative Government took office here in Ottawa, the Ontario economy has been on the move.

Since September, 1984, some 305,000 jobs have been created in the Province of Ontario. The Ontario unemployment rate has fallen from 9.5 per cent to 6.8 per cent, and total unemployment has fallen by 114,000.

The value of building permits issued in 1985 was up 33.8 per cent, or $2.1 billion, compared with 1984. Building permits in the first two months of this year were up 60 per cent over the same period in 1985, and 76 per cent over 1984.

Retail sales increased by 9 per cent in the past year and 15 per cent since the September, 1984, election.

Capital expenditures are up by over 14 per cent, housing starts by 35 per cent. Bankruptcies are down 15 per cent.

Mr. Speaker: Order, please. Sixty seconds.

Mr. Redway: Things may not be perfect yet but Ontario is sure looking good.

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HOUSING

SHORTAGE IN METRO TORONTO

Mr. Sergio Marchi (York West): Mr. Speaker, a recent study revealed the desperate shortage of affordable housing in Metro Toronto where tens of thousands of people are estimated to be living in substandard and often overcrowded dwellings.

Ninety-five thousand rental householders in Metro Toronto are struggling to meet their payments; 20,000 people are waiting for subsidized housing; and 175,000 income-earning rental householders are paying 25 per cent or more of their income on rent and utilities. Yet, between 1981 and 1985, almost 9,000 rental units have been lost in Toronto and turned into single family homes for the more affluent.

Hardest hit by this crisis are the elderly, single parent families, low wage earners, students, and the disabled. That such conditions could exist in Canada today is indeed frightful. Even more alarming is the Government's silence, despite the plight of those who need reasonable and affordable shelter now. It is this part of Canada that the Conservative Party continues to ignore. Its members do so at their peril and at the peril of our socio-economic order, for the crisis has also contributed to sharp increases in family breakdowns, domestic violence, psychiatric problems, teenage prostitution, and increasing line-ups at food banks.

Mr. Speaker: Order, please. Sixty seconds.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS—U.S. PRESIDENT'S LETTER

Right Hon. John N. Turner (Leader of the Opposition): I wish to direct a question to the Right Hon. Prime Minister. The President of the United States, in order to facilitate a favourable vote in the United States Senate to allow free trade negotiatons to go forward, wrote to Senator Packwood of Oregon. He said in relation to the Canada softwood lumber problem:

> I intend to press for an expedited resolution to this problem independent of the comprehensive negotiations. If this cannot be achieved through bilateral negotiations then I will take such action as may be necessary to resolve this problem consistent with U.S. law.

Has the Prime Minister telephoned the President of the United States with respect to the agreement the President made with Senator Packwood and other Senators and informed him that that is not an acceptable position for him to take in view of our comprehensive negotiations with that country?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I have not telephoned the President, but he is aware of my view, the view of the Secretary of State, and that of the Government in this regard. We look forward to the negotiations as an instrument which will resolve many outstanding difficulties. There will be ongoing irritants which will have to be resolved and we are working on those as well.

THREAT OF COUNTERVAIL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it appears to us that the Government of Canada has put its interests in getting the approval of the Senate Finance Committee before the interests of the Canadian softwood lumber industry. Why has the Prime Minister sacrificed a $3 billion industry and opened us up to an attempt by the American industry, impliedly supported by the President of the United States, to countervail, under United States law?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I want to emphasize to the House that the

Government will take every possible action it can to fight this countervail case. I want the House to understand that the very reason we need the Canada-U.S. agreement is to prevent this kind of thing from happening in the future. I cannot understand why the Opposition is not prepared to support us in this endeavour.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will put the vital question to the Minister for International Trade. Why did the Government of Canada in order to facilitate its larger discussions, obviously sacrifice, with the consent and acquiescence of the President of the United States in order to get Senate approval, the largest export industry we have other than agriculture, and hundreds of thousands of Canadian jobs?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, with the greatest of respect, there is not the slightest shred of evidence to support an allegation of that nature.

Mr. Turner (Vancouver Quadra): The letter. The letter of the President.

Mr. Kelleher: If the Right Hon. Leader has any facts to give me to support that allegation, I would certainly be pleased to receive them.

Mr. Turner (Vancouver Quadra): I will send you a copy of the letter.

Mr. Kelleher: In the meantime I want him to know that this was an initiative taken by the U.S. industry, not by the administration, and we are going to support our industry in every conceivable way. We will exercise every right we have under the GATT to see that our interests are protected in this matter.

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APARTHEID

SOUTH AFRICA—RAIDS ON NEIGHBOURING COUNTRIES

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Prime Minister has stated he is outraged by the raids by South Africa on neighbouring states. He has given vent to that outrage by temporarily recalling our Canadian ambassador. Why does the Prime Minister not do what he committed himself to do before the United Nations last October, and immediately sever diplomatic relations with South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, yesterday I issued on behalf of the Government, and I believe the people of Canada, the strongest possible condemnation of the raids by South Africa upon neighbouring countries which happen to be our partners in the Commonwealth. We are consulting now with a number of other Commonwealth countries to determine what would be the most effective way for Canada, the Commonwealth, and for all concerned with ending apartheid, to continue to act together to stop that practice in South Africa.

• (1420)

I have made it clear, as has the Prime Minister, that while Canada would not choose as a preference to disrupt our economic and diplomatic relations with South Africa, if we can find no other way to have our influence count against apartheid, then we will take that step. We believe that there are intermediary steps to be considered first in consultation with our ambassador and our friends in the Commonwealth and elsewhere, and we are doing that.

REQUEST FOR SEVERANCE OF DIPLOMATIC RELATIONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, why do the Secretary of State and the Government not take the lead as is Canada's tradition in these matters? We know what has happened. The Secretary of State has condemned it in strong terms but words are not the same as action. Surely the time has come for Canada to terminate diplomatic relations with that regime.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada has consistently, at least since the election of this Government, taken the lead among nations in opposing apartheid in South Africa. One of the things we did was play an instrumental, important role in establishing the Eminent Persons Group of the Commonwealth. That Eminent Persons Group was making some progress in South Africa. We can only assume that the action taken was designed to sabotage the work of the Commonwealth.

In so far as we are concerned, I will be meeting later this week with Archbishop Scott, our representative on the Eminent Persons Group. We want to examine the issue to see if there is any possible future role to be played by the Eminent Persons Group. I would not want to leap to some hasty decision here in the House of Commons today that might cut off the possibility of the Commonwealth working effectively to bring an end to apartheid.

BAN ON INVESTMENT REQUESTED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the abolition of diplomatic relations with South Africa might simply lead to a continuation of massive levels of trade as it did, for example, in the case of Canada's relations with Taiwan. Given the obvious insult, to put it mildly, to the Eminent Persons Committee present in South Africa at the time of these horrible raids, will the Government undertake now to change its voluntary controls over Canadian investment in South Africa and to issue instructions to Canadian companies that there should be no more investment in South Africa as long as this abominable practice of apartheid is maintained?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are of course considering all actions that are available to Canada. We are considering ways in which we can make our position known, but we are also considering ways in which our actions in concert with others might bring an end to apartheid.

It may well be that, in time, we will have to adopt the step to which the Hon. Member has referred. I have already said that and I have said that consistently, but I think that the Hon. Member would agree that it would be in the interests of all who are opposed to that absolutely offensive regime and all who are offended by the attacks authorized by the Government of South Africa to find some way, working with India, Australia, and our other friends in the Commonwealth and elsewhere, to be able together to accomplish more than one nation acting alone might accomplish.

[*Translation*]

REQUEST FOR BAN ON IMPORTATION OF AGRICULTURAL PRODUCE FROM SOUTH AFRICA—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): I have a supplementary, Mr. Speaker. More specifically, would the Minister agree to stop imports of agricultural products from South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I said before, we are prepared to consider all available options. For the time being we believe it would be better to take joint action with our Commonwealth friends. We feel that joint action by the Commonwealth and other countries would probably have a stronger impact than unilateral action by a single government, but we are prepared to consider all options available to Canada.

[*English*]

REQUEST FOR COMMONWEALTH ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I quite agree with the Secretary of State. Collective action by the Commonwealth would be the preferable route to take. I also strongly believe that Canada should show leadership in this matter. I understand from what the Minister himself has said before that he would be sympathetic to that view. Given these points, will the Minister consider taking two specific proposals to our Commonwealth friends?

• (1425)

First, we should all agree to ban the importation of agricultural produce from South Africa. Second, we should all agree now to stop further private sector investment in South Africa. Those are two concrete proposals upon which the Commonwealth acting in unison could act, to bring that Government to its senses.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, under the very skillful leadership of the Prime Minister at Nassau, the Government of Canada was instrumental in achieving common action by the Commonwealth in the form of the establishment of the Eminent Persons Group. Obviously we will continue to try to find any other action which might be capable of bringing the Commonwealth together.

I am meeting later this afternoon with the High Commissioners of the Commonwealth countries represented in the Eminent Persons Group. The Hon. Roy McMurtry, our High Commissioner in London, will be attending a meeting meeting tomorrow as a member of the Commonwealth Continuing Committee on Southern Africa. Archbishop Ted Scott, our member of the Eminent Persons Group, will be in Canada on Thursday and Friday. I would hope it would be possible for him to meet with the Hon. Member and with the Right Hon. Leader of the Opposition, or their designates, as he will be meeting with me, to bring us up to date directly on the view of the Eminent Persons Group. We intend to continue to do everything we can. We intend to continue to exert Canadian leadership.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES—THREAT OF COUNTERVAIL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. In response to a question from the Right Hon. Leader of the Opposition he said that the comprehensive negotiations were designed to solve the problems of disputes over lumber. Would he confirm that he or Simon Reisman approached the American Government and its representatives and asked for a freeze on all countervail actions while negotiations to deal with those matters were ongoing, and that the Americans rejected that approach?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, at no time have I ever asked the American Government to entertain a freeze on countervail actions. The Hon. Member must understand that any such approach by us would involve a similar request by them of us. I point out, for example, that at this particular time corn producers are filing a petition for countervail against American corn coming into this country. I know the Hon. Member is not suggesting that we deprive our citizens of their rights of protection under our law. The agreement is designed to prevent this in the future. This is why I think the Liberal Party, with respect, should be supporting this initiative.

Mr. Axworthy: We are asking questions about the rights of 300,000 workers in the Canadian softwood lumber industry who are not being protected effectively by the Government.

REQUEST THAT NEGOTIATIONS BE HALTED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, considering the fact that the Americans will not discuss this as part of the comprehensive negotiations, will the Minister instruct Mr. Reisman, when he meets with the American negotiator tomorrow, to say that Canada will not go forward with the comprehensive negotiations until such time as the countervail action is either rejected or withdrawn?

Hon. James Kelleher (Minister for International Trade): No, Mr. Speaker.

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APARTHEID

SOUTH AFRICA—PROCESSING OF URANIUM IN CANADA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The world recognizes that South Africa is an outlaw regime just as is Libya, and that special measures should be applied. Will the Government consider extending its actions in response to the illegal occupation of Namibia? In particular, will it consider abrogating the contract for the processing of uranium from South Africa in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what is at issue here is abrogation of a contract. That is a very serious matter into which the Government decided not to enter when we announced the series of measures approved by the House, including approval by a spokesman of the New Democratic Party, in September of last year. We have indicated that from the date of my policy statement in the House in September, no further permission would be granted for that kind of activity. We have dealt with all activities of that kind from the point of the announcement; we did not deal retroactively.

REQUEST THAT CONTRACT BE TERMINATED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, would the Secretary of State for External Affairs not agree that we do not have ordinary circumstances or an ordinary regime? It is not a regime noted for keeping its word. Isn't it about time that we asserted our position in connection with other actions we might take by terminating this contract, which is to terminate in 1988, in 1986, and serve notice that we not only disapprove of apartheid but the illegal occupation of Namibia, which is part and parcel of that regime's actions against its neighbors and its own people?

• (1430)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure the Hon. Member was not seriously suggesting that, because South Africa breaches one code of democratic conduct, we should breach another. I am sure that was not his serious suggestion, although that is the implication of his question.

In so far as Canadian leadership is concerned, Canada demonstrated leadership last summer in the actions we announced, demonstrated leadership through the Commonwealth in the establishment of the Eminent Persons Group, and had the benefit of there being a clear and general consensus in this House and in this country that we had to act together effectively against apartheid. I believe that consensus still exists. I intend to try as long as it will prove effective to work with our Commonwealth friends. If that proves no longer effective, then Canada will, as we said we would, take actions on our own.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

NEGOTIATION OF ADHERENCE OF QUEBEC TO CONSTITUTION—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to inform the Prime Minister that during his absence, the Quebec Minister of Inter-governmental Affairs, Mr. Gil Rémillard, tried to revive the question of Quebec's adhering to the 1981 constitutional agreement. Unfortunately, a damper was put on his initiative by what I would call a blunder by the Secretary of State, who said that the federal Government was not in a hurry, and secondly, did not feel obliged to deal with the constitutional question before the end of its first term.

I would therefore like to ask the Prime Minister whether this reflects the federal Government's position, and whether Quebecers will have to wait until after the next federal election before the problem of Quebec's approval of the constitutional agreement is settled?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Quebecers have suffered a great deal as a result of the unilateral action taken by the previous Liberal Government. The Secretary of State said that caution was necessary. He said that caution was of the essence to prevent another debacle like the one brought down on us by the Liberal Government.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I want to thank the Prime Minister for this very clear answer. I am sure all Quebecers now know what to expect.

RESPONSIBILITY FOR UNDERTAKING NEGOTIATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Prime Minister whether he has confidence in the Secretary of State and whether he thinks Quebecers will trust him to negotiate the constitutional question after

what he said last week, when he insulted them by saying they didn't understand economic matters.

Mr. Malépart: Is that the Prime Minister's opinion as well?

Right Hon. Brian Mulroney (Prime Minister): Listen to the constitutional expert from Montreal—Sainte-Marie! The Secretary of State—

* * *

[*English*]

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. As the Prime Minister knows, President Reagan is personally supporting the U.S. countervail action against Canadian softwood and this action is designed to bring a countervail of 27 per cent against Canadian softwood. Will the Prime Minister acknowledge today that 300 Canadian communities rely solely on softwood trade as their economic base? Will he put his money where his mouth is on the issue of free trade and guarantee some financial support to the freely traded commodity of softwood?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would again like to advise the Hon. Member that the President of the United States is not in any way supporting this particular countervail action. He has told us quite clearly that the Canada-U.S. trade initiative was without pre-conditions and that it was a clean launch.

Action has been started by American industry under American law. Industry has the right to bring that action, as Canadian industry does under Canadian law. I can assure the Hon. Member and every other Member in this House that the Canadian Government will do everything to support our industry in its fight against this harassment by the countervail action.

Some Hon. Members: Hear, hear!

LEGAL ACTION—REQUEST FOR FINANCIAL SUPPORT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Minister for International Trade. On May 8 the President of the United States made it clear that he is supporting unilateral trade action against free trade in softwood lumber. Will the Minister put some money where his mouth is? Will he financially support the legal side of the Canadian argument to keep free trade in softwood lumber free?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only reiterate that we are prepared to assist the industry in every way we can. I can tell the Hon. Member that we are having a meeting with the provinces on Thursday in Ottawa to discuss ways to defend against this action successfully, as we did in 1983.

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR CLARIFICATION OF MINISTER'S ANNOUNCEMENT OF INQUIRY INTO AWARDING OF CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a question for the Minister of Public Works concerning the awarding of contracts by his department and his announcement on the weekend that there would be an investigation to find out why 86.5 per cent of service contracts awarded in Quebec during his Government's first year were given out without public calls for tender.

My question to the Minister is as follows: Could he inform the House who will conduct this investigation and what form it will take? And finally, will the results be tabled in the House?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, first of all, I would like to say to the Hon. Member for Glengarry—Prescott—Russell that I believe this House is aware, and that he ought to know, that the philosophy or the system in current use is the very system that was set up by the previous Government.

Second, I think this junior Member ought to know that the Minister responsible has no authority over contracts worth $30,000 or less, because that authority has been delegated to the regions.

That being said, Mr. Speaker, and considering the reports about which I have serious doubts, today I asked my Deputy Minister to give me a full report on contracts allowed since September 4, 1984, and I will be glad to table this report in the House before the end of this session.

[*English*]

MINISTER'S STAFF ASSIGNMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in view of the fact that the Deputy Minister of Public Works stated in committee on February 28, 1985:

—there is a member of the Minister's staff assigned to our Montreal region—

Can the Minister tell this House why he has a political assistant inside the regional offices contrary to what the preceding Government did? Why is there political interference in the process, if not to dole out patronage? What is the reason for it?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I want to thank the Hon. Member for Glengarry—Prescott—Russell for giving me this opportunity to inform the House that, since I realized all Members of this House were

having to cope with lack of information and often inadequate services, I have decided to post a departmental representative in Montreal who will be able to provide more and better information and services for all Members.

* * *

[*English*]

CANADIAN ARMED FORCES

NEW BRUNSWICK FOREST FIRE—COMPENSATION REQUEST

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Associate Minister of National Defence. On Friday the Minister of National Defence was asked what the Government was willing to do to compensate those people whose homes and buildings were destroyed as a result of the actions of the Canadian Forces Base at Gagetown. Is the Associate Minister ready to give an answer?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Command Fire Marshall from the army is on site and is investigating the accident. A board of inquiry has been set up. The Base Commander is meeting today, and probably has met already, with the families concerned. I have issued instructions that the matter be looked into with due haste and that as soon as possible, within days, whatever actions are appropriate be taken so that no one is left financially penalized as a result of any due process.

• (1440)

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, I thank the Minister for that answer. Does the Government have a policy in place in the event of destruction of civilian property as a result of military action?

Hon. Harvie Andre (Associate Minister of National Defence): Yes, indeed it does, Mr. Speaker. The board of inquiry procedure is the process in place. When there is obvious responsibility on the part of the Armed Forces, compensation is made. That will be the case in this circumstance as quickly as possible.

RESPONSIBILITY FOR FOREST FIRE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is also addressed to the Associate Minister of National Defence. I would like to pursue this matter further. Would he assure the residents of that area that the military has recognized its responsibility for creating the fires along the highway from Gagetown to Upper Gagetown, and that they will not be kept waiting to know the results of the compensation program and rehabilitation program in the area for which the Government must take responsibility?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, that, of course, is the purpose of the Fire Marshall being there and for the inquiry. I can assure you that I have issued instructions that, under no circumstances, is this process to take an undue amount of time and that, if there is direct responsibility by the Armed Forces, compensation should be quick and generous.

* * *

[*Translation*]

TRADE

OBJECT OF NEGOTIATIONS—SOCIAL PROGRAMS—NEGOTIATOR'S MANDATE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. On the weekend, Simon Reisman, Canada's free trade negotiator, stated that social programs might become negotiable if they had a substantial impact on trade between the two countries.

Could the Prime Minister inform the House under what conditions social programs would become partly or fully negotiable? And second, who would decide whether that was the case: the Canadian negotiator, Mr. Reisman, the Prime Minister or the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as far as I know, Ambassador Reisman never made that kind of announcement.

Mr. Malépart: Mr. Speaker, the Prime Minister is forgiven if he didn't have time to read the papers and listen to the news on the weekend.

OBJECT OF NEGOTIATIONS—SOCIAL PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Could the Prime Minister give the House the assurance that Mr. Reisman will never have a mandate to negotiate either part or all of our social programs, even if the Americans think they may have a substantial impact on trade between our two countries? Is the Prime Minister prepared to make a commitment to that effect?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no need for us to repeat a position that is well-known.

Canada's social programs are not at stake in negotiations that are exclusively concerned with matters of international trade.

[*English*]

NUCLEAR ENERGY

HANDFORD NUCLEAR REACTOR IN STATE OF WASHINGTON

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Secretary of State for External Affairs. Last week I asked him about the Handford nuclear reactor, which is similar to the ones in Chernobyl, which is located in the State of Washington south of British Columbia. He kindly replied by letter today that his Government was awaiting a U.S. safety study on the reactor.

Given the lessons we learned from Chernobyl, why does the Government not go further and suggest to the Americans that this reactor be phased out in the interest of the safety of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we thought we would await the evidence.

Mr. Waddell: He said that with regard to Chernobyl, too.

FUTURE OF INDUSTRY—PROMISE OF INQUIRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to direct my supplementary question to the Minister of Energy, Mines and Resources. Given the concerns with regard to Chernobyl, safety standards, and the economics of the nuclear industry, what is the Government's present position on its election promise to hold a full federal inquiry into the future of the nuclear industry in Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as you know, this was the subject of a full debate in the House last week. I can only repeat the answer I gave the Hon. Member at that time, which was that we are participating in the international review of the Chernobyl incident. There is no point in calling for any sort of investigation into the nuclear industry until such time as that review is completed.

Mr. Broadbent: That was your campaign promise.

Miss Carney: I should also point out to the Hon. Member that the kind of nuclear reactor that caused the problem at Chernobyl could not be licensed and could not be built in Canada. Our nuclear reactors are of a different design and we are satisfied that they are within the safety category.

Some Hon. Members: Oh, oh!

Miss Carney: I am sorry the NDP is not interested in the answer.

Mr. Speaker: Order, order! Order, please!

[*Translation*]

TOURISM

MEASURE TO INCREASE NUMBER OF TOURISTS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of State for Tourism. Since the media are saying that more and more American and European tourists are changing their travel destinations this summer, I would like to ask the Minister what his department has done to assess the situation, and what specific measures have been taken to persuade these tourists to visit this beautiful country of ours?

[*English*]

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, I will indicate to the House that we are probably facing the best tourist year that we have had in more than a decade.

Some Hon. Members: Hear, hear!

Mr. Murta: The number of American tourists coming to Canada was up by 16 per cent in the first three months of 1986.

Mr. Broadbent: Thank the Libyans.

Mr. Murta: My officials are looking into possible new marketing initiatives in the United States. We expect to make an announcement in a very short period of time. More tourists in this country mean more jobs for Canadians, and that is what we are all about.

Some Hon. Members: Hear, hear!

* * *

DISASTERS

DESTRUCTION OF CREE VILLAGE AT WINISK BY FLOODING

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the Minister knows, the Cree Indian community of Winisk on the shore of Hudson Bay in northern Ontario has suffered a disastrous flood.

Can the Minister give the House an up to the minute report on the situation there, including whether there has been loss of life, the condition of survivors, and the over-all state of the community at this time?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to thank the Hon. Member for the opportunity to indicate to him and to the House that on behalf of the Government I sent condolences to the community on the incredible tragedy which befell it over the weekend. We have determined one loss of life and one confirmed still missing. One hundred and twenty people were

airlifted to another community in northern Ontario where they are receiving some shelter and food.

The immediate course of action for us is to ensure that immediate arrangements are made for their safety and well-being. For that we have the co-operation of the Government of the Province of Ontario. Our second course of action is to move as fast as we can with respect to the relocation of the community.

RELOCATION OF COMMUNITY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am sure the Minister is aware that Chief George Hunter is bitter and angry that it has taken so long to relocate his community to higher and safer ground. Can the Minister assure the House now that construction at the new site will begin this summer and that it will be completed before the winter?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is no question about the anguish, bitterness, and frustration felt. That community has been looking for relocation for over 20 years. I met with Chief George Hunter last Wednesday to discuss that and other matters. I will be in touch with him again after Question Period. I have met and talked with our own officials. There has been consultation with the appropriate Department in the Ontario Government. We need the full co-operation of the Government of the Province of Ontario, which the responsible Minister has indicated is forthcoming. I think the two Governments can move to get rid of all the obstacles which appeared to be there before. I want to give the Member and this House the assurance that whatever can be done with energy and vigour between these two Governments will be done.

* * *

[*Translation*]

SHIPYARDS

REQUEST FOR CLARIFICATION OF POSSIBLE CLOSURE OF MARINE INDUSTRIES LIMITED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. I just spoke with management at Marine Industries Limited who confirmed that two months ago the Government asked Mr. Peter Paul Saunders of Versatile Vickers to draw up a plan for the rationalization of Quebec shipyards, and that Marine Industries Limited was not informed in any way, despite the fact that the possible phase-out of MIL is one of the key points of the plan. How can the Minister and the Government justify the fact that the phase-out of MIL was discussed without getting in touch or consulting with the company in question?

[*English*]

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure how the Member can honestly say that there is a proposal to close MIL. There are discussions ongoing within the industry to rationalize the shipbuilding industry. I am sure he knows there has been a decline in the shipbuilding industry, not only in Canada but throughout the world. What the former Minister was attempting to do was to solidify the future of the shipbuilding industry in Canada over the long term so it would provide a secure long-term future and secure jobs for those in it.

• (1450)

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, can the Minister then explain why the Government has undertaken this process of rationalization, given it to the leader of one of the two shipyards in Quebec, and told him, as he puts it, that the possibility of Marine Industries closing its marine facility is one of the key issues to be discussed. How can you justify having one shipyard owner talk about the closure of another one, with no consultation at all with Marine Industries?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member did his homework he would find there were discussions going on within the totality of the industry. He should check that out. Even Mr. Paul Martin, the owner of CSL, has been in discussion with other members of the industry. There is ongoing discussion between the various components of the shipbuilding industry, and the Hon. Member should welcome this initiative. At least we are trying to address the problem and cure it.

Some Hon. Members: Hear, hear!

* * *

HEALTH

PRESENCE OF DIOXIN IN VEGETABLES, FRUIT, AND MILK

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. A report this weekend indicated that excessive amounts of cancer-causing dioxin have been found in vegetables, fruit, and milk. Can the Minister confirm the truth of these findings, and will he advise the House what action the Government intends to take concerning the situation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is referring to a meeting which took place last May 19 regarding the possibility of dioxins finding their way into the food chain. The Health Protection Branch has an ongoing program monitoring the

food supply for a variety of chemical substances, including dioxins. So far the study has been primarily on foods which have a very high fat content. In speaking to the Branch today, we indicated that we will step up even further that study of dioxins in the food chain. I can also inform him that our studies to date do not show a danger, but that is not to say we do not have to keep monitoring. If other steps have to be taken, we will take them.

* * *

GOVERNMENT ADVERTISING

DEPARTMENT OF ENERGY, MINES AND RESOURCES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister of Energy has come up with a novel way to guarantee good publicity for herself and the Government. Her Department now says it will buy advertising in a newspaper only if the newspaper prints at least six pre-written articles which reflect, favourably of course, upon the Minister, her Department, and the Government. Is she trying to circumvent that unappreciative Press Gallery up there and set up a *Pravda*-style propaganda service paid for by the capitalists?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I hope they are willing to listen to an answer. If it were true, of course it would be deplorable. In fact it is not true. The Hon. Member is talking about an advertising supplement we put out annually with such hot propaganda items as "A Guide to Insulation Materials"—

Some Hon. Members: Oh, oh!

Miss Carney: —"High Efficiency Oil Heat", and "What About Electrical Heating Options?" This year, when we decided to stop giving money away, we decided to give information on conservation and alternative energy which is important to Canadians, particularly at a time when energy security could be a problem.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, one of the articles which was entitled "Alternative Fuel" has now been changed by the Minister to read "Energy Minister Shows Alternative Fuel Leadership". What alternative fuel, apart from hot air, is she promoting? Does she not believe that the community-based newspapers frown upon having to carry a political message in order to get advertising dollars? Do you not think they will all label it as blarney from Carney?

Some Hon. Members: Oh, oh!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am delighted to be able to give this House some of the political propaganda contained in this year's supplement. It includes "The 10 Commandments for Fuel Efficient Driving", "Alternative Transportation Technologies on Display at Expo", "Canada on the Brink of Battery Breakthrough".

Some Hon. Members: More!

Miss Carney: Mr. Speaker—

Mr. Speaker: I think the Minister has answered the question.

Mr. Mulroney: Another supplementary, George.

* * *

REFUGEES

LANDED STATUS GRANTED TO FORMER NICARAGUAN REGIME AGENT

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Why is she changing Canada's policy of sheltering refugees from their persecutors to one of giving landed status to persecutors such as Edwin Miguel Gonzalez of Nicaragua, who admits that, as a spy for Somoza, he contributed to the disappearances of 50 fellow students? Why does the Minister select agents of a brutal dictatorship to be landed in Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned earlier, the new refugee determination process will be announced tomorrow by the Minister of State for Immigration. I trust it will have the support of the Hon. Member, indeed of all Members of the House. In the Gonzalez case, when it was reviewed by the Immigration Appeal Board, he was determined to be a refugee under the terms of the United Nations Convention.

GOVERNMENT POLICY

Mr. Dan Heap (Spadina): Mr. Speaker, the question still is: why should he be landed? Given that refugees from the death squads of El Salvador and Guatemala are meeting police informers from their countries on the streets of Canada, is our Government establishing in Canada part of an international network of right-wing spies and terrorists?

Some Hon. Members: Oh, oh!

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, we are not. However, I know the imagination of the Hon. Member will lead him to make any kind of scurrilous accusation.

[*Translation*]

WOMEN

REQUEST FOR EXPLANATION OF DIFFICULTY EXPERIENCED BY CERTAIN WOMEN'S ORGANIZATIONS IN OBTAINING SUBSIDY CHEQUES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Secretary of State. Since the Conservative Government came to power, certain women's groups have had trouble obtaining subsidy cheques issued by the Secretary of State, because Conservative Members supposedly have veto rights over cheques given to women's groups in their respective ridings. Could the Minister inform the House why he tolerates this practice of patronage *vis-à-vis* women's groups and say whether he is prepared to put an end to this practice immediately?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker . . . I suppose the question is important enough for you to want to hear the answer.

Mr. Speaker, I just want to inform the Hon. Member that I have had no complaints from women's organizations that funds they were supposed to get were delayed for the kind of reasons she mentioned, and if anything of the kind did happen, I would like to know about it, but once again, I think that everything has been proceeding quite normally, and that these groups have received the money they were supposed to receive.

Mr. Speaker: The Hon. Member for Shefford (Mr. Lapierre), for a brief supplementary.

REQUEST FOR CLARIFICATION OF DOSSIER OF *FEMMES COLLABORATRICES DU QUÉBEC*

Hon. Jean Lapierre (Shefford): Mr. Speaker, perhaps I may inform the Minister or ask him whether he intends to investigate the case of *Femmes collaboratrices de Québec*, where there was some interference last year by the Hon. Member for Laprairie and this year by the Hon. Member for Chambly, with the Minister's knowledge.

Hon. Benoît Bouchard (Secretary of State of Canada): The last part is frivolous, Mr. Speaker. I am now looking at the dossier—

Some Hon. Members: Oh, oh!

Mr. Bouchard: Mr. Speaker, I am now looking at the dossier of the *Femmes collaboratrices* and we should, as we usually do . . . but I think it is clear that we are perhaps being a bit more careful than you were at the time, because our methods are not the same, obviously.

• (1500)

GOVERNMENT ORDERS

[*English*]

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss Carney that Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House adjourned at one o'clock there were four minutes remaining in the question and comment period with regard to the speech of the Hon. Member for Calgary South (Mrs. Sparrow). There being no questions or comments, debate.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in participating in the debate on Bill C-92 I want to say to the House that the particular difficulty I have with this Bill is similar to the difficulties, which I now see in retrospect, with what they sometimes call the wisdom of hindsight, I had with the preceding legislation, namely, the Canada Oil and Gas Act, which was promulgated in March, 1982, and which this Bill seeks to amend. In other words, the problem I see with this Bill in the one particular aspect I am going to address, was also the problem that existed in the previous Bill, which we are now amending.

Both of these measures, one passed by a Liberal Government, and this one seeking to be passed by a Conservative Government, fail, in my view, to comprehend what is involved in the unresolved settlement of aboriginal claims north of 60. That is the problem I see with the Bill, and it is on that subject alone I wish to direct my remarks.

Gurston Dacks of the University of Alberta has stated, and I agree fully with him, the following:

> The Government of Canada has historically viewed the north as a colony, and the basic thrust of its northern policy has been that the north must serve the strategic and economic needs of southern Canada.

Professor Dacks has described the native claims settlement process north of 60 as being glacial—an interesting description. He goes on to tell us what he means. He writes the following:

> —it advances very slowly and, like the glaciers, will leave a profound social, economic and political mark on the north for generations to come. Until these claims are settled, the non-renewable resource industries of the north, most notably the oil and gas industry, will face native opposition to their proposed projects.

The Parliamentary Secretary to the Minister of State for Mines who spoke first on this Bill, the Hon. Member for Erie (Mr. Fretz), said during the course of his speech that "as a Government we are deeply concerned with the fair and equitable treatment of Canadians from all regions and from all

walks of life". I have no reason at all to doubt the sincerity of the Hon. Member when he spoke those words. He does believe them. He is an honourable man, principled and upright in every respect. I have to point out to the House that nowhere in the speech of the Parliamentary Secretary in introducing Bill C-92 did he give even passing lip service to the concerns of northern native peoples, the Indian or the Dene, the Inuit and the Metis.

He said in his speech that there is concern for all Canadians in all regions, and yet he neglected any reference to these important people north of 60. They have to be mentioned whenever we talk about gas and oil development, whenever we talk about development of the non-renewable resources north of 60.

This legislation, Bill C-92, proceeds almost as if these people did not exist. Of course, as I started out by saying, the previous Bill this one will replace did exactly the same thing. In that regard, and in my own defence, I only want to point out that the Liberal Government's Canada Oil and Gas Act was promulgated in March of 1982. The Special Committee on Indian Self-Government did not report to Parliament until November of 1983. During the period of time that Members of Parliament for all political parties were working on that report of the Special Committee a great deal was learned by those Members. There was a good deal of sensitization to the reality of the rights and claims of aboriginal peoples in Canada.

I came to believe that, following the tabling of that report, those Members of Parliament, and I believe a growing number of other Members of Parliament, will never again have exactly the same perspective on public policy issues that in any way at all touch upon the rights and the prerogatives of native people.

It was for this reason that I was surprised that the Hon. Parliamentary Secretary for the Minister of State for Mines, who gave the opening speech in this debate, did not put something into his speech with respect to aboriginal peoples and their rights. I say that because we were privileged to have him serve on various occasions on that Special Committee, and his contribution was in no way small.

Talking about that report of the Special Committee on Indian Self-Government, making it apropos to C-92, let me just quote one small section. On page 111 it says the following:

> The resolution of land and rights disputes in the territories is an opportunity and obligation for the present generation to be generous and honest and to ensure that the indigenous people of the north are the primary beneficiaries of development there, with a fair share of resources now and in the future.

That is from the special committee's report.

I return now to the speech by the Hon. Parliamentary Secretary who pointed out to the House that the Canadian Petroleum Resources Act, which will replace the Canada Oil and Gas Act, will have a simplified and fair set of rules designed to encourage exploration success in Canada's frontier regions. He said these rights will guide Governments and the petroleum industry to the exploration and development of Canada's frontier and offshore resources. Then the Parliamentary Secretary told the House that the competitive bidding system will ensure maximum return. That is what he said, maximum return to Canadians as resource owners.

With great respect, I must remind the Parliamentary Secretary, and also the Minister of Energy, Mines and Resources (Miss Carney), that the question of ownership of resources north of 60 is an unsettled matter. It is part of and central to the settlement of aboriginal claims.

• (1510)

In his speech, the Parliamentry Secretary told us that Bill C-92 respects the rights of companies, regardless of their nationality. However, nowhere did he say that it respects the rights of aboriginal peoples, those who claim right and title to those lands north of 60 that have never been surrendered. There is no document available anywhere in the archives that shows that an act of surrender took place. Aboriginal rights in that part of Canada have never been extinguished. If we now take the enlightened approach that is available to us, we will no longer hear about the extinguishment of the rights of aboriginal people since we recognize that their rights have now been enshrined in the Constitution of Canada.

However, when I listened to the Parliamentary Secretary's speech, it just seemed to confirm for me the assertion of Professor Dacks who said that from the federal point of view:

> The North must serve the strategic and the economic needs of southern Canada. Northern megaprojects create southern jobs, investment opportunities, markets for Canadian manufacturers, much-needed tax and royalty revenues—

To quote the Parliamentary Secretary, this Bill is designed "to enhance the profitability of companies operating in the high cost and high risk frontier regions". I take strong exception to the Parliamentary Secretary's view that Bill C-92 introduces a balanced framework for the development of Canada's frontier lands. He pointed out in his speech that it is fair to provincial and territorial Governments and to all Canadians as resource owners. He said that the Bill is not only market responsive, it is internationally competitive and sensitive to commercial concerns of companies operating in the high risk frontier regions of the country. This may or may not be true. Those are very difficult and complex questions, most of which I will have to leave to our able energy critic, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). The Parliamentary Secretary and the Government for whom he spoke failed to comprehend the central issue of aboriginal rights in relation to Bill C-92. In my opinion, this casts very serious doubts on the validity of the legislation we are debating today.

Let me move away from the Parliamentary Secretary's speech and turn to the Bill itself, and the Minister's statement and accompanying documents of October 30 last year, to discover whether what the Parliamentary Secretary neglected to say is mentioned anywhere at all. It is mentioned, but only parenthetically. It is in no way central to the principle of this Bill. Clause 3 states:

Nothing in this Act abrogates or derogates from any aboriginal title, right or claim that pertained to aboriginal peoples of Canada prior to the coming into force of this Act.

If we were to interpret Clause 3 of the Bill in the broadest possible sense, in an all encompassing historical, constitutional and legal way, most of Bill C-92 would be null and void. The Government is legislating for oil and gas companies to develop these non-renewable resources on aboriginal lands where claims have not yet been settled. We call these lands frontier lands or Canada Lands, simply because it serves our own purpose.

Of course, we are told in the accompanying document entitled *Canada's Energy Frontiers: A Framework for Investment and Jobs* that Clause 3 is to be interpreted only in a very narrow way to cover one agreement that we now have in the Northwest Territories, the Committee for Original People's Entitlement, or so-called COPE agreement. That document says:

An agreement with the Committee for Original People's Entitlement (COPE) has already been concluded and enshrined in legislation. Nothing in this policy statement or proposed legislation will alter that provision of that agreement and its implementing legislation.

We are pleased with that and did not expect otherwise. Clause 3 is in Bill C-92 for no other reason than that it is a very narrow recognition clause.

To be fair to the Minister, there is some other reference and recognition of aboriginal rights in the statement to which I just referred. Let me draw those to the attention of the House. The document says:

The North is different from other frontier regions in fundamental ways. The prospective oil and gas areas are not just offshore. They are also on land, close to northern communities and within the traditional hunting and trapping areas of people with unresolved aboriginal claims.

One can see that we are making progress but only a little at a time. The document goes on to say:

Because of the complexity and far-reaching consequences of unresolved aboriginal claims, aboriginal groups must have the opportunity to participate in—discussions to ensure their rights and interests are protected.

The document which accompanied the announcement of the new frontier energy policy indicated that the frontier energy policy has been discussed with northern native groups. That statement caught my attention immediately, and when the Parliamentary Secretary spoke I waited for some information about the conclusions of those discussions. However, there was no mention of it at all.

Quite apart from other relevant issues related to energy policy, such as Canadianization, security of supply and fairness, Bill C-92 gives me grave concern because it makes no provision for the active participation of aboriginal peoples in the decision making process related to the development of non-renewable resources north of 60. It really ignores, almost completely, the impact of aboriginal rights now recognized within the Constitution of Canada. I believe that Bill C-92 underlines the fact that these constitutional rights that aboriginal peoples now possess are no more than paper rights at the moment. The Constitution is a beautiful and impressive document which talks about aboriginal rights. But I want to know when we will yank those rights off the paper and put them into the real world in which people live. We have not even begun to do that.

A very distinguished Canadian lawyer who has worked effectively in the field of native claims made this observation:

The issues are such that they can only really be resolved to the satisfaction of all through a negotiated fair settlement which requires a political and legislative approach and solution.

That statement, I believe, draws all of us in the House into the process.

There have been positive results throughout this process. The Minister of Indian Affairs asked for a task force to review the comprehensive claims policy since the old one was out of date, inadequate and unacceptable. Although it is not yet the policy of the Government, there is a report known as the Coolican report which is very important to legislation such as Bill C-92 and the process in which we are all involved in some way. The report states:

Aboriginal groups should be entitled to negotiate decision-making participation in the management and use of land and resources within their traditional areas. The decision-making structures in which they participate should have responsibilities that go beyond a merely advisory role.

It is vital that aboriginal groups be able to negotiate decision-making powers and to explore with governments the most appropriate means of sharing responsibility.

I would like to refer to the resource revenue sharing recommendation in the Coolican report. It states:

● (1520)

Economic participation by aboriginals in resource development could take a variety of forms. . . . such participation may result from aboriginal ownership of subsurface resources in certain areas. Even where aboriginals do not own the resources, however, there are other mechanisms that could facilitate their participation in the economic benefits of resource development. Such mechanisms could include a share of royalties derived through the Crown, and a share of other revenue sources such as licence, bidding, and annual fees.

None of that is in Bill C-92.

I will conclude by saying that the Minister, in introducing this new frontier energy policy, espoused for the House a principle I like very much and that is the principle of shared management. However, what the Minister meant by "shared management" was the Government of Canada, the oil and gas industry, the provinces and the territorial Governments. I have to remind her and the Parliamentary Secretary who introduced Bill C-92, that north of 60, sharing means involving another important group, perhaps the most important people who live there, namely, the aboriginal people. Their rights and their claims are paramount. If any of us are in any doubt about that, the Constitution of Canada makes it abundantly clear.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I am pleased to have the opportunity to engage in debate on Bill C-92, the Canada Petroleum Resources Act. It is a very important piece of legislation designed to meet a number of objectives. It is important that we appreciate what the

consequences may be for Canada, particularly in the circumstances of great change in the energy industry we are experiencing in 1986. It is also important for us to look critically at this Bill, because this is the larger part of the Conservative program to destroy the national energy policy of the early 1980s and to redesign the rules and structure for the petroleum industry in Canada which the Conservatives regard, of course, as having been so destroyed by the NEP. This is a program which is designed to re-establish the kinds of principles the Government says should prevail in the petroleum industry.

The petroleum industry is of enormous importance to us in Canada. There are a number of objectives to be achieved and we want to be sure that Bill C-92 will in fact provide for those various necessities. I think it is particularly opportune to be debating the Bill now in the middle of May, 1986, because circumstances in the petroleum industry have changed so greatly that we can already assess the validity of these decisions and the viability of the structure the Government is establishing. We have a means of questioning the advisability of this particular approach to the petroleum industry. The fact that we can do so in debate on second reading is very useful. It allows us to examine these matters quite early in the history of this Bill. If the Government were to come to the conclusion that the energy regime which it has put forward is unwise, here is the opportunity to go back to the drawing board and come up with better rules.

In expanding on this subject I would like to recognize clearly and explicitly the needs that face Canada at the beginning of this decade, and to consider the ways in which the Liberal regime was designed to deal with these necessities and whether this replacement for the Liberal program will do the job successfully.

We must remind ourselves that the National Energy Program was put forward in highly unusual circumstances which were novel at the beginning of the 1980s, although certain achievements by the Organization of Petroleum Exporting Countries had intensified the abnormal situation which had prevailed since the early 1970s. We must appreciate the success of OPEC in driving up the price of crude oil, and with it natural gas, and the success of OPEC in forcing consumers around the globe to pay far more for petroleum.

We must also appreciate the consequences in at least a couple of directions. The first one was obvious, and that was the unprecedented transfer of wealth from the consumers to the producers. It opened possibilities for economic development in countries which had only dreamed of such possibilities before. It has had enormous consequences with consumers trying to maintain themselves by borrowing money and ending up as the debtors of world banking institutions in a way which threatens the economic stability of the entire western world.

Another consequence of the great increase in petroleum prices was to open new possibilities for exploration as well as to open the potential, at least, for alternatives to displace petroleum as a fuel in those instances where that could be done. I have in mind the possibility that these high prices would lead to exploration in the areas where exploration needed to be carried out, given the declining reserves and the fall off in exploration in the older areas, and I am thinking of Canada and the United States in particular, the continental reserves. To compensate for those declining reserves through the 1970s was one of the challenges we faced. The Governments worried about and grappled with the need to ensure that we would have security of supply in the future.

What is surely significant is that the regime which prevailed until the beginning of this decade, in which tax incentives were the main encouragement to exploration, had not had much success. Even when petroleum prices rose, as they did quite substantially in the 1970s—although relatively speaking they skyrocketed at the very end of the decade—there had not been very much success in the offshore areas or the so-called "Canada Lands" north of 60. That limited success is reason for asking ourselves whether a return to the regime of that era will be successful in our time. It is reason for asking at the outset whether security of supply, which is quite fundamental to our industrial economies and to the transportation systems on which we as consumers depend, will be provided for.

The Government did not see security of supply as the only objective on which the National Energy Program was based, and I recognize that as well. There were other objectives. One was to ensure an increasing ownership of petroleum and also to ensure that the people of Canada could, through tax schemes, share in some of the windfall gains which producers were trying to achieve, not because their costs of production were high but because they had succeeded through Cartel organizations in driving the price of petroleum so high. It is in considering these various objectives that the National Energy Program becomes such a complex matter with which to deal. On the one hand, trying to achieve security of supply led the Government to advance subsidies and grants in the amount of millions of dollars toward exploration in the areas where there had not been much accomplished before 1980. On the other hand, it appeared clear to the Government in those days that there were possibilities for compensating these expenditures by means of a tax regime through the petroleum and gas revenue tax that brought in large amounts of money, the kind of windfall gains the OPEC organization made possible even for countries that were not in any way members of the OPEC organization.

• (1530)

The combination of the PGRT with Petroleum Incentives Program and other provisions designed to achieve 50 per cent Canadian ownership along with the recognition that the people of Canada were in one way or another paying most of the costs of this exploration and the provision of 25 per cent of discoveries going to the Crown made up the provisions of the National Energy Program which Conservative Members in opposition found so objectionable. Why they found them so objectionable is a consideration on which it is worth spending a moment.

Conservative supporters in the petroleum industry, particularly those from the large multinational corporations controlled outside of Canada, found receptive ears in Conservative circles. They found ready listeners to the argument that this kind of energy regime was completely unfair. One need only read the statement made by the Minister of Energy, Mines and Resources (Miss Carney) when she presented this scheme to appreciate the kind of moral fervour the Minister built up over what the multinationals saw as the unfairness of this particular system.

These corporate spokesmen persuaded the Conservative Party to destroy most of the National Energy Program while leading Conservative Members to think that thanks to prevailing high petroleum prices, exploration would go on with encouragement from tax incentives to the extent they were needed. The oil companies would be allowed to take most of the windfall gains, even if it took a few years to move to that regime, and then Conservative Members would hope quite devoutly that these oil companies would do the exploration required to ensure security of supply.

That is the reason the events of 1986 posed such a great challenge to the Government's legislation. It is the reason for the crisis that OPEC itself now faces as petroleum prices fall to levels lower than most people had believed or lower than, at certain moments at least, most consumers had hoped. It is there that one sees a crisis for the energy program of the Conservative Government and right there where Bill C-92 comes immediately into question. It is worth reading some of the statements made by the Minister of Energy, Mines and Resources on Wednesday, October 30, when she proudly presented to the House of Commons the agenda for the destruction of the National Energy Program. At that time, she said the following:

> Mr. Speaker, the reaction to these initiatives has been very encouraging.
>
> Oil exploration in western Canada is now higher than at any time in our history!
>
> Overall oil and gas investment intentions are up by about two billion dollars; more than a 25 per cent increase over last year.
>
> This investment is providing energy security and economic benefits—jobs—right across Canada.
>
> As well, deregulated oil markets are creating opportunities for both producers and consumers.

It does not take very much knowledge of the present circumstances to know that oil exploration in western Canada is not higher than at any time in our history. The oil and gas investment intentions of about $2 billion have shrunk considerably in the present circumstances. The investment that was providing energy security, economic benefits and jobs right across Canada is very close to lying in shambles. The Accords so proudly put forward by the Government as being its own political and moral solution to the situation created by the National Energy Program are not being realized.

Oil companies which had great hopes of profiting from the windfall gains that OPEC had made possible in the past are now laying people off, cutting back on drilling plans and returning to the circumstances of the 1960s and the 1970s. They are putting in fundamental question the possibilities of oil self-sufficiency for the people of Canada. There lies the fundamental weakness of this scheme.

Conservative Members thought that they could return to the days before 1980. Their friends in the oil companies were happy about that because it was going to give them a larger share of the very large pie which OPEC created while the Government gave up its share. Now, thanks to what has happened in the international petroleum industry, the whole scheme is in question.

If we were to have Bill C-92 before us in the House and in committee for several months longer, we would have more time to consider carefully the system with which the Government has come up and to discover exactly how far it will fall short as a basis for maintaining oil security, quite aside from concerns about Canadian ownership and other concerns of the petroleum industry. It seems to me that that is the largest difficulty that faces the Government. By its mistakes, that difficulty can be imposed on the Canadian people.

There are questions to be raised, and if I am raising spectres, I hope on behalf of the Canadian people that they are not justified. However, these days there is no assurance that this particular triumph of ideology in the Ministry of Energy, Mines and Resources will not leave us begging, freezing or standing still in the future. Then Canadians will look back on the Government they elected in 1984 and will curse it for what it did to Canadian people.

Let me deal with several other important aspects of the Bill. I have already explored the dependence on market forces which is central to the Government's action. I would say it is profoundly hypocritical to talk about depending on market forces when the first reality of the market is the triumph of an international cartel that has been rigging prices at incredible levels. At least intellectually, we now have the satisfaction of looking at market forces and deciding if dependence on them is such a bright idea. I know that the Parliamentary Secretary is listening to this with care because he will be there along with others answering for the Government when Canadians find themselves in the cold.

Dependence on market forces then is doubtful. Among the provisions of the Bill is one for competitive bidding based on a single criterion. The Parliamentary Secretary suggested this morning that it could be possible for various items to be written in, and that there could be a recognition of the needs of aboriginal peoples north of 60 with title not yet extinguished in so many areas and with concerns about their own benefit from petroleum. The provision is there, but many of us do not trust the Government when it comes to such things. Given its surrender to petroleum companies on the fundamentals of the regime, we do not trust that the Government will do anything better there. However, I suppose that for the Government to say at the outset that it will be a single criterion, or that it might be written up so that various things are provided, is perhaps not much weaker than leaving the matter less clear

and saying that a variety of provisos or criteria will have to be confronted by the bids. All of this from one Government is neither here nor there.

• (1540)

I should like to refer to the matter of the sharing of the people of Canada in successful exploration. Before the National Energy Program was brought in Canadian people paid some 90 cents out of every dollar of exploration costs. This was made more explicit through the Petroleum Incentives Program which paid the money up front so that people could see the totals. The decision to move away from that kind of system to one which hides grants in tax expenditures is surely objectionable at a time when the entire tax scheme comes under more and more question. As a result of this we also lose the possibility of the people of Canada sharing by the Crown share, the 25 per cent share proviso which was part of the National Energy Program. This opened possibilities north of 60 for aboriginal peoples to take a fractional share of that in government programs and so on and so forth.

There are other weaknesses in Bill C-92, weaknesses which I think are quite fundamental as other Hon. Members have stated them. However, in my mind they do not bulk as large for the people of Canada as do fundamental questions about security of supply in this regime which I have explored primarily in my speech this afternoon.

Mr. McDermid: Mr. Speaker, the Hon. Member was all over the map. He did not come right out and say—and I would like him to come out and say it—that the reason drilling and exploration were down at the present was because of the energy policies of the Government. He knows that this is not true; he knows that it is because of the low world price of energy today. He also knows that Canadian energy is very expensive. The only solution the NDP has suggested is the establishment of a floor price; in other words, to have Canadian consumers pay more for gasoline than the price at which we export the product and to allow imports to come in at a lower price. I do not think Canadian consumers would appreciate paying more for their resources than the price of those being exported. The next thing in the line would be to say that we should cut off exports. Then what would we do with 600,000 barrels per day of heavy oil which are being used in the United States for its road upgrading program? I am sure westerners would really love to hear the Hon. Member advocate that we should not export any of our oil and gas to the United States at market price but at the price Canadians are paying, at which point no one would buy.

The NDP arguments have flaws all over the place. If the Hon. Member had been honest in his speech, he would have pointed out that the low price of world energy today has a lot to do with the downturn in the industry.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I really appreciate the Parliamentary Secretary making these arguments. They allow one to come to grips with the hypocrisy of the Government's program and to deal with its weaknesses. Whatever criticisms he may have of my arguments, Canadians are not particularly interested in my arguments this afternoon. However, they have a crucial concern about the Government's program and whether it will work. I did not think it was necessary to say that the situation at present is so bad because of the low price of petroleum, although I said it. It has been the failure of the cartel arrangement which has cast us into this new situation.

The Government was sure that it could allow its friends in the oil companies to make billions of dollars thanks to OPEC. The Government withdrew from that area and left it to the companies. As I said before, it assumed all along that prices would remain up there somewhere and that exploration would continue. It was a matter of talking market while the industry wanted to profit from the most massive global intervention into the market that anyone has ever seen.

I should like the Parliamentary Secretary to concede that OPEC created this artificial situation with enormous economic rents to be captured. Oil companies wanted to have it all and not to allow the Government to share in it. Now that OPEC falls into difficulty, prices come down, oil rigs are left parked, and lawyers are laid off in Calgary, as one of the ultimate measures of how tragic is the situation in western Canada, the Government, perhaps to its credit, will stick rigidly to principle. It will go on talking market while we get closer to market forces prevailing. We in the New Democratic Party do not worship market forces. We think society deserves the guidance of the best minds in Government, and we do not only depend upon the market. We are looking at what might be done in the way of maintaining the industry and ensuring security of supply for the future. Rather than shooting at me on that, the Parliamentary Secretary might pay serious attention to how his government program will provide that.

Mr. McDermid: Mr. Speaker, I should like to get a clear indication from the Hon. Member of what is their policy. I have not heard what the NDP would do. He talks about market forces not working. Consumers in Canada are benefiting very well today from the market-place. The market-place is working. In 1985 we had more exploration than we ever had. There was more activity in the energy field than before as a result of the policies of the Government. Prices were steady. Throughout 1985 the price per barrel of oil was steady. There was no great increase or decrease throughout 1985 until the end. I say to the Hon. Member that a year and a half ago lower prices were predicted by all of us, including the Minister of Energy, Mines and Resources (Miss Carney) who stated before the Western Accord was signed that oil prices were on their way down.

The NDP likes to throw around the red herring that the Conservatives are the friends of the oil companies. I should like to ask the Hon. Member why Canadian companies asked us to get off their backs and out of their hair. Why did they ask for the cancellation of the National Energy Program? He thinks that only five or six oil companies asked for it. I can tell

him that that is not true at all. The Canadian industry—and our oil industry is now almost 50 per cent Canadian—asked the Government to get out. It was not only the big oil companies about which the Hon. Member likes to talk, the oil companies which the NDP likes to paint as the big bad bogymen in the whole scenario.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have several points to make. It would be useful to have these letters tabled in the House so that we might all see the extent to which companies other than the Seven Sisters, or whatever their number is these days given the changes in the oil industry, were actually desirous of that sort of change. A reason for all of those who had great ambitions was to take advantage of the situation which continued to prevail in 1985, whatever thought there might be that prices would drop a little. No one really thought they were going to drop in this disastrous way, disastrous for producers and consumers in the long run given that there would be nothing quite so happy as burning all the petroleum we had in cars and in other ways at 25 cents a gallon. We could all be overjoyed at something like that. I am grateful that the Parliamentary Secretary frowns because he realizes his argument is a stupid one to put forward.

• (1550)

The difficulty we face is to find out what kind of a price and what kind of a regime we need to maintain exploration and to ensure that something resembling security of supply is a reality without oil companies being able to run away with us and our wallets, allowing consumers to maintain some sort of a reasonable standard of living. Those are the concerns. How to do that is not an easy matter. I depend on our critic for energy to lead in these areas rather than spelling things out myself. I can assure the Member that we are not adverse to considering regulated prices.

Mr. McDermid: At what level?

Mr. Epp (Thunder Bay—Nipigon): That is a nice question, at what level? The Hon. Member for Calgary South (Mrs. Sparrow) this morning was talking about $18 to $20 U.S. as the basic level at which the industry could operate. I do not know when we are going to see $18 to $20 U.S. again.

Mrs. Sparrow: What do you mean? It was $17 U.S. today.

Mr. Epp (Thunder Bay—Nipigon): If we do not reach that level, what are we going to see? The schizophrenia in comments is lovely. Last year it was Government policy that lead to all this exploration. This year when levels fall off it is world economic forces. Politicians have a tendency to believe that good news is thanks to them and bad news is thanks to others, preferably international forces beyond the control of the Canadian people. That is the situation we are in these days, Mr. Speaker. It is no easy matter to resolve. I will leave whatever I have said about hypocrisy and other things this afternoon. We have a limited understanding about market forces when the cartel is triumphant, but at least there is some consistency now in continuing to talk market forces while the petroleum industry gets somewhere closer to market realities in terms of 1986.

Mr. McDermid: You have no idea what realities are.

Mr. David Berger (Laurier): Mr. Speaker, earlier today I was talking to the Hon. Member for Laval-des-Rapides (Mr. Garneau) who had the good fortune to spend last weekend down south. He was telling me that the price of a gallon of gas in the U.S. is considerably lower on a proportionate basis than it is in Canada. That raises the question as to what the great market policies of the Government have produced when Canadians are paying hundreds of millions of dollars more for gasoline today than consumers in the U.S. are paying on an equivalent basis.

I have in front of me a survey of investment spending produced by the Canadian Petroleum Association. Market price is just one aspect. Another thing we could look at when we study the over-all policy of the Government is investment spending by the industry. In a recent survey, the Canadian Petroleum Association estimated upstream capital and exploration expenditures for 1986 to be 43 per cent lower than in 1985.

In 1985, the actual expenditures by the industry were $10.5 billion and the intentions for expenditure in 1986 were originally forecast to be $11.2 billion. It seems that the revised intentions forecast of expenditures is only $6 billion.

Since upstream spending was a significant portion of total business investment in 1985, the downturn will significantly impact not only on western Canada but on the economies of Ontario and Quebec.

If one wants to look at employment, public announcements to date indicate personnel reductions in operating companies of over 4,000 employees. Reductions in spending will severely impact in the drilling, service and oil field goods manufacturing which will cause additional widespread lay-offs. Statistics Canada estimates a loss of 10,000 jobs during March and April in Alberta alone. This loss was essentially related to the downturn in the oil and gas sector. Unemployment in Alberta rose to a seasonally adjusted rate of 9.7 per cent in April. The Calgary rate, I understand, was 10.9 per cent and Edmonton's was 12.5 per cent. Where are the benefits that have been produced by the Government's energy policies in Alberta?

Only 39 rigs were drilling in western Canada at the beginning of May, 23 in Alberta. There has been no recovery despite the lifting of road bans, and this low level is moving now into its fifth week, the longest sustained slump at such a low level in the past 13 years. Drilling completions for 1986 are currently estimated at less than 7,000 compared with nearly 13,000 last year.

Crown land sales, regarded as the bellwether indicator of industry health, have dropped significantly in total bonuses and prices per hectare. To the end of April Alberta land sale

receipts were down an astonishing 52 per cent to $113 million compared to $236 million in the comparable 1985 period.

What about productive capacity? Lower oil prices and the resulting decline in upstream investment, especially the reduction in exploration, will have serious consequences for Canada's future crude oil production. A recent assessment of the productive capacity by the Canadian Petroleum Association indicates that productive capacity of light crude oil would decline approximately 30 per cent to 700,000 barrels a day by 1990, and 58 per cent to 420,000 barrels a day by 1995. Lower oil prices will also affect synthetic crude projects, bitumen production and conventional heavy oil output. Any additions to productive capacity or replacement of diminished output due to natural reservoir decline is currently expected to come only from bitumen products that are already in the construction or pre-production phase. Over-all, the assessment indicates that statistical self-sufficiency could be lost by as early as 1990 and a significant supply gap would develop by 1995, which could make Canada dependent upon imported oil for some 30 per cent of requirements.

• (1600)

With regard to the Canadian balance of payments, I am not telling anyone anything they do not know by saying that the export of oil and gas has made a significant contribution to Canada's balance of payments, its positive merchandise trade balance over the years. The price drop which we are suffering from at the present time will significantly affect that position. Indeed, the effects are already showing up. In 1985, exports of crude oil and natural gas were valued at $9.8 billion. The changes between the exports in the first quarter of 1986 and those in the first quarter of 1985 are astonishing.

Mr. McDermid: In volume or price?

Mr. Berger: In price, Mr. Speaker. In the area of crude oil there was a drop of 28.2 per cent in the first quarter of 1986. There was a drop of 22.6 per cent in natural gas for a total drop of 25.4 per cent.

Mr. McDermid: Tell us about the volume.

Mr. Berger: The Parliamentary Secretary says: "Tell us about the volume". It is, of course, the reliance on market forces and the willingness of the Government to accept the market price and all that comes with it that produces this effect on our economy. If the current price situation and marketing difficulties prevail, the 1986 exports are likely to drop below $6 billion. This, of course, is the situation of lower oil prices and how it will affect the petroleum industry in Canada. The outlook is not very encouraging.

I would also like to comment on the renewable energy industry in the country. One of the first initiatives of the new Government when it took office was to eliminate totally the energy division at the National Research Council. All research in energy in areas of wind, solar energy and biomass were cancelled. Canada had reached the point where it was developing world-class technology. We were starting to export to the counties of Africa and many other world markets. One of the first things that the Government did was to cancel all research into renewable energies, which left the industry in the position of exporting a product with the possibility of no future development.

If one looks at this in the short term on the basis of the low energy prices from the end of 1984 until today, one could find it difficult to justify expenditures on renewable energy which may be much more costly in the short term. Is this the way to go about securing Canada's energy self-sufficiency for the future? Surely the Government should be preoccupied with the situation which may prevail five or ten years from now when energy prices may again be at the level which pertained at the end of the 1970s and in the early 1980s. Surely we should be concerned about the energy self-sufficiency of the country when the hydrocarbons which we are presently consuming will be exhausted.

The energy policies of the Government seem to demonstrate a concern for the short-term and neglect the long-term perspective which is essential in considering the general impact of Canada's responsibilities in the world.

Mr. Foster: Mr. Speaker, I listened with great interest to the speech of the Hon. Member for Laurier (Mr. Berger) because he has a great grasp of the scientific aspects of the renewable energy industry.

Mr. Crosbie: Be serious, Doctor.

Mr. Foster: I heard the comments of the Parliamentary Secretary earlier this afternoon. He was acting as if the Government really knew what it was doing. One need only consider the fact that there are 36 out of 480 rigs in the western sedimentary basin which are operating. When I heard the Parliamentary Secretary speaking I was reminded of an article which I read in *The Toronto Star* on April 1. The headline reads: "Tories in quandry over oil price crash". The article says:

> Each week, rigs are coming back in from the fields and not going back out. The banks are becoming wary about making loans. Producers are cancelling their drilling contracts. Whole floors of office towers in Calgary are emptying out.

That would lead one to believe that the Government does not really know what it is doing. I would be interested in the comments of the Hon. Member for Laurier as to whether or not he thinks the Government knows what it is doing. The article continues:

> It is not that the members aren't hearing the cries of anguish from their constituents. "Calgary is in a disastrous state", says Bobbie Sparrow, one of the city's four MPs. "I'm on the phone every day with geologists and engineers in their 40s and 50s, with kids at university and mortgages and bank loans, who have lost their jobs."
>
> The problem is that the Alberta Tory caucus can't make up its mind what Ottawa should do. "It's happened so rapidly that we've hardly had time to think," says caucus chairman Jack Shields. He and his colleagues have organized a three-day brainstorming session in Edmonton this week to hear what oil executives, insurance spokesmen, drillers, geophysicists and provincial officials have to suggest.

I have not heard what the Government is going to do as a result of that caucus meeting a month or so ago. There certainly has been no indication of what it is going to do because the drilling rigs, with the exception of perhaps three dozen, are not going back out. I would be interested to hear whether the Hon. Member for Laurier has discerned whether the Government has chosen a direction in which to move since that time. Clearly there has been nothing decipherable from Members on this side of the House. Although this Bill provides for an exploration tax credit of 25 per cent in the offshore, it does not reinstate a cash incentive for exploration and development as was asked for by IPAC before the Committee on Natural Resources and Public Works a few months ago, at which time we heard strong representations. I would be interested to hear the Hon. Member's thoughts on this.

• (1610)

Mr. Berger: I thank the Hon. Member for his comments. When he was giving another vivid description of the sorry situation in Alberta, Calgary in particular, it brought to my mind a comment circulating some months ago that after the first year and a half in office the two strongest men in the Conservative Cabinet were considered to be the Minister of Energy, Mines and Resources (Miss Carney) and the Minister of State for Finance (Mrs. McDougall).

Mr. McDermid: Strongest what?

Mr. Berger: The two strongest men.

Mr. McDermid: Persons.

Mr. Berger: Which tells you a lot about the quality of the other members of Cabinet. Of course, the great claim to fame of the Minister of State for Finance was shutting down two banks in western Canada. What did the Minister of Energy, Mines and Resources do? She did not really go through some terrific negotiations in the course of implementing the Tory energy policy. All she did was to say we are going to undo what was done before and give the oil companies a couple of billion dollars. My figures are not exactly—

Mr. Foster: It is $2.4 billion.

Mr. Berger: I thank the Hon. Member for Algoma (Mr. Foster). That required no great skills. All it required was for someone to go out and say, "We are giving you what you have asked for, for many years". The situation has now changed drastically and there is a remarkable lack of original thinking on the part of the Government and its Members. That was reflected by the Hon. Member for Algoma when he quoted the Alberta caucus chairman as saying, "We have hardly had time to think". What does he mean by that? What do Members from Alberta spend their time doing?

Mr. McDermid: You would not understand.

Mr. Berger: The oil industry is the backbone of Alberta and these Members have hardly had time to focus their attention on it or come up with a few original ideas. That is really astonishing. It is this lack of foresight and imagination which was reflected in the provincial election in Alberta. The people said they have had all their eggs in one basket for too long and it is necessary to have a voice in opposition. It is necessary to achieve a little bit of original thinking in the legislature.

Mr. McDermid: They stayed away from the Liberals.

Mr. Berger: We will see the same results in the election in Saskatchewan shortly—

Mr. McDermid: They will stay away from the Liberals, too.

[*Translation*]

Mr. Berger: . . . and in other elections in this country in the months and years to come.

[*English*]

Mr. Waddell: Mr. Speaker, I heard the Hon. Member for Algoma (Mr. Foster) talking about the Conservative Member for Athabasca (Mr. Shields) having a three-day brainstorming session on what to do about oil pricing. The thought boggles the mind.

Mr. Crosbie: You have to have a mind first; that is the problem.

Mr. Waddell: That is exactly the problem, my friend. You have to have a brain in order to storm it. Would the Minister like to come over and give the speech? I know he would like to do so.

Mr. Crosbie: I approve of everything so far.

Mr. Waddell: They probably spent three days deciding which restaurant to go to in Fort McMurray. That was the extent of their brainstorming if you look at the results.

According to the Government there have been tremendous complaints by unknown Canadians about the 25 per cent back-in which the Government gave to the Government oil company so it could have a quarter of the action in the development phase of offshore exploration. As I said earlier, the Government gave some $10 billion in grants and tax incentives to the industry between 1960 and 1987. The Conservatives are removing that share after all sorts of complaints.

The Hon. Member represents a riding from downtown Montreal. He knows that city very well. I am from Vancouver. I have not received one complaint in my office from any of my constituents, ordinary Canadians, who somehow wanted our Government to stop taking 25 per cent from the American oil companies. Was the Hon. Member getting any complaints, or did they just come from the Reagan White House and the large American oil companies which were upset about our taking 25 per cent of the action involving our own resources, the exploration for which we have subsidized for 20 years? Did he get any complaints in his Montreal office from his constituents that would force him to advocate bringing in a Bill like this?

Mr. Berger: I thank the Hon. Member for his question. Of course I should say that neither I nor probably most of my constituents have the expertise or interest in the oil industry that he and some other Members have. The answer to his question is no. Of course, the concern of consumers is with the high price of gasoline. When they see the price of a barrel of oil dropping and they are still paying the same amount at the pump, it is a matter of some concern.

When the Hon. Member talks about the back-in, I think one factor which is often ignored in discussing the economics of the oil industry are the forecasts of the price of oil in the early 1980s at the time the National Energy Program was introduced. We were shown forecasts which, had they come true, would have allowed companies like Imperial Oil to buy up the whole Canadian economy with the profits they made from oil and gas. It was necessary to introduce a certain amount of balance into the system. I believe other countries have similar provisions incorporating a figure even higher than the 25 per cent in Canada. Therefore I do not think what we did in Canada was unusual compared to world standards.

Mr. Deputy Speaker: Resuming debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, it is always interesting to speak on Tory energy policy because it is pretty clear that the tooth fairy has landed. This is a wish list for the corporate board rooms of the big oil companies. My colleague from Vancouver—Kingsway and I sat for months with some of the same Tories here today and fought against Bill C-48 and all the Mack truck loopholes it contained. Now we find the Government side, now that it is Conservative, suddenly quiet because many of the wishes provided by the big corporations at that time we now find in Bill C-92. It calls for us to go through it with a little bit of care. I will highlight a few of the more glaring Mack truck sections, because I would not want to bore anyone who has to watch this debate or read this in the near future.

• (1620)

There are an awful lot of Canadians who do not know what lands are really affected. It is all of the Yukon, all of the Northwest Territories, all of the offshore up 200 miles, and all of the Arctic Archipelagos; all of those waters.

On that point I find it interesting, coming as I do from the North and travelling frequently, particularly in the Yukon, to have listened over the years to Yukon Erik and to the present sitting Tory Members in the Northwest Territories who, during the last election, were out there campaigning, and campaigning hard, saying that it is about time the Yukon got provincial status and provincial powers. They said that it is about time the Western Arctic got real powers and that they are going to fight for that in Ottawa. The Hon. Member for the Eastern Arctic said, "It is time for Nunavut. I am going to change the name to Nunavut and we are going to have real powers for the Inuit and the people who live north of sixty".

This certainly lays to rest the promises of those three Members coming to Ottawa to come into this Parliament and to fight for what most, if not all, northerners want, which is some sovereignty in their own area.

I can remember Tory Members in the last House talking about assisting to set up a heritage fund in relation to gas and oil and energy for the Yukon, for the Western Arctic and the Eastern Arctic to help with the Northwest Territories so they could get their own university, their own services and have their own sources of revenue. There is not even a whisper of any of that in here.

As a matter of fact, as a northerner you have to listen to this to get the drift of where this new administration is going. They define frontier lands in the following manner:

> "Frontier lands" means lands that belong to Her Majesty in right of Canada, or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources and that are situated in (a) the Yukon Territory, the Northwest Territories or Sable Island, or—

And this is where British Columbians who are listening should be interested to learn about the land grab about which the Tories stood up in this House five years ago. It was described as the greatest land grab of the century, the land grab off the B.C. coast, around the Queen Charlottes, the Dixon Entrance and the Hecate Strait, down in Queen Charlotte Sound, west coast Vancouver Island. They decried it and said it was terrible. On the East Coast it was already under way off Newfoundland, P.E.I., New Brunswick, Nova Scotia, that is all in here. This is pounding those last few nails that the oil companies wanted to see pounded in to make sure they could get whatever they wanted.

We have to look at some of the Mack truck sections of this Bill to see what is in this tooth fairy energy Bill, Bill C-92, that these great fighters for Canadian rights and northern sovereignty bring to us. My colleague from Vancouver-Kingsway raised Clause 3 on aboriginal rights, which says the following:

> Nothing in this Act abrogates or derogates from any aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this Act.

We went through the constitutional debate. We have the now Minister of Indian Affairs and Northern Development (Mr. Crombie) on the record as saying that it is likely that there is aboriginal title in British Columbia. We are in the process of negotiating the settlement of outstanding aboriginal claims in the Yukon, in the Western and in the Eastern Arctic. Nothing is happening in British Columbia, and in terms of the offshore, this Bill tries to extinguish some of those outstanding and, as yet, unnegotiated and unresolved legitimate claims to aboriginal title, particularly in terms of the offshore.

What became of this open Government that was going to negotiate, sit down with the Government of Yukon, the Government of the Northwest Territories, the aboriginal peoples north of sixty, and particularly in British Columbia, to talk about a heritage fund, to talk about participation, to talk about the process of farming in to these various developments, both onshore and offshore? There is not a peep. There have

been no discussions, no negotiations, and certainly nowhere in this legislation do we find anything that remotely resembles any kind of an architecture that would allow for the proper easy flow-in of those rights as they are negotiated in tandem with the introduction of this kind of legislation.

Aboriginal people in Canada should know full well that this is a shot across their bow. There is a test here by the Mulroney administration to see whether or not aboriginal peoples will sit down and quietly accept this kind of an approach by Conservatives from British Columbia, the Yukon and the Northwest Territories, which is completely contrary to what they have spoken about in terms of the election.

Let us take a look at these Mack truck loopholes that I have alluded to, because I look forward very much to hearing Conservative Members, particularly from B. C. and the North, explaining what these kinds of loopholes really mean. Let me refer to page 12. This is where the Government sets up a nice little regime that looks as if it were going to provide a regulatory regime that protects the public interests. It is Clause 26, subclauses (3), (4) and (5). I want to refer to subclause (4) where it says the following:

The Governor in Council may make regulations prescribing areas in respect of which the Minister may make an order pursuant to subsection (5).

We have to read subclause (5), and it says the following:

The Minister may, subject to such terms and conditions as the Minister deems appropriate, extend the term of an exploration licence in relation to any frontier lands within a prescribed area that has been renegotiated under subsection (3).

We have had to read subclause (4) to get to subclause (5). Now we have to read subclause (5) to get back to Subclause (3). Subclause (3) says the following:

Subject to subsection (5) and Section 27, the term of an exploration licence entered into or in respect of which negotiations have been completed before December 20, 1985 may be renegotiated once only for a further term not exceeding four years and thereafter the term thereof shall not be renegotiated, extended or renewed.

If you go through Subclauses (3), (4) and (5), what you find out when you read subclause (5) is that it is all politics. The tooth fairy has landed once again. Any large corporation that wants an extension of any kind can simply get it. This is what I described as setting up a regime and then designing a loophole. That is just the kind of thing the big oil companies like to have.

Let us go on to what is called the lapsing of interests in Clauses 42 and 43. This is called subsurface storage licences, which anyone who has read any evidence of the Beaufort panel or the recent B.C. offshore panel knows that this Government, and certainly the Government of British Columbia, constantly attempt to downgrade, denigrate, and do whatever else they can to destroy the very important environmental concerns that are brought forward. Let us have a look at how you get a licence for subsurface storage. Clause 43 says the following:

The Minister may, subject to any terms and conditions he considers appropriate, issue a licence for the purpose of subsurface storage of petroleum or any other substance approved by the Minister in frontier lands at depths greater than twenty metres.

It sounds innocuous enough, does it not? One of the great concerns about lifting the moratorium off the B.C. coast, and as has been demonstrated in offshore drilling elsewhere in the world, is that there is an enormous amount of waste product every day. Your average size offshore semi-submersible or jack-up rig has about 10,000 barrels a day of drilling mud and fluid, much of which is extremely contaminating to the environment and can in fact in very short order kill off not only the vital plankton and the small plants near the surface of the ocean, but also affect salmon, perhaps in British Columbia, the whale populations, marine birds and so on in the North. These are crucial questions.

Here we have a Mack truck loophole to allow companies that find that there is a particularly suitable area either onshore or offshore. It is not limited, so they can simply pump their refuse down so long as it is 20 metres or more underground or underwater. This is very interesting. I have worked on oil rigs in the Northwest Territories and northern Alberta. I know what can happen when drilling companies do not have very specific written regulatory regimes under which to work. Their purpose is to make money, and if there is nothing prohibiting them from dumping all of their detritus into the ocean, an estuary of a river or on the land, that is exactly what they will do. No one should accuse them of wrongdoing because they have not been given prescribed conditions under which they can operate. Once again, the tooth fairy has landed with another mac truck loophole.

• (1630)

During all the years I have been in the House, and long before I was elected, the Conservatives always argued against Governor in Council regulations. Yet Bill C-75, introduced by the Minister of Transport (Mr. Mazankowski), has no regulations. We will only see those regulations after Parliament has passed that legislation. We are seeing the same red tape that the Tories campaigned about at each election, saying: "Vote for us and we will cut the red tape. Don't worry, we will do it for you". However, since September 4, 1984, as much if not more red tape has been created than I and I am sure most Canadians have ever seen.

An Hon. Member: It's blue.

Mr. Fulton: That is right. As my colleague points out, blue ribbon is the new fantasy of the day, certainly as it pertains to Bill C-92.

Let us examine Clause 100 dealing with regulations. It states:

The Governor in Council may make regulations for carrying out the purposes and provisions of this Part and, without restricting the generality of the foregoing, may make regulations

(a) prescribing the powers, duties and functions of the Registrar and Deputy Registrar for the purposes of this Part and the time when, and manner and circumstances in which, they are to be exercised, and providing for the designation by the Minister of any person or class of persons to exercise such powers and perform such duties and functions as may be specified in the regulations;

That long paragraph of nonsense comes from a Government that promised faithfully to get away from the gobbledegook, in terms of the Income Tax Act, new laws and how Parliament would be run, and would bring in regulations along with the Bills. Once again, however, there are no regulations in the Bill. They will be produced by bureaucrats, ferreting away in their dark corners, typing Governor in Council regulations so that the Cabinet can decide exactly what they will mean.

I am sure that British Columbians assume that they will be directly involved in the panels and boards that will be set up, particularly those concerning environmental matters. I am sure that the Indian, Inuit and Dene people north of sixty, as well as Yukoners and those who live in the Northwest Territories believe they will be involved in these panels and boards. I am sure that Canadians from Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick and Quebec believe that the new Conservative Government will involve them in these issues.

However, let us look at Clauses 75 to 83 with regard to membership on the environmental studies management board. That membership is restricted to employees in the Public Service of Canada. The same bureaucrats who will be making the regulations that do not appear in Bill C-92 for our consideration will sit on the board to interpret what other studies should be funded or considered. The tooth fairy has truly landed for the oil companies. Not only do they get everything they want in Bill C-92 because the Government discarded everything they did not like in Bill C-48, but everything that the Government and the oil companies are afraid to tell the Canadian public will be produced in regulations later on. The same bureaucrats, under the same government administration and listening to the same corporate boardrooms will make the decision as to what happens. The Conservatives who campaigned on open Government are closing the doors even faster than their Liberal pals ever did on Bill C-48 and other legislation. It is enough to make one want to throw up. I suppose it is still parliamentary to use the word "crap" to describe this and, as a westerner, that is the message I will deliver far and wide.

Anyone who wants to be thoroughly nauseated should read Bill C-92. It is so full of regulatory loopholes that it would make one dizzy.

Let me move on to look at what happened with the Beaufort panel. Northerners were encouraged to participate in this hearing. They came from communities far and wide to express their concerns about the environment, land use, employment and their involvement in businesses associated with the oil patch. They were interested in getting a heritage fund and participating as provincial members in Canada's Confederation. The Conservatives, in the same fashion as the Socreds or the Liberals, set up these panels and invited people to become involved. These ordinary citizens, whether they were local dry-cleaners or trappers, used all their energy, working on their own time, to appear before the panel and make their views known. However, after all of that energy, has been expanded, as happens every time, the report is published and then sealed away in a secret area in Ottawa where these kinds of studies are tabled and kept in perpetuity.

Many northerners hoped that at least some parts of the evidence brought before the Beaufort panel would ultimately find its way into legislation. However, with three Tories representing the North, there was not a peep, a word or a ray of light relating to the Yukon becoming a province, the Northwest Territories being divided into two provinces or there being sovereignty for northerners, particularly the Inuit, and Indian and Dene people.

Let us examine what happened in British Columbia. The Minister of Energy, Mines and Resources (Miss Carney) just tabled a report on the West Coast offshore. All Members know that Petro-Canada promptly withdrew from those hearings when it realized that the amount of accurate scientific information it had on drilling in areas such as the offshore of the West Coast was totally inadequate. However, Chevron continued to participate in the hearings and dilly-dallied along.

The information contained in Chevron's environmental assessment was preposterous. One piece of evidence that was tendered to the offshore panel comes to mind when I see the kind of jurisdictional grab that the Minister is interested in taking in this legislation. The evidence that was tendered originally to the offshore panel indicated that drilling would be safe in the Hecate Strait because it was protected from the open Pacific by the Queen Charlotte Islands. Obviously, someone took their pudgy finger and pointed at the map and saw that there were some islands and only 70 miles of water, which would make the Hecate Strait the same as a lake.

The fact is that drilling has taken place in the Hecate Strait and waves close to 100 feet high were breaking over the deck of the boat that was trying to drill at Cape St. James. There was a 20 foot chop on top of the waves that were breaking over the top of the boat. Members opposite cannot believe that but they probably believe the evidence of the oil companies that the Hecate Strait is flat, calm.

This legislation is unacceptable. The same Tories who used to accuse the Liberals of taking a grab from the public of Canada are doing the same thing, along with their friends south of the border and the oil companies in Canada.

The Conservatives said that the 25 per cent back-in was a preposterous rip-off. They should consider how almost every other state in the world protects the public interest and not always the interest of the oil companies. We should protect the public interest to make sure that all Canadians, young and old, whether from the East, the West, or the North, get a fair rate of return from an energy source that we all own.

• (1640)

The Conservatives seem to forget that we all own the gas and oil. Whether it is on land or offshore it belongs to all of us and we deserve a fair rate of return from it. This Bill strays very far from that, and I condemn most strongly its inability to

understand the importance of environmental concerns. The board will be composed of bureaucrats, all appointed from the Public Service, with perhaps a few members from the provinces. There will be no opportunity for native people to be involved, nor for environmental groups. There will be no opportunities for the fishermen of Prince Rupert. There will be no opportunity for any of those groups which have a lifelong abiding interest in what happens to the environment. If the fish go, they have no livelihood. If the kelp or the shellfish go, they have no livelihood. Entire communities can vanish, and all of the effort put into the panel hearings in British Columbia and in the Beaufort in the North has come to nil. Bill C-92 is a disaster for the average Canadian. It is a Mac truck tooth fairy dream.

Mr. Waddell: Mr. Speaker, I want to congratulate the Hon. Member for Skeena (Mr. Fulton) for the usual way in which he lays it out as it is.

Mr. Fulton: Objective and scientific.

Mr. Waddell: Objective and scientific as well. There was one small inaccuracy and that is when the Hon. Member referred to me as having raised the matter of native rights. I believe it was the Hon. Member for Kenora—Rainy River (Mr. Parry). Apropos of that, since the Hon. Member did deal in his speech with aboriginal rights and with environmental matters in some depth—which I have not heard too many other Hon. Members do—I want to ask him about Clause 3, which states:

> Nothing in this Act abrogates or derogates from any aboriginal title, right or claim that pertained to the aboriginal peoples of Canada prior to the coming into force of this Act.

The Hon. Member might think this is a phoney question or I am trying to pull something on him, but if I was going to ask a question, it would be, who is worse as far as aboriginal people are concerned, the federal Conservative Government or Premier Bill Bennett of British Columbia? It is like choosing between being hanged and being drawn and quartered. At least Bill Bennett spells it out that he is against aboriginal rights, refuses to live up to the Constitution of Canada and will not deal fairly with native people. But it is beyond me why the Conservative Government has thrown in Clause 3. Either we are prepared to recognize aboriginal people's rights and are prepared to deal with them or we are not. This clause is like a Bill to expropriate a house. We are told that nothing in the Bill is going to affect our quiet enjoyment of the House, and then the rest of the Bill goes on to say that the House is going to be flattened and all our property is going to be taken away from us.

Could the Hon. Member who represents the Nishga's, the initiators of aboriginal rights, explain to the House and to the public why it is that this is not satisfactory? What do the aboriginal people want when they want their rights respected in a Bill which deals with resources and so much of the territory, especially in the North, to which they lay claim?

Mr. Fulton: Mr. Speaker, I would like to thank the Hon. Member for the question because it really is one of the keys to what is wrong with this legislation because of what is said in Clause 3. It basically maintains the status quo. There have been no serious negotiations with aboriginal people regarding resources in British Columbia or, to a great extent, north of 60. All Clause 3 says is that that is going to continue. One has to look at what has been going on since September 4, 1984, to get an idea of why aborigal peoples are becoming so rapidly disillusioned with the new Government. One must look at the Buffalo Jump, the 1980s Cabinet document which came to light just a year ago, which indicated the desire of the Government to move down the same road which was stopped by the famed Calder case before the Supreme Court of Canada in 1972. What happened there was that the then Liberal Government was proceeding down the road known then, and still known through the White Paper, as the "assimilation model", that was to try to get Indian, Inuit and Dene people from across Canada to move into urban centres and away from their traditional homelands where they had historically lived, not just for centuries but for thousands of years. One must put together the pieces such as the Buffalo Jump of the 1980s, the Nielsen Task Force report on funding to Indian Affairs and Northern Development, the debate going on, at least in the mind of the Minister of Justice (Mr. Crosbie), on the question of extinguishment.

Rather than proceeding as is recommended in the Coolican report, the Minister and the Cabinet seem to be seized with the inability to understand why we cannot simply extinguish aboriginal title and rights. It is something that would take far longer in terms of time than I have available to explain everything which has gone on in terms of the Calder case and the initiatives taken by groups such as the Nishga for more than a century. They have travelled here to this Parliament and to Great Britain and have met with every panel and every forum. They have taken advantage of every legal opportunity, but they are still stonewalled.

Bill C-92 is a challenge to the living title of aboriginal people, particularly from where I come, and I am referring to the Haidas, their claim to title and their sea claims around the Queen Charlotte islands, which is jeopardized by this kind of legislation, which is neither constitutionally nor legally sound for the reasons outlined in this House the debate on the Constitution, and the inclusion therein of the existence and affirmation of aboriginal rights which flow from the title. In terms of the coast and the A-B line debate, there is something very fuzzy in the Bill which I am sure the U.S. State Department is examining now that it has appointed Mr. Derwinski to look at the 141st Meridian in the Beaufort where it leaves lands end between Alaska and Yukon and goes north, the A-B line at the southern extremity of the Alaska Panhandle.

This Bill is very fuzzy. It claims jurisdiction to the Continental Shelf but does not delineate under what precise legal principles we are going to extend our boundary from Cape Muzon to the 200-mile limit nor in terms of the Strait of Juan

de Fuca boundary, the 141st Meridian, the eastern perimeters of the Arctic Archipelago and our offshore on the East Coast. This is a Bill which is fraught with difficulties and, as my colleague has said, it shows a lack of understanding of the issues which aboriginal people want to see dealt with in fairness. They want to have negotiations on the sharing of resources because access, control and ownership of resources is what gives us sovereignty, and that is what the aboriginal people are asking for.

Mr. Foster: Mr. Speaker, I have just a short question. I know the Hon. Member is interested in the job side of the whole energy legislation. The Government when elected was determined to create some 100,000 to 300,000 jobs in the energy field, so we were really shocked on March 21 to read in *The Globe and Mail* that Imperial Oil was set to slash 1,800 jobs because of oil prices and chemical glut cited. I was especially concerned because it was just about this time that Algoma Steel started laying off some 300 or 400 workers at its tube division at Sault Ste. Marie, which is really dependent on the oil industry because the tubes it produces are used in oil and gas exploration and drilling.

There were some comments made by the Parliamentary Secretary, that the worst was over, that oil prices had rallied from $11 to about $17 over the weekend. Yet in *The Globe and Mail* today, exactly two months after those first indications of lay-offs by Imperial Oil, there is a report that Occidental Petroleum in Los Angeles is cutting 2,000 employees from its payroll in order to reduce its 1986 spending budget. The same article in this morning's *Globe and Mail* business page indicates that Exxon Corporation of New York, the largest oil company in the United States, shocked Wall Street recently when it offered a voluntary resignation program to 40,000 of its employees, about 27 per cent of its world-wide staff or 59 per cent of its domestic staff.

• (1650)

I would be interested in hearing the comments of the Hon. Member from British Columbia. I know that oil and gas exploration is important there and in the North as well. The Western Accord and the frontier legislation brought in by the Government is really not adequate to deal with the kind of oil price drop which we have seen. One short paragraph about violent fluctuations in oil prices just does not seem to be adequate, and certainly those articles about Imperial Oil and Exxon indicate that there are a lot more people in this industry to be laid off. Certainly that will be harmful not only in B.C. but in the North as well because of the lack of government policy.

Mr. Fulton: Mr. Speaker, I would like to thank the Hon. Member for the question. I want to make it clear from the outset that what is happening in the oil patch cannot be placed entirely on the back of the new Government. At the same time, the Parliamentary Secretary cannot pop up every time someone speaks to say that the new drilling opportunities that occurred last year were all due to the new Government's policies. He cannot have it both ways. If he is going to take credit, he has to carry some blame.

I think the point made by the Hon. Member who just asked the question is something at which the Government ought to take a close look. Lay-offs in big companies in the oil and gas industry and the chemical industry are tough. In those cases, hundreds and thousands are laid off. However, when a small Canadian producer in northeastern British Columbia, Alberta or Saskatchewan lays off half a dozen employees, the whole company is gone. Then those interests are very quickly picked up by the big players who still have the internal ability to create capital and pick up those operations.

Rather than addressing the serious problems facing all of the companies in the industry, and particularly the Canadian ones, the Government is dreaming and spinning its wheels. It is bringing in tooth-fairy legislation designed for the boardrooms when it should be doing something not only to help consumers but to help small Canadian drillers and operators in the oil patch.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-92. First of all, I must say that, once again, the little guy is going to be the loser.

Mr. Speaker, if we look carefully at Bill C-92, we could say this is a typically Tory piece of legislation, because here again, big business—the big oil companies—is going to reap the benefits.

Mr. Speaker, the purpose of this Bill is to regulate interests in petroleum in relation to frontier lands, and "frontier lands" mean lands that belong to Her Majesty in right of Canada, or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources and that are situated in the Yukon Territory, the Northwest Territories or Sable Island, or any other off-shore areas.

Mr. Speaker, I would like to talk to you about a trip I made a week ago, when I spent a week or so in Canada's North, and I am referring to the Arctic. I must say that this trip made me discover this vast country and its people, and I was very impressed to see the kind of facilities that exist in the North. However, what really struck me during my trip is that in every community there was this almost exclusive dependence on oil for electric power and for heating purposes. In those communities, the people have yet to benefit from the drop in world oil prices, for the simple reason that their oil is shipped in bulk at least one season in advance, and there have been no shipments yet for this year.

Well, they are certainly in for a surprise, because even if they hear about falling oil prices and the fact that there has been a substantial drop, they will soon realize that they will not be able to take advantage of these lower prices. They will certainly have a few questions to ask the Government, such as why they can't benefit from this drop in the price of energy.

I was saying, Mr. Speaker, that they need this energy daily and they have to pay for the energy they use.

In the course of our hearings, we met many residents of those vast territories who had some very interesting stories to tell. At one hearing in one particular town, where a Minister of the Government of the Northwest Territories testified—the purpose of our hearings was to examine deregulation of transportation in Canada's North—one question led to another and the subject of energy came up. At this point, a Government Member who was indulging in a bit of partisanship, which I think we can tolerate from time to time, Mr. Speaker—in fact, I do this myself occasionally—this Member asked the Minister whether the National Energy Program had in any way contributed to the development of the Northwest Territories. The Member, who was expecting a negative reply, was of course astonished when the Minister answered that if it had not been for the NEP, our northern regions would certainly not have experienced all the development that has taken place since the program came into effect. This, of course, led the Member who asked the question in the first place to change the subject—

Mr. Boudria: And talk about the weather.

Mr. Robichaud: No, he started talking about a mosquito control program, because it seems that if they could find an effective mosquito control program for the North, a lot more people would go up and visit them, and it would be very good for tourism.

Speaking of tourism, this afternoon the Minister rose in the House and said that Canada was going to have a tremendous tourist season. Bravo! And bravo for the industry, because it has been waiting for this kind of season for a long time.

However, I must say that if we do have a tremendous season, it will certainly not be thanks to the policies of this Government.

Mr. Speaker, you are signalling that my time is almost up. I shall be delighted to get back to this debate later on.

Mr. Deputy Speaker: Order.

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

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS FOR PAPERS

[*English*]

AGRICULTURE

SUGGESTED TABLING OF REPORT ON DROUGHT IN WESTERN CANADA

Mr. Don Boudria (Glengarry—Prescott—Russell) moved:

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of the report presented to the Prime Minister pertaining to the drought in Western Canada.

He said: Mr. Speaker, last year we know that a very serious drought affected part of our country. Of course its effects were particularly harmful to farmers of Saskatchewan and parts of Alberta. We also know that those farmers were asking for aid from the Government.

I should like to draw to the attention of the House an article which appeared in the December 24, 1985 edition of the *Leader-Post* entitled "1985 was a killer year for farmers". In part it read:

To say that 1985 was a poor year for most Saskatchewan farmers would be an understatement.

It was the year when the farm economy plunged from the drought induced doldrums of 1984 into depression.

Not only was there another drought in the south, but almost biblical numbers of grasshoppers, weak grain and livestock markets and wet, cold weather at harvest compounded the problem.

Production of everything from wheat to honey was below normal.

Because of the very grave conditions described in that newspaper article, and presumably because of representations made by some Hon. Members of the House, we were led to believe that the Prime Minister (Mr. Mulroney) appointed the Hon. Member for Assiniboia (Mr. Gustafson) to prepare a report. We were told that the report would deal with the issue, but we are not quite sure because most Members of the House have never seen it.

My motion reads as follows:

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of the report presented to the Prime Minister pertaining to the drought in Western Canada.

Of course I was speaking of the report prepared by the Hon. Member for Assiniboia. We do not know what the Hon. Member recommended in his report, but we know that the Government offerred assistance in the order of somewhere between $5 and $11 per acre for the people of western Canada. We also know that many people had asked for assistance in the order of $40 to $50 per acre.

All Hon. Members on both sides of the House, such as the Hon. Member for Red Deer (Mr. Towers) and others, want to know just what the Hon. Member for Assiniboia recommended to the Prime Minister. I presented my motion asking for Her Excellency to cause this report to be tabled so that we could all share in its contents and find out whether the Prime Minister lived up to the requests of the Hon. Member. We do not know whether the Prime Minister lived up to them. I see a nod on the part of a Conservative Member across the way, indicating that the Prime Minister did exactly what was asked. I hope that this is not the case, because what was provided was insufficient. If the Hon. Member is saying that the Hon. Member for Assiniboia got exactly what he was looking for, I do not think the people of his riding would like it very much. Perhaps we should wait for the Hon. Member to speak in this debate. Perhaps he will seize this occasion and read to us the entire text of the report in the 10 minutes allotted to him. We

do not even know whether the report contains one sheet of paper or 45 volumes like the Nielsen Task Force report. We do not know what it looks like. All farmers in western Canada, particularly those in Assiniboia, want to know whether the Hon. Member did his job.

Some Hon. Members: They know he did.

Mr. Gormley: What a joke! How many Grits are there in Assiniboia?

Mr. Boudria: Mr. Speaker, the Conservative surfer on this side is asking how many Grits there are in Assiniboia.

Mr. Gormley: You don't even know where Assiniboia is.

Mr. Boudria: What the Hon. Member is telling us is that a Member of the House has no right to ask questions of the Government. The Tory attitude is that members of the Opposition do not have the right to question the Government. It is typical Tory attitude once again displayed before you, Mr. Speaker. I am sure you are insulted by that kind of nonsense. Mr. Speaker, I am sure you hope, as I do, that he will apologize to the House later for being so partisan. I was only asking for a very distinguished Hon. Member of the House to table his report so that we can all view it. Is that abnormal?

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I rise on a point of order. I am sure that if the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), a self-proclaimed drought expert from the edge of Ottawa, really wants to find out, he will sit down and give the Parliamentary Secretary to Prime Minister (Mr. Gustafson) a chance to tell his story.

Mr. Deputy Speaker: That is not a point of order.

Mr. Boudria: Mr. Speaker, obviously that is not a point of order. It is another abuse of time by a Conservative Member.

It is our duty as opposition Members to ask questions on behalf of Canadians. I do not apologize for representing a riding which has a little more rain than some of the ridings in western Canada. I am very proud of the riding which I represent in the Parliament of our country.

I should also like to refer to an article which appeared in the August 16, 1985 edition of the *Star-Phoenix* entitled "Tory Drought Aid a Sleazy Operation".

Some Hon. Members: Oh, oh!

Mr. Boudria: Those are not my words. In case anyone here thinks I may be partisan, if there is such a person, let me read something far more objective by a very distinguished reporter. It indicated that the Saskatchewan Government announced a drought assistance plan on August 9, promising livestock producers in severe drought areas $60 per head for beef, dairy cattle and horses, and $12 for sheep and goats. It also indicated that in moderate areas the payments would be $30 and $6. As the press release indicated, the Saskatchewan Government committed $60 per head. Further on the article indicated that the Hon. Member for Assiniboia was appointed by the Prime Minister to head the drought task force with a mandate to determine how best to assist farmers. That is why we are here today; we are here to determine how those farmers should have been assisted or what is the best way of assisting them today.

Mr. McDermid: We did.

Mr. Boudria: I hear a Conservative Member across the way from the agricultural riding of Brampton saying: "We did".

Mr. McDermid: Brampton—Georgetown has some of the most productive farms in Canada.

Mr. Boudria: How do we know that they did? We want to find out what was in the report. We want to determine whether in fact the Hon. Member for Assiniboia provided a report which fulfilled the needs of the farmers of his community. Deep down inside we think he did just that, and the Prime Minister did not listen to him. That is what I contend. If it is otherwise, let us see the report.

I thank the House for giving me the opportunity to speak on this very important issue.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, indeed it is a pleasure to be given an opportunity to speak and give an account of the actions of the Government with regard to the drought of the past summer. At the outset I want to say that it became evident that for the third year in some areas a drought was inevitable. Immediately upon learning that, the Prime Minister (Mr. Mulroney) asked the Minister of Agriculture (Mr. Wise) if he would go to western Canada and look at the situation. The Hon. Minister of Agriculture visited different parts of the serious drought areas both in Saskatchewan and in Manitoba. He observed the dilemma of the drought. He proceeded to take some action. He asked if I would chair the task force on drought, and from that task force we made recommendations to the Government.

• (1710)

I want to say at the offset that no Government and no Prime Minister in the history of the country since the days of John Diefenbaker have taken more interest in agriculture and in the problems farmers face, particularly when it comes to drought, than the Prime Minister and the Government do today and daily.

Mr. Foster: You don't believe this.

Mr. Gustafson: The Prime Minister asked us to report to him, which we did. He has been very sensitive.

Mr. Boudria: Do you phone him in the morning before breakfast?

Mr. Gustafson: The Prime Minister met recently with some 25 farm groups across Canada in Vancouver. I heard farm group after farm group commend the Prime Minister on the

actions that he has taken and which the Minister of Agriculture has taken on behalf of agriculture.

What is the situation in the drought area? I have a letter in my office that I would like to show to the Hon. Member who just spoke. It is from one of the most severely stricken drought areas in southern Saskatchewan. The letter commended me personally and the Government for taking the action that was taken.

Let us take a look at the crop insurance and what a farmer would receive in the most severely stricken drought area in southern Saskatchewan or Alberta. Say a farmer was insured for $20 an acre. He received close to $80 an acre for every acre in the drought area that he had seeded. You will say: "Well, the Government had nothing to do with that". Let me tell Hon. Members that the Government contributed $570 million to crop insurance, $350 million attributed to drought and, in addition to that, $150 million that was recommended. The Member is leaving the House. The $150 million was recommended by the task force and paid by the Government.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I am sure the Hon. Member is well aware of your very distinguished ruling in the past when you have ruled on many occasions that it is out of order to refer to the presence or absence of any Hon. Member. As we know, all Hon. Member are present in the House as we are speaking now.

Mr. McDermid: It is your motion. Stay in the House and listen.

Mr. Deputy Speaker: I have not heard anyone mention the presence or the absence of a Member. The Parliamentary Secretary to the Prime Minister (Mr. Gustafson) has the floor.

Mr. Gustafson: The Minister of Agriculture immediately responded.

Mr. Boudria: Is he present in the House? Tell us.

Mr. Gustafson: We had a recommendation that went forward and brought $48 million of relief to the cattle producer, the sheep producer and to the livestock producer across western Canada.

Mr. McDermid: He is leaving the House again.

Mr. Gustafson: I want to tell you, Mr. Speaker, with regard to the recommendations made and the actions fulfilled by the Government, that this Government takes no lessons from the past administration. It was the Leader of the Party to which the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) belongs who told the farmers across Canada, not just the farmers of western Canada, to sell their own grain. Our Prime Minister told Canadian farmers that we will sell their products to the world.

What happened just a few days ago, Mr. Speaker? The Prime Minister of Canada at the Tokyo Summit gave top priority, number one priority, to the pressing needs of agriculture across the nation.

Mr. Boudria: It wasn't even on the agenda.

Mr. Gustafson: The Prime Minister called a meeting of First Ministers in Saskatchewan. He called a meeting of First Ministers in Halifax. What was top priority? It was agriculture, Mr. Speaker. We have seen a Government that has acted. I could read the list.

Mr. Foster: Table the report.

Mr. Gustafson: To the western producers approximately $550 million was allocated in crop insurance; $350 million attributable to drought; $48 million in assistance to western livestock producers; and $552 million was granted under the Western Grain Stabilization Act for the 1984-85 crop year.

Mr. Della Noce: Give us more.

Mr. Gustafson: You may say the former administration brought in that Bill. Let me tell you that this Government had not been elected for many weeks when it brought forward an amendment which allowed for an interim payment under the Western Grain Stabilization Act. Farmers are appreciative of the Government's direction.

I spoke recently to a meeting of farmers in Weyburn, Saskatchewan. It was made up of the Farmer's Union, the Farmer's Survival Association and of people facing problems. We recognize that there are problems. I am not telling you today, Mr. Speaker, that all is roses in the farm community. We know that. We have done a lot as a Government and there is much more to do and this Government will do it.

On this side of the House we have a broad representation of agriculture. I do not know the numbers. We could have 75 Members representing agricultural ridings. I want to say that the agricultural meetings both in this House and in committee, as was the case under the program for drought, are the best attended. Both the Minister of Agriculture and the Prime Minister have listened to recommendations. The farmers' interests are voiced here in this House, and the actions are here to prove it.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I rise to interrupt this debate between two Montreal Members across the floor.

[*Translation*]

Excuse me, the hon. Member is not from Montreal, he is from New Brunswick, Mr. Speaker. But in any case—

[*English*]

I want to say that the most important point about the debate this afternoon is to call upon the Government to make public a report done by the Hon. Member for Assiniboia (Mr. Gustafson). That is the only question. The Member for Assiniboia has failed to answer the question why his report was not made public by his great and esteemed leader. The Member from

Assiniboia is a gregarious, happy-go-lucky, good Member of Parliament who understands and knows farming very well.

Mr. Foster: On division.

Some Hon. Members: Oh, oh!

Mr. Nystrom: I am sure his report was a lot better than what the farmers of western Canada received in drought assistance. I see him nodding his head in the affirmative.

Mr. Gustafson: Mr. Speaker, I rise on a point of order. I just want to clarify that I was nodding very affirmatively that the task force recommendations were followed. The Government did respond affirmatively to the recommendations.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I regret to tell the Hon. Member that that is not a point of order.

Mr. Nystrom: Mr. Speaker, on another supplementary point of order, maybe he could tell us why the task force report was not tabled. What is the Government trying to hide? I have been here a while, Mr. Speaker, and I have seen great Members of Parliament like Ged Baldwin, Walter Baker and others campaign for years for freedom of information in the House. They talked about how secretive those terrible Liberals were. The Hon. Member remembers that. He was voting Liberal in those days. My friend from St. Catharines agrees that they campaigned hard for openness, freedom of information, and for access for the public to what goes on in the Government. In fact, when Joe Clark was Prime Minister of the country he tried to change some of that. He brought in a Bill for more freedom of information. Yet, with the new Prime Minister (Mr. Mulroney) from Baie Comeau in office it is more of the old Liberal Trudeau-style of government.

• (1720)

Mr. Boudria: Whoa, whoa, whoa.

Mr. Nystrom: Somebody says: "Whoa, whoa, whoa". I ask you, what is the difference? They are probably even worse. At least the Liberals did not promise freedom of information and more openness in government. The Conservative Party promised that. I am sure that Ged Baldwin, a very distinguished member of the Conservative Party, as he watches this place now, must be upset to see that his Party will not even make public a report made by the very distinguished Member for Assiniboia. The people of the country have a right to know. They have spent thousands and thousands of dollars helping the Member for Assiniboia prepare that report. I think they have a right to know what is in it. If they do not have the right to know what is in that report, why did the Party across the way campaign so hard for openness and freedom of information? It is no wonder, when the Government breaks promise after promise, that it is falling faster in the polls than any Government in this country has fallen since the Gallup poll first started many years ago.

Mr. Towers: You went down four points yourself in the last poll. Don't talk about polls.

Mr. Nystrom: The last poll issued on the weekend showed that the New Democratic Party is at 24 per cent, which is up 5 per cent from the last election campaign. The Conservative Party is at 38 per cent, which is down 12 from the last election campaign. I do not mind that kind of mathematics. Unfortunately, the Liberal Party is going up as well.

Mr. Foster: What do you mean by "unfortunately"?

Mr. Nystrom: One reason for this shift away from the Government is that it is breaking its promises. When you stand for something in opposition you should make sure to bring it in once you are in government. I am really surprised that an Hon. Member like the Member for Assiniboia, who is a progressive red Tory, a positive Tory, would stand for the Prime Minister of the country not making his report public when he stood for freedom of information in opposition. I am really surprised. I know that he must be embarrassed by this kind of secrecy by the boy from Baie Comeau who seems to be so afraid of making things public. It is time for members of the Conservative Party from Saskatchewan to get up on their hind legs and show some leadership and courage—

Mr. Gormley: We have been for years.

Mr. Nystrom: —and insist that this report be made public. My friend, the Member for The Battlefords—Meadow Lake (Mr. Gormley), is an outspoken man. Perhaps he will get up in a few minutes and insist that this report be made public. His constituents have the right to know what is in that report. His constituents have a right to know whether or not the Prime Minister followed the advice of the Member for Assiniboia. Perhaps I am defending the Member for Assiniboia a little too much, but I think that he, too, after doing the work, has the right to have his report made public. That is all we are asking for in the House today. That is not too radical.

I understand that the Member for Assiniboia made a number of recommendations in his report which were not listened to, but I do not know that. I do know that about $150 million was or is being made available to farmers through drought assistance. About one-half of that, approximately $70 million, is in the Province of Saskatchewan. In the fall there was an initial payment of $39.8 million. A second payment of $29.9 million is now being made.

In my province approximately 40 per cent of the wheat-growing area is designated as being able to benefit from this special drought assistance. There is an argument that that is not enough, that the Government was too severe. A lot of farmers that had problems with drought are not receiving payments, and other farmers who had drought assistance are receiving payments. My understanding is that the average pay-out per acre is $6.88. If that is not correct, perhaps the Member for Assiniboia can put some facts on the record. The average pay-out per farmer is approximately $3,800.

Another interesting point about this most recent issue in terms of the drought in the grain belt in Saskatchewan and Alberta is that this money is now being sent directly to the farmers. Last summer the money for a livestock payment was sent to the Saskatchewan Government. The Government of Saskatchewan did not give credit to the federal Government or the federal Parliament. This time around I see that the federal Government is a little wiser. It does not trust Grant Devine and is making the pay-out directly to the farmers of Saskatchewan.

I would like to make one or two more points before my time runs out. Tomorrow there will be an article in the *Leader Post* written by a journalist named John Miner.

Mr. Della Noce: How do you know that?

Mr. Nystrom: I have very good sources. He is the agricultural reporter for the Regina *Leader Post*, a very, very good reporter. John Miner has tried, through the access to information laws of the country, to get a copy of the report of the Member for Assiniboia. He has tried to get other documents relating to drought relief in Saskatchewan and Alberta. He has been denied a copy of that report under the access to information laws of the country.

Tory times are secretive times, Mr. Speaker. Tory times are tough times. The agricultural reporter for the Regina *Leader Post*, the biggest daily in rural Canada, is being denied access to this report which affects the livelihoods of all kinds of people.

Some 12,000 farmers have appealed that they were not fairly treated by the federal Government with regard to drought assistance. Twelve thousand farmers have said that they were denied coverage because they are not in the drought area and that they did not receive a large enough pay-out for the losses they suffered due to drought. It is almost unheard of for 12,000 farmers to appeal. Yet the Government across the way denies the farmers of Canada the information in the report of the Member for Assiniboia. It denies the farmers of Canada their basic and fundamental democratic right—freedom to information. They have paid for that report. They have spent their hard-earned tax money which the Government took from their pockets, and now the Government is not even letting them see a copy of the report.

To top it off, so far this afternoon Conservative Members have not risen in this House to say why they have denied that right to the farmers of western Canada. Why do they not listen to farmers? Why do they not give the farmers access to their own report? Why do they not in government stand for what they stood for in opposition? We need freedom of information in this House. The public has the right to know. They paid the bill and they have a right to have a copy of that report. This strikes me as being very, very strange. Perhaps there are recommendations in that report which the Prime Minister turned down and now the Government is embarrassed to release it publicly.

There are all kinds of things we could talk about, Mr. Speaker, but the basic principle of the debate today is freedom of information and access to information. The Conservative Party promised this. Walter Baker, Ged Baldwin, and the Member who is now the Secretary of State for External Affairs (Mr. Clark) campaigned on this, but the new boys who took over are continuing in the old Liberal tradition of secrecy. Everything is in a tiny, isolated place in the Prime Minister's office and no one else has the right to know. That is not good enough. It is about time that Conservative Members in the House rebelled, followed their convictions, and insisted that this report be made public.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I welcome this opportunity to speak on the motion of the Member for Glengarry—Prescott—Russell (Mr. Boudria). The Member made some very interesting points in his earlier remarks. The dialogue of the long-time Member for Yorkton—Melville (Mr. Nystrom) will shed some interesting light on the way in which the people of Saskatchewan view their Government and the way in which the Government views the people of Saskatchewan.

I would like to begin with the intent of this motion. Obviously it is politically motivated in the crassest sense.

Mr. Boudria: There is no room for politics in the Parliament of Canada.

Mr. Gormley: I use the words "politically motivated" because it is really twofold. First, it is inspired by mischief. If this Member really believes that what the Government has done for my home province of Saskatchewan and all of western Canada was insufficient, perhaps he would be brave enough and man enough to stand and say, first, that he believes it is insufficient, and second, with clearly articulated ideas, why he believes it is insufficient. Instead, he tries to summon forth certain papers on a technical motion. Obviously we see this for the crass political mischief it is.

• (1730)

The Hon. Member goes back many years in provincial politics. He is one of those Members who is called Dave Peterson's revenge. He fled the Ontario provincial scene for federal politics just in time. In any event, as a long-time MPP he knows that when a Prime Minister and his Cabinet ask for information and charge a senior Member of Parliament with the responsibility of obtaining that information, he obviously wants to be able to act on the information and get the job done for Saskatchewan farmers, indeed all farmers across Canada. When the Hon. Member for Glengarry—Prescott—Russell asks "Did he live up to the report of his task force?" The answer is that obviously he did. The Hon. Member overlooks the political process by saying that this is somehow a secret.

I come from Saskatchewan, as does the Hon. Member for Yorkton—Melville. However, the person speaking on behalf of Saskatchewan farmers for the Liberals comes from the outskirts of Ottawa. He represents the same Party that during

the 1984 election made all sorts of campaign promises regarding agriculture. The Right Hon. Leader of the Opposition (Mr. Turner) and others went into the flood of areas of Saskatchewan, which are much closer to my home, and made all sorts of promises unbelievably stretching credibility. If you look at the number of votes given to the Liberal candidate in that area, you will know just how we in Saskatchewan regard the Liberal Party and how credible anything his Party says about agriculture in Saskatchewan really is.

The Hon. Member for Yorkton—Melville talked about the number of farmers who feel aggrieved. Obviously there will be people who say their areas should have been covered. Their area should have had more consideration. Obviously the Member is well aware, and equally obviously he would not point it out because he is a Member of the NDP, that the Minister announced the establishment of a review board with a mandate to hear from producers in areas in which feel they should be included. I thought his figures were interesting. He mentioned 12,000 farmers. I am not sure that this is an accurate figure I thought it was interesting because for years I saw 70,000 Saskatchewan farmers concerned about every single act of omission on the part of a Liberal federal Government. We would not have had farmers with these kinds of problems if we had had a Government in Ottawa that cared or even knew the faintest thing about Saskatchewan agriculture.

I do not want to get overly political, Mr. Speaker. You know it is not my nature to be political in this Chamber.

Some Hon. Members: Oh, oh!

Mr. Gormley: I just want it on the record that when I hear a Liberal talking about Saskatchewan farmers I really must express my outrage. The Liberal Government in Ottawa for all these years did precious little, arguably nothing, to help the Saskatchewan farmer.

In appointing his Parliamentary Secretary as the individual responsible for formulating a response to the drought, I think the Prime Minister (Mr. Mulroney) showed remarkable insight. He showed it in his faith in the system and in having a Member of Parliament head the task force. He also showed his insight by appointing a Member who knows what it is like firsthand. I think the Prime Minister showed a refreshingly clear and different way of addressing the problem.

Mr. Rossi: Ask him why he does not table the report.

Mr. Gormley: That Member has given us a three-phase approach to the drought problem. The first phase, which was quickly acted upon, dealt with livestock drought assistance. This program earmarked some $48 million—

Mr. Nystrom: On a point of order, Mr. Speaker, the motion before the House is whether or not this report should be made public. Should the Member who is speaking now not be talking to the motion, which is whether or not this document should be made public?

Mr. Deputy Speaker: I am sure the Hon. Member will speak to the motion.

Mr. Gormley: Hearing a New Democrat invoke the rule of relevance stretches credibility again. I am talking about drought assistance, and particularly why the Hon. Member for Glengarry—Prescott—Russell, the great Saskatchewan agronomist, desires these documents. If he looks at the result of the recommendations to the Prime Minister he will see that the prairie farmer, the Saskatchewan farmer in particular, is being dealt with in a compassionate, understanding and realistic way. We had the Livestock Drought Assistance Program involving $48 million. This was the first program addressed in the recommendation of the task force to the Prime Minister. Phase 2 involved $150 million under the Crop Disaster Assistance Program. The Hon. Member for Glengarry—Prescott—Russell did not say that today, May 20, 1986, the final portion of that $150 million is going to be paid out to farmers, amounting to some $64 million. I did not hear that from the Hon. Member.

The third phase involved a long-term method of dealing effectively with drought and, for that matter, all other natural disasters. Just two weeks ago the Provinces of Alberta and Saskatchewan, along with the federal Government, made the announcement that there would be a means to deal in the long term with natural disasters such as drought in the farm economy. When this report was made to the Prime Minister we had to take into account what the Province of Saskatchewan was doing. That was a hard act to follow. The Province of Saskatchewan allowed a $125 per head cash advance of livestock. It had a $60 a head grant for livestock producers in severe drought areas. It had a $25 per cultivated acre loan for all Saskatchewan farmers. There was a gas tax rebate when the province, as everyone knows, with a Conservative Government, eliminated the gas tax. Grant Devine is a farmer. Unlike any other Premier in Canada, I think he has a sensitivity to farmers and this was a difficult act to follow. However, the Hon. Member for Assiniboia (Mr. Gustafson) advised the Prime Minister on three recommendations which the Prime Minister followed, and these are accommodating the concerns of Saskatchewan farmers.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has put before the House an excellent motion calling on the Government to table the report of the Hon. Member for Assiniboia which he prepared for the Prime Minister (Mr. Mulroney) I have had an opportunity to visit that province and others in the West and people there really want to see the report. They want to see it because there were, as the Hon. Member mentioned, reports in the papers, such as *The Star-Phoenix* of August 16, 1985, which said, "Tory Drought Aid a Sleazy Operation". I knew that could not apply to the Hon. Member for Assiniboia (Mr. Gustafson). I have known him for years and I know that he was one of the 19 people who supported the Prime Minister in the leadership race. I knew that had nothing to do with his being appointed Parliamentary

Secretary. I knew it was his qualities of leadership that counted. That is why I was very upset when I read this article by Nancy Russell in the *Star-Phoenix*. It said the following:

• (1740)

(PC-MP Assiniboia) was appointed by Prime Minister Brian Mulroney to head the drought task force, with a mandate of determining how best to assist farmers.

While it has been obvious from his lack of answers in the last few days that Gustafson has little clout in Ottawa, it was clear the federal Government planned to do something for farmers.

Then it goes on to say the following:

Agriculture Minister—put on quite a show Wednesday. The media went wild reporting on this $30 per head, $48 million lifesaver, of which Saskatchewan will receive $16 million. Wise took credit for saving farmers from extinction while his provincial counterpart welcomed the news.

Wise and Ottawa haven't done a thing to improve upon what farmers have already been guaranteed by the province, while Hepworth and Saskatchewan have done half of what they said they would do. The $30 per head from Ottawa is going into the province's pocket, while the $60 per head from Saskatchewan is now only $30.

I think it is because of that, sort of a double shuffle, that the Hon. Member for Glengarry—Prescott—Russell wanted to give the Hon. Member for Assiniboia a chance to vindicate himself and to lay this on the table as the Parliamentary Secretary to the Prime Minister of Canada.

A lot of people say very disparaging things about the Deputy Prime Minister (Mr. Nielsen). They call him things like Velcro Lips. Can you imagine the Hon. Member for Assiniboia being called Velcro Lips or Velcro Products? They do not want to use terms like that against him.

I would really hope that the Hon. Member would table this document, because that is what is before the House today. The Hon. Member for Yorkton—Melville (Mr. Nystrom) has outlined how the Member, when he was in the opposition, was a stalwart advocate of freedom of information, lay it all on the table. When the Prime Minister, as the Leader of the Opposition, spoke in Kingston, he said that he would have an open Government. Documents of this nature would be laid on the table automatically. The Member for Assiniboia cheered because he was supporting him in the leadership, and that was the kind of leader he wanted to go forward with. He knew that if he supported him and nominated him at the leadership convention, he would be chosen Parliamentary Secretary, and sure enough, he was. There was some discussion as to why he was chosen.

Every reputable farm organization, certainly the Saskatchewan pool and all of the big organizations, were recommending something like $45 or $50 an acre. We all knew on this side that the Hon. Member for Assiniboia would never make a recommendation as low as $5 or $10 per acre.

The Government was not going to be paying out all of its money that it is required to pay under the Western Transportation Act, the $658 million, so we thought that since they were not paying out all of that money under the Transportation Act they would probably come clean and make a larger amount available.

The Government was not going to make applications available until January, and they were only going to pay out $95 million in the first three or four months of 1986, and they were not going to pay the rest of it until the next fiscal year. We knew he would never recommend anything as low as $5 or $11 an acre.

At the time of this drought, the worst in western Canada certainly in a generation, the farmers of western Canada were facing the wrath of that boiling hot sun day after day in their fields and their crops were withering up. Families in Saskatchewan were applying for social assistance from their welfare agencies.

The Government was imposing a 2-cents-a-litre harvest tax for every litre of gasoline or diesel fuel that they bought. The Hon. Member knew that the Government was welching on a promise with regard to fuel tax, and so obviously he would have recommended more than that.

I certainly hope the Hon. Member, later on today, will come clean and announce that. I know he is very embarrassed. I am not sure that he attended the economic summit in Washington on March 18 and 19. Normally, I believe, he travels with the Prime Minister on events like that. I know he had nothing to do with the printing of this document, the background papers, because in that document there is nary a mention of the United States farm Bill, a farm Bill that will reduce the net farm income of western farmers by at least 30 per cent right across the board. All farmers in the country will see their farm incomes drop by an average of 20 per cent, and nary a word is there in this document mentioning the United States Farm Bill, which is going to have a great impact.

This document outlines all of the problems which Canada and the United States have, such as softwood lumber, fish countervail, steel, Section 21, asbestos, shingles and shakes, electric razors, castings, forklift arms, and all of those things—there is nary a word.

The Prime Minister went to Washington to deal with the difficult problems facing Canada and the United States, and nary a word is there about the United States farm Bill, which is having a devastating impact.

Before he went to Japan the Prime Minister discovered that there was a farm problem. He made a great flourish here in Ottawa, flew over the Prairies, waved as he went by, but did not leave much money, and landed in Vancouver to open Expo before going on to the summit.

Finally he made the announcement that stopped the larceny which he started last September of 2.5 cents a litre on gasoline. He picked up another half a cent in January in sales tax. He stopped that larceny, and we are thankful for that. We wish he would make that retroactive so that while the farmers are suffering the worst drought in history—the Hon. Member for

Assiniboia was preparing this report—he would not actually be able to say that in the future he did not impose that 2.5 cents per litre.

The rest of the announcement was for the consumers to pay for, if the Government decides to do that, only increasing the range, and the feed freight rate freezing, of course, was strictly a charade, a rejuggling of the figures of the volume of grain to be shipped. The question about the price range is something the Government still has to decide about in the future.

The Parliamentary Secretary has told us about how the Government has not welched on paying crop insurance. They have not welched on the western grain stabilization payments, and we are pleased about that. Those are programs for which the farmers pay a premium and surely they are entitled to a benefit if they have a loss, and the Government has done that.

Just to keep the reputation of the Hon. Member for Assiniboia in-tact, I think it is essential that he come forward to prove to the farmers of his constituency that he is not Velcro Lips, he is a person who wants to put everything on the table. I hope he will table this report before six o'clock this afternoon.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first I would point out that if there was applause on the Government side it did not come from Government Members. Simply to complete what my colleague from Algoma (Mr. Foster) has just said—and I am proud to take part in the debate this evening—I would say that as usual the Hon. Member for Algoma displayed his selective memory. He talked about cut-backs and taxes on gas, but he forgot the billions of dollars his own Party cost our agricultural producers for years on end with their interest rates ranging between 18 and 20 per cent. Ours have been outstanding achievements under current economic conditions. I think my colleague should refresh his memory.

Mr. Speaker, my colleague from Algoma and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) are again asking for the tabling of the report, but I have no idea how they developed such a habit. Probably during the twenty dark years they made us live through, when they got used to produce reports on just about anything. What really matters to Canadian agricultural producers, Mr. Speaker? Not reports, but facts, data, results. And results we have produced, millions of dollars, very quickly.

My colleague from Assiniboia (Mr. Gustafson) was given specific responsibilities and looked after the matter with the Minister of Agriculture (Mr. Wise) and the Prime Minister (Mr. Mulroney). Decisions were made immediately: $150 million. Payments for the remaining $64 million were announced today. Decisions have been made very rapidly. Reports are not important. What matters is results.

Since it is an Ontario Member who raised this issue, it must be some kind of an obligation because the Liberal Party has never been a truly national Party, and they are not about to improve their performance either. The Progressive Conservative Party which now forms the Government is indeed a truly national Party. This is precisely what makes us different from our colleagues because this Government is taking positions which farmers and Canadians generally can accept as being fair and reasonable.

Naturally, our Liberal friends cannot understand because theirs is a regional party. They have Members in a couple of provinces and a few others here and there in Canada in regions like that of my Hon. friend for Yorkton—Melville (Mr. Nystrom), but of course, in the case of the New Democratic Party, its members can promise anything. They may have gone up in the polls, but they always promise what everyone wants. It is easy for them because they know that they will never form a Government. There is no danger of that.

Mr. Speaker, of course, I sympathize with the Opposition; I also sympathize with my friend for Algoma. It is not easy to be agriculture critic for the Official Opposition. Is is very difficult in view of what we have done for agriculture in the last 18 months. I would not want to change places with him. It is very difficult for him to rise today and try to find fault with the policy of this Government on agriculture. It is a very difficult thing to do. The same goes for his assistant from Glengarry—Prescott—Russell, who cannot find much to say either.

We just have to look at the figures, at the hundreds of millions of dollars allocated following the drought in Western Canada, we have only to think about the 40,000 farm producers in British Columbia, Alberta and Saskatchewan who benefited directly from the action taken, we have only to think about the $700 billion in crop insurance payments made to over 80,000 farm producers. This money was spent for Canadian agriculture. It adds up to nearly $4 billion in 18 months. That is action.

What they would like, what they have been used to, what they have shown us for 20 years, is more reports. Let us write reports and shelve them. Let us appoint others to write more. Let us ask our friends to write some reports. Then, let us take these reports and shelve them. That is all we want. That is the only important thing. Positive results are not important. But all that has changed. For our part, we want positive results, that is fewer reports and more money spent directly for the producers and put directly into the economy. That is the policy of our Government, Mr. Speaker.

Mr. Speaker, if we look at the results, we find that there has been consultation between the Federal Government and the provinces of British Columbia, Alberta and Saskatchewan. That is practical action and that is important.

I would still have a lot to say, Mr. Speaker, but I shall leave the floor to my colleague—

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we have two or three minutes left. Is the Hon. Member willing to answer a question?

• (1750)

[*English*]

Mr. Deputy Speaker: I gather that the Hon. Member is asking for unanimous consent?

[*Translation*]

The Hon. Member requests the unanimous consent of the House to put a question to the Member. Is there unanimous consent?

Some Hon. Members: No.

Mr. Deputy Speaker: No. Very well. The Hon. Member for Bellechasse (Mr. Blais) may continue his speech.

An Hon. Member: The Hon. Member may continue.

Mr. Deputy Speaker: Could the Hon. Member for Bellechasse continue his speech?

Mr. Blais: Yes, Mr. Speaker, of course, but I was waiting for my hon. friend from Yorkton—Melville (Mr. Nystrom) to sit down. After all, he has 18 years' experience in the House, and I am very inexperienced at this sort of thing—

Mr. Nystrom: On a point of order, Mr. Speaker.

Mr. Blais: If it's a point of order, I will wait—

Mr. Nystrom: Mr. Speaker, this is a point of order.

Do we have the unanimous consent of the House to ask a question?

Some Hon. Members: No!

Mr. Deputy Speaker: Order. Unanimous consent has not been given, and we shall therefore resume debate with the Hon. Member for Bellechasse (Mr. Blais).

An Hon. Member: Only two minutes left—

Mr. Blais: Mr. Speaker, for the sake of courtesy, I mentioned before that . . . Probably my hon. friend from Yorkton—Melville (Mr. Nystrom) was not listening . . . I had a lot to say but had some other colleagues who were anxious to add a few comments. I think my hon. friend from Swift Current—Maple Creek (Mr. Wilson) will take over now, Mr. Speaker.

[*English*]

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I want to thank my colleague who was kind enough to cede me the remaining bit of time. I am somewhat disappointed that so little time remains because I represent a riding—Swift Current—Maple Creek in the southwestern corner of Saskatchewan—that I believe has suffered more than any other in the past several years owing to drought, grasshoppers, high winds and so on. It is a riding with some 55,000 residents, most of whom either farm or certainly owe their living directly to agriculture. Consequently, the topic before us is of extreme importance.

I listened with some dismay earlier to my hon. friend, the Member for Algoma (Mr. Foster), the opposition agriculture critic, with whom I have had the opportunity to travel across the country recently on the domestic wheat price committee. That is another agricultural initiative put forward by the Government which impacts very heavily on grain farmers in this country.

Mr. Boudria: Not true. It is an initiative by the Member for Swift Current—Maple Creek (Mr. Wilson). Don't let the Tory Government take credit for that.

Mr. Wilson (Swift Current—Maple Creek): I think the Member for Glengarry—Prescott—Russell (Mr. Boudria) is complimenting the Government on that initiative, and I certainly thank him for it.

We are talking about a report, but I will suggest that action speaks louder than words. What we have put forward as a Government is action upon action upon action.

I ask the Hon. Member for Yorkton—Melville (Mr. Nystrom) what he considers to be so secretive about the Western Grain Stabilization Plan and the contribution that the Government has made to assist western agriculture to the tune of some $580 million recently and of over $500 million last year. Is that a secret?

Let us talk about the contributions to federal-provincial crop insurance programs. According to Saskatchewan Wheat Pool figures, something in excess of $300 million each year is put into that program by the federal Government. There is the drought relief programs announced last year, with $48 million toward livestock relief. There is $150 million toward crop disaster relief. I suggest that this is a direct result of the outstanding efforts of my colleague, the Hon. Member for Assiniboia (Mr. Gustafson).

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. The hour provided for the consideration of Private Members' Business has now expired. It being six o'clock, I do now leave the chair until eight o'clock p.m., at which time the House will proceed to the question of the forest fire situation in Atlantic Canada.

At 6.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S.O. 29

[*English*]

FORESTRY

FOREST FIRES IN ATLANTIC CANADA

Mr. Deputy Speaker: Leave has been granted to the Hon. Member for Fundy—Royal (Mr. Corbett) to move the adjournment of the House pursuant to Standing Order 29 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the forest fire situation in Atlantic Canada.

Mr. Bob Corbett (Fundy—Royal) moved:

That this House do now adjourn.

He said: Mr. Speaker, I appreciate the opportunity to raise in the House, under Standing Order 29, the provision which allows for an emergency debate, a situation of very critical importance to the Atlantic regions of Canada. The matter I am raising is in reference to the tremendous blazes which have enveloped Atlantic Canada, particularly the provinces of New Brunswick and Newfoundland, over the past five or six days. As you are well aware, Mr. Speaker, under the provisions of Standing Order 29, the subject matter of an emergency debate must be within the administrative competence of the Government and, in my considered opinion, it is within the administrative competence of the Government to deal with the issue directly forthwith, and if not that, to at least consider the matter with due haste.

The subject matter of the debate centres on the disastrous situation which has developed in Atlantic Canada during the past week as a result of major forest fires. The fires have been particularly devastating in New Brunswick and in Newfoundland, provinces which are extremely dependent upon the forest industry for their well being, the employment of their people and the maintenance of their economy. Because of my direct knowledge of the situation in New Brunswick, I ask that you give me your indulgence, Mr. Speaker, if I tend to deal with the situation in New Brunswick in greater detail than the situations in other parts of the region. This does not diminish the importance of the forest industry to all of Atlantic Canada.

To date it is estimated that some 130,000 acres of prime woodland have been burned over and destroyed in New Brunswick alone. This is prime woodland and, although all fires at this moment, to the best of our knowledge, are under control, there are still a number of fires which continue to rage. I would like to take you back a little in history, Mr. Speaker, and inform you that the last great fire New Brunswick experienced was in 1944 at which time approximately 170,000 acres burned. In 1934, ten years previous to that, a major fire destroyed something in the vicinity of 184,000 acres. As a result of those fires, great economic difficulties were imposed on the economy of New Brunswick. Although both of those fires created economic difficulty which had an effect nationally, they did happen in times when the region was economically much less dependent on the national economy than it is today.

I think it is important that I put the matter in perspective. The annual harvest in New Brunswick is approximately 170,000 acres. It is now likely that more than 170,000 acres will be destroyed in the fires which have already consumed a substantial portion of prime forest land in the province. This will drastically affect the economy of the province. The fires which have been burning in the rest of Atlantic Canada, particularly those fires in Newfoundland—Newfoundland as we are aware, depends to a subtantial degree upon the forest industry for its economy—as well as the fires in Prince Edward Island and to a lesser degree in Nova Scotia, will have a direct impact not only on Atlantic Canada but on the entire country as a whole. The forest industry is one of the country's most significant economic bases.

I think it is important at this time to point out that the Government has created a new Ministry of State for Forestry, recognizing the contribution of the forest industry to this nation's economy. I am sure you are aware, Mr. Speaker, that it is the largest employer of people in the country. One out of every seven jobs in the Province of New Brunswick, for instance, is directly attributable to the forest industry. One out of every 10 jobs in the nation as a whole is attributed to the forest industry. Our national export of forest products earned more in foreign exchange earnings than oil, minerals, fish and agricultural exports combined. This is a tremendously valuable asset. It is a renewable resource which has signficant impact on all regions of the country, particularly on Atlantic Canada.

The creation of the new Ministry of State for Forestry by the present Government has been a breath of fresh air to an area which is strongly dependent on the forest sector economically and has provided Atlantic Canadians with a new hope of recognition for this particular sector. Atlantic Canadians feel that the establishment of the new Department of Forestry will provide them with a renewed status in Confederation. The tragedy of the situation is that this is now very seriously threatened.

The impact of the forestry sector in this nation is felt in every Canadian home. I want to re-emphasize that the forest industry is our greatest foreign exchange earner and is one of the largest purchasers of manufactured goods in Canada. I can assure Hon. Members that with the current very critical situation economically in Atlantic Canada, and with the plight of the unemployed youth in that region, this tragedy is something which is going to be widely felt in the area.

• (2010)

The hope of a new attitude on the part of the people of the area toward this most valued industry is the hope of thousands of young people in Atlantic Canada. I think it is necessary to point out that there are few job-creation programs that are as valuable or as cost efficient as those that hire young people to plant and manage this nation's forests.

Canada is an exporting nation. With the renewed commitment to an enhanced trade agreement with our neighbours to the south, this has become even more predominant and important. Atlantic Canadians look forward with enthusiasm to the opportunities that enhanced trade would provide us as a natural north-south trading partner. Our geographic proximity to the New England states with its vast market of 48 million people was and continues to be of tremendously exciting potential. Obviously our natural forest products upon which we are so dependent would play a major role in that trade.

In the over-all context, it was not a tremendous amount of acreage that was affected. It probably amounts to something like less than 4 per cent of the acreage in New Brunswick and significantly less than that throughout the Atlantic provinces. Nevertheless, we must recognize that any imbalance in the delicate economic situation that exists in Atlantic Canada and the individual Atlantic provinces will have a devastating affect on the lives of the people. After all, we as a Government are concerned about the welfare and livelihoods of the people we represent.

I would suggest that those of us who have not had an opportunity to visit those areas cannot begin to imagine the devastation that exists. I had the opportunity to visit there. I live in proximity to one of the major fires in the Camp Gagetown area, something about which I will speak in a few moments. It really shocks the soul, to say the least, to drive through an area that the week before was a beautiful, green area with marvellous foilage, and see it turned into something reminiscent of Dante's Inferno. It is so very shocking to see.

In the few brief moments I have, I would like to show how integral the forest industry in Atlantic Canada can be to the economy of the nation as a whole. As I have stated, and it is important that we recognize the significance of this to Atlantic Canadians, Canada's forest industry across the nation from the Pacific to the Atlantic is a multimillion-dollar concern. It is the single largest industry in New Brunswick and is obviously essential to the economies of Newfoundland, Nova Scotia, Quebec, northern Ontario and the northern parts of the prairie provinces.

The forestry sector is the single largest employer in Canada. It employs 450,000 employees directly and indirectly with annual wages and salaries that total in excess of some $10 billion. It is our biggest foreign exchange earner. A serious setback such as the one we have experienced in Atlantic Canada will be very difficult for us as a nation and a Government to address. It provides unimagined setbacks to our economic renewal. The dollar value of this setback is, at this particular stage, very difficult to calculate, but the one thing of which we are sure is that the economic impact will be significant.

The New Brunswick forest industry accounts for some 16,000 jobs directly and another 20,000 jobs indirectly. As I have mentioned, that is equal to one in seven jobs in the Province of New Brunswick. The industry is worth in excess of $1 billion to the province.

I feel that the losses we have incurred should be brought into perspective with reference to the recognition of how long it takes a forest to grow. I mentioned two major forest fires which occurred previously. One of the tragedies of this situation is that the forests that were devastated in 1934 and 1944 were just about to come into production. Part of those lands have again been burned.

It would be remiss of me not to mention the very substantial efforts of the thousands of people and the volunteer fire departments across Atlantic Canada which have assisted in extinguishing these blazes. They have risked their lives this past weekend. In New Brunswick alone, hundreds of people reacted to this very serious and risky situation without thought to their own personal safety in order to save homes, property and, no doubt, even lives.

As I mentioned before, I have been there. I have seen it; I was in the middle of it. I was in a community where an evacuation order had been put in place. In the Gagetown area from where I come, it has been recognized by the military that that particular fire started as a result of live shelling. This afternoon I called upon the Government to accept its responsibility and ensure that the residents of that area, some of whom lost homes or hundreds of acres of woodland, are adequately and fairly compensated.

I appreciated the response of the Associate Minister of Defence (Mr. Andre), although I was somewhat concerned by his remarks to the effect that: "if the Government accepts responsibility for that". There has been a statement by Department of National Defence personnel indicating that indeed the military was responsible for starting those fires. How this will be addressed over the coming days and weeks remains to be seen. However, I hope that the Government will act with compassion and respond positively to the concerns of these people due to the utter devastation they are personally experiencing.

Again, I reiterate that this situation is a very difficult thing for us to imagine. If it were not for the volunteer fire departments, 18 of which came from my constituency and surrounding areas, which responded to that fire in the Gagetown region, it is difficult to imagine the sort of destruction and havoc that would have been wreaked upon the area. When I drove through the area I saw an A-frame house in the middle of the woods, obviously placed there because of the solitude and tranquility of its location, and this house was not touched or scorched by the fire. However, all around it charred trees stood *en masse*. There are several examples of that sort of thing. It was only due to the heroic efforts of volunteer fire departments that that real property was saved. Unfortunately, that has changed an entire way of life.

I am sure that tonight some people are sitting in their homes amid charred exteriors thinking that they probably would have been a whole lot better off if their homes had gone up in flames to begin with. It is a fact of life, however, that people are prepared to accept what happened. They now expect that

the Government will respond in a fair way. I am certain that is the kind of response these people will receive.

The economy of the Atlantic region is delicate at best. A catastrophe of this proportion drastically affects our economic wellbeing. I call upon the federal Government and upon provincial Governments to initiate joint action to put forth programs which help Atlantic Canadians adjust to the very difficult situation they have now experienced and are still experiencing in some parts of Atlantic Canada.

• (2020)

The Government should address the fact that Atlantic Canadians are now faced with additional economic difficulties which they do not need in an area of the country where unemployment is unacceptable at best. I assure the Government that we in Atlantic Canada are not looking for handouts. However, we require policies which will help sustain the Atlantic forestry sector and subsequently the national forestry sector while we have an opportunity to recover from the difficult situation in which we find ourselves. Without Governments at all levels addressing this issue, we will not be able to deal with it on our own accord.

I appreciate the opportunity to bring this matter before the House, and I look forward to the comments of my colleagues from Atlantic Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, thank you for this opportunity to take part in this important emergency debate on the forest fires that have ravaged the Atlantic provinces.

First of all, I want to congratulate the Hon. Member for Fundy—Royal (Mr. Corbett) for asking the House to consider his motion to have an emergency debate on the situation in the Atlantic provinces.

I fully support his motion, and I hope that the other Members from New Brunswick and the Atlantic region, and all the Members of this House, will give their support as well.

Mr. Speaker, we obviously have here a very urgent situation that has required and still requires constant co-operation among the various groups involved, to keep the situation from getting worse. Even if the fires have now lost their intensity and the situation seems to be under control, nevertheless, the situation that prevailed during the past week can still be labelled as disastrous.

Mr. Speaker, it is a disaster. In the province of New Brunswick alone, 140,000 acres were destroyed by over 65 forest fires. One hundred and forty thousand acres is 25 times as many fires we had last year. One hundred and forty thousand acres represents almost a year's harvest, the harvest of an entire year. So we can say we have lost the equivalent of all the wood that can be cut in a year, which represents millions and millions of dollars for the economy of the province of New Brunswick, and of course thousands of jobs. I am sure that the fires that raged in Newfoundland were similar in their impact to those in New Brunswick.

Mr. Speaker, this debate is of primary importance for the province of New Brunswick, because the forestry industry is one of the most important, if not the most important industry in that part of the country.

I would like to give a few statistics, as did my hon. friend from Fundy—Royal, to show how important this sector is to us. First of all, 33 out of 67 industrial communities depend on the forestry sector. New Brunswick has the highest percentage of land in forest production of any Canadian province. In fact, the province has 6 million hectares of forest, which represents 58 per cent of the province's total land area. Forty-nine per cent of that are Crown-owned lands, including 2 per cent belonging to the federal Government. Eighteen per cent of forest lands belong to major companies, while private individuals own 33 per cent of the lands, which is quite a lot by any standards. With so much forest lands, Mr. Speaker, you can appreciate that this sector is vital to New Brunswick.

From an economic viewpoint, the total output of the forest industry is 515 million cubic metres: 55 per cent softwood and 35 per cent hardwood. There is no denying that the forest industry ranks first in New Brunswick.

The over-all production gross value is over $1 billion, which is close to 25 per cent of goods produced in the Province of New Brunswick.

In terms of exports, the forest sector accounts for 39 per cent of the province's total export trade. These enlightening statistics give a clearer picture of the devastating impact of these many fires which have damaged a significant part of this natural wealth which is so essential to the economy of my province, an economy that is faltering at times, like that of the three other Atlantic provinces.

As you would know, Mr. Speaker, regional development is not a new problem in Atlantic Canada. Our economy depends heavily on Government assistance. This year, unfortunately, we have had a streak of bad luck, as if we could afford it.

Our unemployment rate is still 15 per cent, and no progress has been made in that respect over the past year. Youth unemployment is even higher than the 15 per cent adult population unemployment. According to the latest figures, about 30 per cent are unemployed. It is totally unacceptable. It is not only forests which have been lost in New Brunswick because of the many forest fires, but also jobs and houses. Families have also been dispersed.

Since the forest industry is so important in New Brunswick, many jobs are directly or indirectly related to it. We can just look at the figures. Forestry alone represents 16,000 jobs. Another 20,000 jobs are indirectly related to this industry. In other words, in New Brunswick, one out of every seven jobs is related to the forest industry. That means that one out of every

seven people works in the forest. That is a lot. This industry represents $250 million in wages each year.

This loss, especially in wooded acres, represents the loss of hundreds of jobs, and this is certainly no laughing matter if we look to the future. In view of an unemployment rate much higher than the national average, a rate which is the second highest in Canada, the future looks far from promising. I must admit that there is nothing that would tend to contradict this outlook.

• (2030)

Recently, the federal Government reduced its allocations to employment strategy programs. No funds were allocated for this fiscal year. The funds are frozen even though hundreds of projects have been submitted. People want to work. These are good people who only want to work.

Many of them and many communities are just waiting for their projects to be accepted to create these jobs, but the Government does nothing. Why is the Government waiting? For the unemployment rate to go even higher? It is already unacceptable.

In view of the recent disaster in New Brunswick, I explicitely ask this Government to act as soon as possible, and I ask the Members Opposite to put pressure on the Government in this regard. Incentives must be provided immediately. The employment problem in New Brunswick . . . I am sorry, Mr. Speaker, but I have a bad flu coming on; it has nothing to do with the forest fires. I was saying that the employment problem in New Brunswick requires immediate action and the recent disaster makes us realize that we have to create jobs because an unemployment rate or 15 per cent is much too high and these people have to be put back to work.

Also, the consequences of this disaster were not limited only to its impact on the economy, for there was also an impact on several affected families. As a matter of fact, several houses, buildings, barns and private wood lots were burnt to the ground. Mr. Speaker, we must ask ourselves if the Government should not come to the aid of these families. We could compare fire with other natural disasters such as floods and storms for which the Government has often provided assistance. Therefore, Mr. Speaker, I ask the question: Will the Government in this case provide some assistance? I sincerely believe that it should do so and surely my honourable colleagues from New Brunswick believe so too. The federal Government should indeed discuss forthwith this matter with the provinces to determine an action plan, for the situation is most urgent.

On the other hand, the Government appears to be responsible for the action of the military at CFB Gagetown who started one of the biggest fires in the province. Now, I think that the military authorities have admitted and accepted the responsibility for this fire which burnt the facilities on the base and several homes to the ground. This afternoon, we were told in the House that there would be an investigation to determine who was responsible. I sincerely wish that this investigation will take place as soon as possible and I suggest it would be fair for the Government to offer right away some support to these families, because they are homeless, their homes having been burnt down. I believe therefore that we have a responsibility and that we should consider helping them.

But this fire in Gagetown was only one among 60 others. Near my riding, a fire started in the Kouchibouguac National Park, an area which attracts visitors by the hundreds of thousands every year. Fortunately, this fire was brought under control before it had time to cause too much damage. Yesterday, I flew over that region and I could appreciate the good work the volunteers have done fighting the forest fires. The situation in the New Brunswick forests was explosive. I could see from high up in the air where the fire had burnt and, in several places, where it had jumped 100 metres and even more.

I mention this to underline that the people fighting the fires were risking their lives. Most of them were volunteers. I should like here to pay tribute to these people for their work, dedication and willingness to leave their homes and try to save the New Brunswick forests at their own risk.

I should like also to thank the other provinces which have come to our assistance, as well as the State of Maine. I can assure you that the people in Atlantic Canada will not forget this assistance, this gesture made in friendship.

Since several of these fires were caused by human errors, probably neglect, should we not better educate the public? During a week-end broadcast, I heard people say that they did not really mind the forest being destroyed, since it belongs to big corporations. I suggest we should take this opportunity to tell people that the forests belong to us. It is part of our heritage. We should preserve them. Above all, we should use them to create jobs.

I mentioned a while ago that our unemployment rate is very high. That is true. That is unacceptable. Why not take this opportunity to establish new reforestation programs? We hear people say: The forest does not provide as many jobs as it is believed because the whole cutting process is made with machines. Well, we could decide that the whole reforestation should be handmade and not machine-made. That is what people want. They want jobs. They want to contribute to the economy. They are not satisfied with staying home and collecting unemployment insurance or welfare benefits. They want to work. Perhaps we could draw a lesson from this situation, a disaster just the same. Perhaps people could benefit from it.

I urge therefore the Government to set up reforestation programs to make it possible for people to work and try and save the wood which has not been destroyed, because I believe that some of the wood can still be saved.

To conclude, Mr. Speaker, I should like to say that the time has come for the Government to act. Empty promises are not enough. That simply will not do. It must act, find a

way to recreate what we have lost while providing jobs for people living in Atlantic Canada.

Also, I am happy that this debate took place and that I could contribute to it together with my colleagues from New Brunswick and the other Atlantic regions, no matter their political affiliation. Indeed, Mr. Speaker, if we can achieve something here tonight, make the Government face up to its responsibilities and react promptly to this situation, we will have done a lot. If I think we can do something here tonight, I tell myself that we will be ready to launch another debate of great importance to New Brunswick, a debate on the Moncton CN shops which provide work for 1,200 residents of the southeastern region. I feel confident that my New Brunswick colleagues will then rise again to defend the interests of our province.

As I was saying, Mr. Speaker, this is a time for action and the Government has several options. With sound planning and especially financial assistance, one is justified in believing that everything is not lost by any means. What is needed is political will, the kind of political will which so far has not been particularly obvious, almost missing in fact.

If the interest of the Atlantic provinces is a priority of this Government, Mr. Speaker, now is the time to prove it.

• (2040)

[*English*]

Mr. Deputy Speaker: I will recognize the Hon. Associate Minister of National Defence (Mr. Andre).

Mr. Murphy: Mr. Speaker, I rise on a point of order. The precedent of this House is that on any type of debate each of the three Parties is allowed one speaker at the very beginning. After that you may recognize the Members as you prefer. However, there has not yet been one speaker from the New Democratic Party. The Hon. Member for Skeena (Mr. Fulton) was definitely on his feet seeking recognition.

Mr. Deputy Speaker: There is no order of precedence for speakers in this House, as the Hon. Member knows. It is entirely within the discretion of the Chair which tries to balance the list of speakers according to the issue and the numbers present in the House from each political Party. It is the intention of the Chair to recognize the Associate Minister of National Defence and then the Hon. Member for Skeena.

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the very serious and, in many ways, tragic events of the last few days in Atlantic Canada, particularly in New Brunswick and Newfoundland, are of grave concern to the Government and members of this Party. It is significant that, given his unbelievably heavy schedule, the Prime Minister (Mr. Mulroney) alone amongst the Party Leaders, has viewed this as serious enough to be in the House this evening to participate in this debate.

Mr. Fulton: Mr. Speaker, I rise on a point of order. One thing I am aware of that pursuant to the rules of this House, regardless of your previous ruling, it is inappropriate for Members of this House, Ministers or otherwise, to comment on the absence or otherwise of Members of the House.

Mr. Deputy Speaker: The Member, of course, is correct. The Associate Minister of National Defence has the floor on debate.

Mr. Andre: Mr. Speaker, the Hon. Member is right. I hope he will remind himself and members of his caucus of that during Question Period when he frequently has reason to make those kinds of observations. I think it is significant to note the presence of the Prime Minister and his concern about this very important natural tragedy which has occurred in Atlantic Canada.

With the exception of federal lands such as the Northwest Territories, forest fire control is a provincial responsibility. However, our experience over the past decade has taught us that forest fires are a national problem. Furthermore, the Government has recognized that the need for a sustained wood supply and improved forest management are matters of national concern.

We and the provincial governments, as well as the forest industry, are spending large sums on forest management. Over the next several years through joint federal-provincial Forest Resource Development Agreements we will spend about $1.1 billion on forest management across Canada. This is a major investment and if we are to realize our present and future forest production goals we must significantly reduce our forest fire losses.

Accordingly, the federal Government has provided substantial assistance for provincial forestry programs such as the Forest Resource Development Agreements, the purchase of water bombers, and support for the Canadian Interagency Forest Fire Centre which is headquartered in Winnipeg to share information and resources to better fight forest fires. The provinces contribute two-thirds of the agency's cost and the federal Government contributes the remaining third. During fire emergencies in one province the agency arranges fire fighting aid from other provinces. During last week's Gagetown fire in southern New Brunswick, for example, two CL 215 water bombers from Quebec were involved in the aerial assault on the fire.

Incidentally, there is also a formal agreement between Canada and the United States which allows individual provincial and federal agencies to deal directly with American federal agencies as the need arises without going through complicated channels of approval every time. That led to the State of Maine providing water bomber assistance to New Brunswick. The Canadian Interagency Forest Fire Centre co-ordinates these across-the-border exchanges of resources.

We are also strengthening our aerial fire-fighting capability through a co-operative program with the provinces which will

provide 29 CL 215s by 1988, 12 for the provinces and 17 for the federal Government. Four of the federal water bombers will be based in the Northwest Territories and the remaining 13 federal planes will be leased to appropriate provinces for a nominal sum. All provinces have agreed to share their water bombers during forest fire operations, a sharing that the Canadian Interagency Forest Fire Centre will co-ordinate under the Mutual Aid Resources Sharing Agreement.

During the past two weeks we have witnessed a real tragedy. Dry, hot weather has resulted in an extremely high incidence of forest fires in the two provinces mentioned. Not only have we witnessed the destruction of thousands of acres of forest, but also of homes and personal properties. As well, lives and towns have been threatened by the ravages of fire. We are indeed fortunate that there has been no loss of life, even though I know the sorrow that is being felt by those who have witnessed the destruction of their properties.

Canadian Forces Base Gagetown had to contend with two major fires in its training area last Thursday. The most serious one managed to jump the fire breaks at the training area and threatened the village of Upper Gagetown. One thousand people were evacuated from the village. Finally, through the combined efforts of some 400 military personnel, many local civilians and provincial water bombers the fires were brought under control on Saturday allowing the residents to return to their homes.

Another major forest fire in the Tracadie area burned out of control for several days destroying some 60,000 acres of forest. To help in bringing this fire under control military assistance was sought. A 200-man force from the 2nd RCR, Gagetown, was dispatched last Friday. Over the weekend that portion of the fire which was threatening populated areas was brought under control. At CFB Chatham Base fire fighters assisted local fire fighters to contain a fire threatening the village of Douglastown and at CFB Moncton a small fire near the Town of Dieppe threatened the supply depot at the base. The base commander mobilized his base defence force until such time as the fire was brought under control.

In Newfoundland last Friday, when a fire threatened the towns of Grand Falls and Windsor, residents most threatened had to be evacuated. At the request of the RCMP local militia assisted in traffic control and security of vacated homes and buildings. As well, a 50-man force from the Grand Falls company of the 2nd Royal Newfoundland Regiment was deployed and assisted police until Sunday when the fire was brought under control. I am proud of the efforts of our Armed Forces personnel in helping in this way.

There has been much discussion about the cause of the fires at CFB Gagetown, two of which were serious, the most serious of which leaped a fire break and threatened the town of Upper Gagetown. Upon hearing this I immediately ordered an inquiry. The fire marshall had already left mobile command headquarters St. Hubert for Gagetown to personally investigate the cause of the fire. I have given orders that a board of inquiry be set up immediately and that it proceed with dispatch to deal with the causes of the fire as quickly as possible so that any compensation due any of those who suffered personal losses as a result of a fire can be dealt with expeditiously and, as I indicated earlier today, with generosity.

• (2050)

I suppose it is with some embarrassment that I have to admit we have some experience in this sort of thing. There have been times when actions taken by the military while on mobilization have caused personal property damage. We have a procedure in place involving boards of inquiry. I am especially interested that this board of inquiry not take a lot of time or be involved in unnecessary legal wrangling. The money spent should go to the benefit, if appropriate, of the people who have suffered damages and not be used up by legal fees through endless weeks and months of wrangling.

Some Hon. Members: Hear, hear!

Mr. Andre: I am assured that that will not happen and I commit to the House that I will keep the situation under active observation. I do not want to prejudice the inquiry with respect to what it might find other than to indicate that I have instructed the military not to find legalistic ways to avoid their responsibility. On the other hand, they have to conduct a fair and proper inquiry. I am not asking for patience. If the Hon. Member for Westmorland—Kent (Mr. Robichaud) or my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), because of their proximity to the situation, have information which would be useful to me in pursuing the objective we all share, I invite them to contact me. I think we have similar interests in this regard.

The only other comment I would like to make at this time is with reference to the existence of a disaster financial assistance arrangement between the federal and provincial Governments, and I bring this to the attention of the House. It is administered by Emergency Planning Canada which, although a separate agency, does report to the Minister of National Defence (Mr. Nielsen) and for which I am responsible. This arrangement has been in place for some 15 years and is there to provide assistance when dealing with damage to property or individuals as a result of natural disasters. There is a cost-sharing formula. The first dollar of costs, on a per capita basis, are the responsibility of the provinces. In other words, for New Brunswick, the first $750,000 in costs would be the responsibility of the provincial Government. The next $2, or $1.5 million in total, is shared 50/50. The next $2 above that, or $1.5 million in total, is 75 per cent federal and 25 per cent provincial. Anything above that is 90 per cent federal and 10 per cent provincial.

There is a reasonable and fairly generous, indeed unlimited in total, plan in place for financial assistance in case of a natural disaster. The initiative rests with the provincial Government. They must make a request for such assistance. There is a provision for an interim payment until the final amount is determined and all requests are submitted as a

consolidated claim and then subject to audit by the Department of Supply and Services. The provincial Government is well aware of that arrangement. The Minister responsible, Mr. Jackson, will be examining his alternatives in that regard, I am sure. I simply want to point out that we have used this arrangement on a number of occasions, most recently for a flood in the Northwest Territories within the last month. It is there and available to help.

Natural disasters are just that, disasters. We wish they did not happen. We are grateful that in this instance there was no loss of life. We are sorry about the loss of property. I hope and believe that we have taken all necessary action to ensure that the damaging effects of the loss of property are ameliorated to the best of our ability. I think this Government's commitment to forest industries is demonstrated by the existence of the Ministry of State for Forestry and the very generous forest management funds which will be spent in the next few years, as well as our ongoing commitments to forest fire-fighting equipment. This is an important part of the forest management program.

Some Hon. Members: Hear, hear!

Mr. Jim Fulton (Skeena): Mr. Speaker, the issue of the fires burning over the past week in eastern Canada is most serious, and I am pleased that we have an opportunity for an emergency debate on it. There has been an enormous loss of our national forests, provincial forests, and in many cases private woodlots. The fires have primarily been in Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick. Newfoundland has had the worst fires in 25 years. Some 17 major fires have burned over 81,000 hectares of forest land. That is in excess of 300 square miles, which is larger than some countries.

The worst fires on record in Newfoundland were in 1961 when 4 per cent of the province was razed. Some 400,000 hectares were lost and 8,600 people had to be evacuated as their homes were endangered by the fires. The worst fires have been near Great Gull Lake and Westport on the northeast coast of Newfoundland. Water bombers have been sent from as far away as Saskatchewan to assist in putting out some of these very large fires. This past Saturday some 1,000 or more people were evacuated from their homes in Grand Falls and near Windsor in Newfoundland, and also at Gander and near Baie Verte.

At the same time, in New Brunswick, over 1,000 people were evacuated from the nearly 100 forest fires burning in the region. In New Brunswick the fires have claimed close to a full year's harvest, and 25 times as much forest land has burned this past week as was lost in the whole of last year, some 40,000 hectares, or over 150 square miles. As one Member who spoke previously pointed out, many more tens of thousands of hectares of brush and scrub land have also been lost. There have been about 50 fires in New Brunswick, 11 of which were out of control at one point or another over the weekend in the areas of Newcastle, particularly near Tracadie, which was levelled by fire in 1935. Many of the trees burned near Tracadie had reached the stage of maturity and were about to be harvested.

Great efforts have been made by forest industry workers, government workers, volunteers and the Salvation Army. There have been many heroes, yet unsung, who put their lives on the line to protect homes and property and in an effort to put out some of these large fires. Ontario sent a Canadair 215 water bomber to New Brunswick. Other planes, 35 in total, have been there fighting the fire, including some from Quebec and, as the Associate Minister of Defence (Mr. Andre) pointed out, through our agreement with the U.S., from the State of Maine.

One of the questions which remains unaddressed by the Government so far is what is going to happen to private woodlot owners. This is clearly and primarily a provincial responsibility and we can only hope there will be an early joint statement from the federal and provincial Governments, particularly regarding reforestation of some of those private lots and Crown lands which have been so severely damaged.

One thing I find peculiar is that the companies have been making statements, today and yesterday, indicating they can continue their harvesting simply by altering their cutting plans. This is not possible for many of the small private woodlot owners and I certainly understand that. Although my grandfather moved west around the turn of the century from New Brunswick, for the century and a half before he moved his family operated, and continue to operate a furniture factory that required the operation of a number of woodlots to provide the hardwood. I know how deeply the loss of private woodlots can affect individuals.

The Minister indicated there are plans under way to compensate those affected as a result of the Gagetown accident and that he has initiated an investigation and board of inquiry to look into it. It is clear that the fires were due to shelling, apparently from a misfired missile. We have to look at the evidence given by Captain John McComber, who is reported to have known the fire danger was listed as very high, and that during target practice last Tuesday, they continued to use high explosive live ammunition, for the reason he gave publicly, so that the shells being fired some 10 to 15 kilometres away could be viewed through binoculars.

• (2100)

Under further questioning, it is interesting to note that Captain McComber pointed out that during conditions which are listed as extreme, the target practice is halted and they use white phosphorus ammunition only, which has no incendiary capacity, as did the highly explosive ammunition that was used on Tuesday, which caused an extremely damaging fire in the Gagetown area.

In that fire, 1,000 people had to be evacuated from their homes in and around Upper Gagetown and Burton. On Friday the Moncton airport had to be closed for about an hour. There

had been millions of dollars of damage in that immediate area to the forest, to say nothing of the wildlife, the dozens of homes, barns and cottages that were lost.

In Nova Scotia over the weekend, and in the last few days of last week, there were 36 fires, six of which got out of control. The largest was in Guysborough County near Waverly. In Prince Edward Island, there had been some small fires which are now under control. The largest fire was near Antigonish.

I come from an area of the country where fires are a severe problem. As you move west from the Maritimes and Ontario, since April 1 there have been 350 small forest fires, fortunately all of which have been put out without a great deal of damage. It raises some questions this House should be addressing itself to during an emergency debate as to what we should be doing as a country. I will come to that in a moment.

The majority of the fires have been caused by human carelessness, most of them started as brush fires, people burning off grass or brush land, and garbage fires. That raises one of the issues we should be addressing, which is in terms of public education on fire safety itself. I am sure television and radio stations throughout the country would be eager to accept quality, small, to-the-point ads produced by the Canadian Forestry Service or Environment Canada, or by the provinces, that could be put on the air prior to the forest fire season, advising people of the dangers of small brush fires, garbage fires, chimney fires, and so on, and what the effects can be.

It is only in a country so large geographically as ours that we could possibly stand to lose the hundreds of thousands of hectares we lose every year, hundreds of millions of dollars in good standing forests that are lost. In my area and in some areas of Ontario, these fires are simply left to burn themselves out. No serious attempts are made to put them out simply because we have a lot of rural forests we do not yet have under any form of logging or harvesting.

In looking at these kinds of emergency situations, we have to look at some examples of the tragedy which occurs. Ken Banks near Upper Gagetown is an example of how the tragedy only strikes home when you look at what has happened to someone such as him. Mr. Banks, 58 years of age, was employed as a carpenter and a part-time farmer. He lost his century-old family home and all of his farm outbuildings to the fire that started near Gagetown. In Catamaran Provincial Park, 15 cottages were razed. Local wildlife officers flying over could see the moose being burned in the fire, to say nothing of the tens of thousands of birds and small animals that would have perished in these extremely hot and fast moving fires.

On the issue of Gagetown and the military accident, the Associate Minister of National Defence has promised a full investigation on compensation. It raises an issue that requires something further. For someone to have been in charge of that base and to have allowed that kind of high explosive artillery shelling to have been going on when the fire risk was very high raises some very real concerns in my mind about what kind of safety precautions have been discussed at that base, and perhaps at other bases.

I have touched briefly on the issue of better public education, and I will come back to that in a moment. I want to spend a moment talking about the need for more water and chemical-carrying aircraft. Something this House should look at, both during this debate and in committee, is the need to have a centralized co-ordinated force.

During the last Parliament, there was an opportunity for provinces to enter into a joint financing project between the federal and provincial Governments to provide water bombers that were made here in Canada. I know some provinces participated. My own Province of British Columbia did not fully take advantage of the program as I think it should have. In many, many cases the huge fires that occur in my constituency, which is 750 miles one way and 400 miles across the other, with very few roads going into areas where there are often fires, fighting by helicopter and aircraft is really the only way to adequately fight the fires.

We need to co-ordinate, perhaps through the Department of National Defence and the Canadian Forestry Service, a team with state-of-the-art equipment that can link properly into satellite technology, which is now available, infrared photography from high up in the atmosphere indicating where fires are moving, the intensity of the fire, where the nose of the fire is so you can get down and attack it properly with chemicals and water, where you cannot get at it with heavy equipment or ground crews. We need to look at that much more seriously than we have in the past. If we do not learn from these terrible tragedies, they will continue to repeat themselves time after time. We should not forget that a fire as recently as 1961 in the Province of Newfoundland consumed 4 per cent of the land base of that province in huge fires that managed to get out of control.

I call on the Minister of National Defence (Mr. Nielsen) and the Associate Minister of National Defence to take time to draft some kind of optional plan where they can look at the resources available presently in terms of Transport Canada, from people to helicopters, to the Department of National Defence, to various aircraft through the provinces, privately and so on, and come up with a co-ordinated approach.

They do trade equipment. As we have learned in this situation, equipment from Ontario, Saskatchewan, Quebec and Maine, has moved into these areas to assist. Looking over the longer term at the hundreds of millions of dollars in lost forest lands, the enormous amount of wildlife that is damaged and lost, the enormous property loss, I think it is the responsibility of the Government to take a close look at that kind of an approach and bring forward a national plan that is an investment in protecting the country, rather than dealing with it as we have to this point.

A point I have raised many times in this House is the need for a full federal ministry of forests. It was a promise during the last federal election. There is a hard-working Minister

holding the portfolio, the Minister of State for Forestry (Mr. Merrithew) from New Brunswick, but he simply does not have the support to do the job. He does not have a full Deputy Minister. He is forced to work out of Agriculture Canada in a dark room in the basement. He has very few staff and almost no budget. It is really only a ministry in name.

Although the Prime Minister (Mr. Mulroney) attended this debate earlier, it is the kind of thing he should be actively considering, which is making a Minister for Forestry responsible for this industry to all of Canada, a full Minister, as he promised during his campaign. This is the largest industry in Canada. It employs 300,000 Canadians directly and 600,000 indirectly. The losses we have sustained in these recent fires are only part of the over-all losses that affect us every year right from the West to the East.

One of the other matters that was not touched on by the two Government speakers this evening is the necessity for some special reforestation efforts. I was hoping, in having forced an emergency debate, there would have been somewhat more thought and examination put into what should really be done, rather than perhaps using this evening as a public relations exercise, as we learned with the previous speaker. We should look at reforestation, how to deal more effectively with the issue of chemical and water bombers, how to more effectively make use of the Department of National Defence and our Canadian Forest Service. One would hope these kinds of issues would have been the subject of the Government side in terms of making those proposals.

To give an example, the amount of money proposed by the Minister of State for Forestry to advertise that there is a federal Minister of Forests, $4 million between now and this fall, is enough money to plant 9.5 million seedlings, something which clearly is now required in the Provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick.

• (2110)

It is that kind of announcement that I and, I know, viewers from the Maritimes would have hoped would be coming, rather than this type of public relations exercise in which the Government indicates there will be a board of inquiry and there will be compensation. Maritimers are told that the first $750,000 will come from their province, the next $1.5 million will be split 50/50, the next $1.5 million will be split 75/25 and 90 per cent of the balance will be paid by the federal Government.

That does not address the serious concerns of people like Ken Banks, who lost a century-old family home and all of his farm buildings. He was preparing for retirement and he fully expected, as did many Maritimers, to know how the federal Government will respond. They want to know if funds will be put forward for reforestation.

What about those who have lost their homes and have no insurance? Will they have to go through the courts to determine who will cover the cost of lost and damaged equipment?

It was my hope that these questions would have been more thoughtfully examined by the Government because it has literally hundreds of thousands of public servants at its beck and call to assist it in preparing information for a debate such as the one taking place this evening. I am sure that those who have lost their cottages or homes have many questions they want answered.

In conclusion, I want to deal with the issue of wildlife. One of the Departments that was most savagely sliced and hacked in the Budgets of the Minister of Finance (Mr. Wilson) last year was the Canadian Wildlife Service. The fact that an incident such as this, that kills and maims enormous amounts of wildlife and displaces wildlife to other areas that are not their traditional habitat, raises the concern of Canadians from coast to coast about what kind of specialized efforts can be made by the Canadian Wildlife Service. That service no longer has the only wildlife pathologist it had because that person was dismissed last fall.

What are the terms of reference of the Canadian Wildlife Service? There are many people, such as bird-watchers, who are interested in the environment and would have liked to hear the Minister of the Environment (Mr. McMillan) address this issue.

I am pleased to have had an opportunity to express some views in this debate, but I must say that I am somewhat saddened that government Members, including the Minister who spoke, chose this as an opportunity for a public relations exercise so that the headlines in the Maritime newspapers might read: "Emergency debate forced: Prime Minister was present". I suggest it would have been more appropriate to have taken some time to find real answers for people like Ken Banks who lost everything he owned.

[*Translation*]

Mr. Albert Girard (Restigouche): Mr. Speaker, I wish to join my hon. colleagues in the House in deploring the substantial losses caused by forest fires in my province.

I was listening earlier to my hon. colleague from Westmorland—Kent (Mr. Robichaud), when he said that we had no political priorities. I think the presence here this evening of the Prime Minister (Mr. Mulroney) and five members of his Cabinet shows that our party has a political priority and that the forests in the Atlantic provinces are very important, and at this point I wonder where the two Opposition party leaders are.

However, I would also like to comment on the action taken by the federal Government, with the provinces, to help develop and protect our forests.

The federal Government has spared no efforts to provide assistance to the province of New Brunswick throughout this very difficult period. I need hardly recall the primary importance of the forestry industry to the economic well-being of the entire Atlantic region. In New Brunswick, the industry is responsible for 23 per cent of the province's total production of raw materials and for two-thirds of its exports. Furthermore,

85 per cent of our forest lands are considered to be productive. As a result, forests provide the feedstock for the province's main industry. More than 36,000 people in New Brunswick depend on our forests for their income. The wage bill for forestry work represents $250 million. The gross value of the province's forestry products exceeds one billion dollars annually.

The federal Government has signed a five-year reforestation agreement with the province of New Brunswick, which expects to spend more than $77 million. The federal contribution will be $42 billion. Moreover, the Federal Government has allocated over $56 million to the Hugh John Flemming Forestry Centre now under construction in Fredericton. This will be one of the most advanced centres for scientific research in the world. After completion, it will employ over 400 workers. The Conservative Government is therefore doing something to help the people of New Brunswick.

The Canadian Forestry Service has also contributed over $2.4 million to build an auxiliary research centre in Edmundston. Located in one of the major forestry areas of the province, this centre will assure a federal presence which will give the various users of this service greater access to technology.

In addition, the federal Government administers a Maritime Forestry Centre in Fredericton, where researchers try to improve forestry management for the entire region.

The federal Government has also signed similar agreements with all other Atlantic provinces. Nova Scotia receives over $79 million, Newfoundland, over $48 million, and Prince Edward Island, $20 million. These amounts represent the combined federal-provincial contributions.

Since 1982, the federal and provincial Governments have decided to join their efforts at the request of the Canadian Resources and Environment Ministers Council. This is how the interservice Canada Forest Fire Centre was created. Its purpose is to coordinate and support forest fire fighting agencies throughout Canada. And here is a policy that has been established by this Government, Mr. Speaker.

The Centre's purpose is not to fight forest fires directly, but rather to monitor the forest fire situation in Canada. It also coordinates the allotment of water-bombers used to that end and other resources from either Canada or the United States. Earlier, a number of speakers referred to the resources supplied by the United States and other provinces—this is thanks to the Centre, that was planned and set up by this Government. The Centre also will play a very significant role in coordinating the distribution of the national fleet of CL-215's as soon as they are operational, under the terms of a co-operative, federal-provincial purchase agreement reached in 1984.

The governments participating in the Centre's programs include the Government of Canada through the Canadian Forestry Service, Parks Canada and Northern Affairs, and every provincial Government. The Federal Government is responsible for one-third of the Centre's operating budget for 1985-86. The remaining portion is covered by the provinces, in proportion to their productive lands surveyed within their respective juridisdictions.

The Centre is the hub upon which depend all established programs to control forest fires in Canada. Today, the situation in New-Brunswick is viewed as serious, according to data supplied by the Canadian Interservice Forest Fire Centre. The most significant fire was in the area of Tracadie. It destroyed more than 40,000 hectares. Another raged in the Newcastle area, and finally there was another fire at the Canadian Forces Gagetown Base, where some 6,000 hectares have already been destroyed.

The people in those areas had been evacuated, but those who lived there have now been able to return to their homes. Some buildings have been destroyed, but as of now we have no details on the extent of the damage. All fires are now under control because of favourable weather conditions in the last 24 hours. The situation is now generally stable, although firefighting will continue for a few more days.

In Gagetown, the Canadian Forestry Service provides integrated forest management and firefighting services to the Canadian Forces base there. Fire detection is done from four watch towers. Fire fighters include military personnel from the base and CFS employees. Fires on the base are fought by the army, with technical advice from the CFS.

Fires that extended outside the base were first fought by the army with the CFS's technical support, before a general alert was sounded.

Mr. Speaker, since forests are under provincial jurisdiction, I hope that my province of New Brunswick will request federal assistance to cope with this economic disaster because our forests are vitally important for us.

On Prince Edward Island, the fire risk was also extremely high. Several homes and buildings have been destroyed. Some areas were evacuated and several roads were closed. Things have now greatly improved due to better weather conditions. There remain only two fires which are also under control.

Nova Scotia experienced 40 fires last week and they are now all under control.

Similar circumstances were also found in Newfoundland where three large fires threatened the communities of Grand Falls, Windsor and Brown's Arm-Porterville. Several areas were evacuated while the fires were blazing during the weekend, but finally the people were told that they could return home. Conditions have greatly improved but supervision will be carried on for a few days.

As for the CL-215, some provinces have bought them under the terms of the federal-provincial agreements and they have already put these water bombers at the disposal of the provinces requesting them for emergencies. Quebec has provided water bombers to fight fires in New Brunswick, and Saskatchewan has also sent two planes which unfortunately

had to land in Ottawa due to bad weather. I would now like to thank the province of Quebec for its great help in this economic disaster.

When all provinces take an active part in this co-operative program, Canada will have at its disposal a fleet of water bombers which will effectively fight any fire, anywhere and whatever its extent. Canada is at the forefront of that kind of control and many countries are interested in such a program. For example, Chili has borrowed our water bombers to control fires in large forested areas in the Galapagos Islands.

The Canadian Forestry Service, through the technological transfer centre set up in Maniwaki administered by the *Société de conservation de l'Outaouais* has now other important tools to be used in fire control. As a result of computerized research, we will soon be in a position not only to deal effectively with fires but also to anticipate them so that firefighters be on the site at the outset.

The federal Government is ready to take its responsibilities following those natural disasters and will never hesitate to support the provinces and protect our forests against the elements.

Mr. Speaker, I should also point out that men and women have given their time and their assistance to fight those fires and we were terribly lucky in New Brunswick because there was no casualty. It is true that some material things are irreplaceable, but it is much more important to avoid all loss of life. Therefore I should like to thank all those who have helped New Brunswick in one way or another. I would even say that the Tory Government of Canada is taking all necessary steps to make sure that the economy of the various areas remains intact.

• (2120)

[*English*]

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to join with my colleagues on all sides of the House to participate this evening in this emergency debate. May I begin my remarks by complimenting the Hon. Member for Fundy—Royal (Mr. Corbett) in writing to the Speaker to request this emergency debate this evening. It is not only appropriate but gives Hon. Members, particularly those Hon. Members from the forest-producing regions, an opportunity to rise and speak about the disastrous consequences of the forest fires which have raged over the last several weeks in Atlantic Canada and to remind Members of Parliament of the importance of that industry to our respective regions. I also compliment the Speaker on his wisdom in understanding the importance of the forestry sector to our regions and granting this debate tonight.

In my own Province of Newfoundland over the last week, some 80,000 hectares of forest land have been burned and destroyed. Some 300 square miles of forest land are lost to the pulp and paper producing industries of our province and ultimately are lost to those people who depend upon that resource for employment. There have been equally disastrous consequences in the Province of New Brunswick where approximately 40,000 square hectares of forest land have been lost.

I want to say I am pleased that the Associate Minister of National Defence (Mr. Andre) during his remarks a few moments ago indicated he would move quickly to ascertain whether or not the Department of National Defence is responsible for the fire in the Gagetown area because of the use of live ammunition during the course of practice at a time when no live ammunition or fire practice should be carried on because of forest fire conditions. I am pleased to see he has responded to the representations made by Hon. Members of the House from New Brunswick. The Hon. Member for Fundy—Royal and the Hon. Member for Westmorland—Kent (Mr. Robichaud) have been vocal in insisting that one cannot assign the case of the Gagetown fire to an act of God or a natural disaster. Certainly it was exacerbated by the weather and by conditions. Nevertheless, the fire started because of a decision to proceed with target practice in what were already untenable conditions in the forest fire season in New Brunswick.

It is regrettable that sometimes it takes a disaster for Members of Parliament and, indeed, Canadians, to pull together, but that is what has happened over the last period in Atlantic Canada and that is what is happening tonight in this Chamber. Forest firefighters from the Provinces of Ontario and Quebec have dedicated their experience, knowledge and resources to combating the natural disaster in Atlantic Canada. That has also occurred in New Brunswick where Quebec waterbombers have been battling blazes in that province. It has occurred in Newfoundland as well where the Province of Quebec has provided men and equipment to fight its forest fires. I believe that speaks to the nature of this country. Despite our diversity and differences we can, when challenged, work and pull together for the betterment of all.

I want to take a moment to pay tribute to all of those firefighters, the professional fully paid fire-fighters, the pilots and crews of the Canso waterbombers and the people at the Department of Forestry in New Brunswick and Newfoundland. More importantly, I want to pay tribute to those volunteers who for no other reason than a sense of community and provincial pride, and sense of wanting to protect and preserve the resource so important to the affected provinces, took a tank up over their shoulders and went out into the bush to work at trying to bring those blazes under control.

In my own province, communities were perilled by the danger of fire. Citizens were faced with the threat of losing their homes. But they kept their heads and worked as a tightly controlled unit through endless days with very little sleep. Some of the fire-fighters took only three or four hours sleep over several days and nights in order to battle those blazes.

• (2130)

I want to pay tribute to the 700 residents of the small community of Brown's Arm, about 40 kilometres from Grand Falls, who kept their heads and worked with the fire-fighters for three days battling the blaze that threatened to destroy their community; to the people of the community of Porterville, faced with evacuation of their community as well; to the people of the twin towns of Grand Falls and Windsor who were faced with the same kind of conditions; and to the fire boss in that particular region, Clarence Fudge, who, with only a number of hours' sleep over several days, managed to keep coordinated and together his team to launch an effective battle against the blaze that was threatening homes and property in that part of the province.

I said a moment ago that sometimes it takes a natural disaster for us to learn to pull together and to set aside our differences, whether partisan and in the House or provincially. Maybe that spirit of unity and of shared values is what we should reflect upon tonight, not just in paying tribute to those brave people who fought the disastrous blazes in New Brunswick and Newfoundland, but in reflecting upon capturing and keeping that spirit and asking ourselves what we can do as Members of Parliament to make better the tremendous losses that have been suffered.

In the case of Gagetown, if the military is responsible, the Minister has told us that the military will pay and pay quickly. We welcome that, but not all fires were caused by the military. Many of them were acts of God or perhaps acts of carelessness. Nevertheless, there is no one to point a finger at.

What can we do for Newfoundland where 300 square miles of a resource that is essential to the operation of three pulp mills has been lost? I suggest and only suggest—I demand nothing— that the Government consider in a non-partisan way the following suggestion. In Newfoundland, New Brunswick and perhaps British Columbia as well, notwithstanding the recovery generally seen across the country, the unemployment rate remains high. The Province of the Hon. Member for Fundy—Royal, my province and the Province of British Columbia have not shared in the recovery touted across the land.

I suggest that the Government look seriously, given these losses, at a program of massive forestry investment, a program that would save many Canadians who find their way on federally sponsored job-creation programs that last for a short period of time and are sometimes of questionable value, though many of them are excellent. Let us use that money and manpower and reinvest it in our future.

Given the tremendous losses in provinces where these resources are vital, let the Government come forward with a plan that will have two effects. On the one hand, it will alleviate the high, crushing level of unemployment and on the other it will invest, just as farmers invest in their crops every spring, in a resource that will give us a yield four, five or six generations from now. For every 10 cents that is put into a tree today, down the road that 10 cents will yield a return of tens and tens of dollars.

Given these massive losses, this is indeed the time for the Government to consider this kind of program. The prototype of this program has already been worked out. I mentioned earlier that water bombers from Quebec came to the aid of New Brunswick and Newfoundland, but the prototype of the program about which I am speaking has been developed in British Columbia.

The mayors of Vancouver Island put together a proposal saying to the Government: "We need employment on Vancouver Island. Our unemployment rate is high. All we ask the Governments for are the tools. We are not going to try to develop a silicon valley on Vancouver Island, we are not going to try to develop a manufacturing industry where one currently does not exist, we are not going to try to turn Vancouver Island into a suburb of Toronto, we are only going to enhance our natural resource, the forest. We want to put people to work and we want to give them the dignity of a job but we want an investment in our future at the same time". That is the kind of innovative thinking that should be occurring now. It should involve not only the participation of the Government of Canada but the active participation, financially and otherwise, of the Governments of the affected provinces.

If the forested land, much of it prime timberland, is not replaced, it cannot be harvested later. That means, as sure as we sit in this House, that jobs in the future will be lost because the trees simply will not be there to be cut. These are not hypothetical trees. These trees have to be replaced.

The only way New Brunswick and Newfoundland can continue with their current levels of production is by overcutting 10 or 15 years from now. The only way they can overcut is by dramatically increasing silvaculture programs so that downstream there will be an even greater amount of timber to be harvested than would have otherwise been the case.

This proposal I ask the Government to consider is not one that will simply create short-term jobs, though it will do that. It is not one that will simply invest in our future, though it will do that. It is one which is necessary to maintain Canada's place in the world pulp and paper markets.

We talk about unemployment so much in this place that we lose our ability to see the human face of unemployment. We tend to think about 9 per cent, 12 per cent and 14 per cent unemployment rates, 29 per cent in my riding and only 16 in another riding. We read the unemployment numbers as if they were pieces of paper off the stock exchange telling us which way the stocks went, up or down. We forget the human face.

This weekend I was in a little community in my riding called Lark Harbour. I met a gentleman in Lark Harbour who has maintained his family in that small fishing village for most of the last 20 years by going away for six months of the year and working. This man had always been proud of himself because, despite the fact that he lived in a place of high unemployment, he did whatever he had to do and went wherever he had to go

to have the dignity of a pay cheque, to know that the sweat of his brow went into earning that pay cheque so that he could maintain his family. That was important to him. Sure there was a social agency that would have looked after him had he stayed at home, but he always travelled and he usually went out West. He told me that this was the first year that he had travelled and come up empty handed. He could not find a job. It was not good enough for him that he could go home and have someone look after him. What was involved for that gentleman was the dignity of a job and the self-esteem and sense of worth that comes with work.

Once in a while, all of us need to be reminded of what we mean when we talk about the unemployed. Even though I live in a district which has unemployment that is much too high, and even though it is probably a terrible admission for an Hon. Member who comes from an area with high unemployment, as I left that community and drove away, I had a new sense of urgency, which had been personalized by an individual, about the ugly side of unemployment and how shattering it is.

• (2140)

I urge the Government and all Hon. Members to try to find the seeds for something good within the disaster we have just experienced and are still experiencing. At the present time seven fires are out of control in my province. I ask them to respond to that disaster by more than just words, as all of us have expressed, admiring the heroics of the people who fought the fires. They should ask for more than support, help, and empathy for those people who lost property. Property has been lost in Newfoundland as well. They should look upon this as an opportunity to put the gentleman in Lark Harbour back to work. He wants to work. He wants the dignity of a job. He wants to know that he is investing in his province. I urge them to put him back to work and to build upon our forestry resource.

Those are my comments. I hope Hon. Members of the House can take that idea and run with it. I hope it can be our contribution of gray matter as Members, as humble as it might be, to a solution to unemployment in a hard-pressed region which dedicates some resources as an investment in the future. I hope tonight will be the beginning of a regional approach by Members of Parliament, irrespective of party colour, so that we will do in the final analysis what we were sent here to do, that is, represent the interest of our constituents and make a contribution to Canada at the same time.

Some Hon. Members: Hear, hear!

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, my first duty, as I rise to speak this evening, is to thank the Hon. Member for Fundy—Royal (Mr. Corbett) for seeking this opportunity to debate the devastating forest fires which have ravaged the Atlantic provinces for the past several days. Also, I should like to congratulate all Hon. Members who have spoken previously in this debate. I especially congratulate the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). In fact, he very eloquently described the situation as it pertains to Newfoundland. As a result, he somewhat lessened the time that I will take this evening to speak a little about what has occurred in terms of the forest fires in Newfoundland.

Most generally when we speak of industries in Newfoundland, everyone automatically thinks of the fishing industry. The fact is that the forest industry is equally as vital to our provincial economy as is the fishery. In 1984, the forestry processing sector accounted for about 25 per cent of all manufacturing employment and income in Newfoundland. I suppose we have about the same amount of gross national provincial product from the fishery and slightly more from mining, so we see how important the forestry industry is to Newfoundland.

Over the past several days Newfoundland, like the other Atlantic provinces, has been severely hit by numerous fires. I believe at the present time there are somewhere in the vicinity of 13 fires still burning in Newfoundland, seven of which are out of control. This evening I checked with the Hon. Leonard Simms, Minister of Forest Resources and Lands for Newfoundland, and was appraised of the situation to date. At this time it is difficult for anyone to ascertain exactly how much merchandisable forest has been destroyed. Many of the fires have burned over bog lands, and it is almost impossible to ascertain how many trees have been destroyed.

I wish I were able to be as happy this evening as I was slightly more than a month ago when I was in Newfoundland and had an opportunity to witness the signing of a forestry agreement between the federal and provincial Governments. At that time I was enthusiastic about this year's reforestation program in which approximately $12 million will be put into forestry activities. I am sure there was no one present then who anticipated the big losses which have now occurred as a result of the forest fires. This year forest fires are approximately three weeks or more ahead of what they would be in normal weather conditions in Newfoundland. This is mainly because we had a low winter snowfall and windy spring weather with record-breaking temperatures. The land or the forest floor has dried out earlier than usual.

As the Hon. Member for Humber—Port au Port—St. Barbe stated, up to this point in time approximately 1,300 square kilometres has been burned over. Not only has there been damage to trees and so on, but there has been also been some personal property damage. I believe two homes were destroyed around the Grand Falls area. Also in that same vicinity I believe 31 summer cabins, a warehouse and an unoccupied residence were destroyed. As well, two provincial parks have been damaged.

There was a time just last week, on Saturday, when fire caused damaged to transmission lines in the Bay D'Espoir area, resulting in power outages all over the eastern part of Newfoundland. Several communities had to be evacuated, and of course some were put on evacuation alert. As I said earlier,

the total cost of protection efforts to this point in time cannot be ascertained, but I assume that they will be very high.

As well as congratulating the people who have spoken in the debate, it would be remiss of me if I did not refer to the personnel who fought the fires, including provincial service fire fighting ground personnel and the hundreds of volunteers who gave of their time and risked their lives to try to suppress the fires against high winds and extremely warm conditions.

To set some people a little at ease, let me say that cool temperatures and scattered showers overnight have eased somewhat the fire situation in Newfoundland. I am sure all of us are encouraged by present weather conditions, but are somewhat concerned about an approaching high pressure system which will influence Newfoundland weather later this week. We hope that with the wet spell we are now experiencing in Newfoundland that those who are fighting the fires will be able to put them out, that the ground will remain moist so we will not have a recurrence of what has happened in the past few days.

• (2150)

I want to reiterate what other Members have already said. This is a special case. The provinces will need, and I am sure they will be seeking, federal assistance. To give you an idea, Mr. Speaker, for the past few years the Department of Forestry, Resources and Lands, has budgeted $1.5 million each year for forest fires. In 1985-86, $2.5 million was spent and there were only three large fires with which to contend. That is nothing compared to what has happened this year. We did not have nearly as many fires during the whole of last year as we have had to date this year. You can see how this will affect the provincial budget.

Approximately 20,000 people derive a portion of their income from the forestry sector in Newfoundland. I would think those who are familiar with the Newfoundland employment scene would agree with me when I say that approximately 50,000 Newfoundlanders depend on the forestry sector, either as wage earners or dependants.

You can see how serious a situation it is when large amounts of money that would be put into new seedlings and so on will now have to go into efforts to fight forest fires. No one wants to lay the blame on anyone until all of the fires have been investigated. As the previous speaker said, some of them started through natural causes and perhaps some might have been prevented if a little more care had been taken by those utilizing the beauties of our forests. Regardless of the cause, these fires have occurred and the damages have to be taken care of in the best way we can. Considerable amounts of money will be needed for proper reforestation in the countryside that has been burned.

I can only appeal to the federal Government, as have previous speakers, to try to alleviate some of the financial burden which the provinces in Atlantic Canada are experiencing because of damages to our forests as a result of fires.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is with some pleasure I have the opportunity to speak in this debate, not that the topic itself is pleasurable but the opportunity to speak in Parliament on any topic of importance is a pleasure for Members of this House.

I suspect that anyone who might be watching or listening to this debate rather than watching or listening to the hockey game will probably wonder why Parliament is talking about something over which Parliament has little ability to control or why we would be having an emergency debate on forest fires in Atlantic Canada when we have not had emergency debates on other matters. That is not a criticism of the Speaker's ruling, but it is somewhat ironic that we are in a situation when nature is dealing with the forest fires by heavy rain which is now falling in most of the region.

I would like to add my words of condolence to those affected by the forest fires. As someone who comes from a riding in northern Manitoba, two-thirds of the Province of Manitoba, the region I represent, has had many forest fires over the years. I know the hardship those fires create for people through loss of business, homes and, in some cases, loss of loved ones. My personal condolences go to those affected negatively by the forest fires.

In my introduction I said that we are debating something over which Parliament or Government does not really have any control. Forest fires for the most part are started by nature. It will require nature and people in Atlantic Canada to put out these fires. That is self-evident. However, there are things that can be done. We would like to see the Government and Parliament act. We should make sure that we have trained volunteers in place and that there is a quick exchange of equipment from one province to another, from one region to another, when there is a forest fire. Sometimes this has occurred, but on occasion there have been road-blocks, and I hope they can be eliminated.

It is very important that we have a full Ministry of Forestry. Previous speakers have alluded to the need for a Ministry of Forestry, which has been an election promise in the past. It is a promise that should be kept.

Let me point out to Members that we have a Minister of Agriculture (Mr. Wise) and a Minister of Fisheries and Oceans (Mr. Siddon), so we do have full ministries for other important sectors for our economy. It is ironic that forestry, which is so important to many regions, has only a Minister of State responsible for it. That is not to degrade the Minister, but by the structure of the Cabinet and the position which the Minister of State for Forestry (Mr. Merrithew) holds, he does not have the staff, the resources or the political clout to do the types of things that can be done by other Ministers with full Departments and support. It is obvious to anyone in this House that the Minister of Agriculture, because he has a full Department with a Deputy Minister, associates and assistants as well as full-time resource people, is able to do more for his sector than someone who, through no fault of his own is just strictly a Minister of State responsible.

Other Members have stated earlier that forestry is a major industry for many Canadians. It is a major industry in my riding, and I am sure it is a major industry for most of the people who are still in the House tonight. It is time that we came to grips not only with forest fires in Atlantic Canada, which is more specifically the topic tonight, but with the whole cycle in the forestry industry. We have yet to develop an adequate reforestation program. We will not have an adequate reforestation program until we say that a tree cut down must be replaced by a new seedling, that a tree lost through natural occurrences should be replaced by some mechanism, whether through nature or some program.

• (2200)

A couple of weeks ago members of the NDP caucus remarked that it was National Forest Week. We talked about the fact that other countries have reforestation programs which are much superior to ours. We talked about the fact that there is an industrial strategy for the forest industry in other countries, which is not the case here. Due to the fact that we do not have a reforestation program and the fact that we do not have an adequate industrial strategy for the forest sector, forest fires, wherever they occur, create a further burden for the people of the region. Already we cannot guarantee that we will have the trees to provide the lumber, pulp and paper that we need for our industries. We have known for years that we have not come to grips with this very serious problem.

Other Members who spoke during the first two hours of this debate indicated the number of acres that were burned in the last three or four days. You have heard estimates of how many jobs that will cost in those regions. Some of those jobs would have been lost anyway, but some of them would have been saved if there was an adequate reforestation program in the country. Some of that loss could not be controlled, but some of it could be. That is an issue which should properly be before this Parliament.

Other Members who spoke earlier talked about laying the blame. They mentioned that some of the fires were created by nature, that some were created by carelessness, and that some, or at least one, may have been caused by the activities of the Forces base at Gagetown. As the Associate Minister of National Defence (Mr. Andre) indicated, we do not want to prejudge that situation. However, military officials are on record as indicating that they probably did cause the fire in that region.

For the most part, we cannot prevent fires caused by nature. Over the years the country has tried to deal with the problem of fires caused by carelessness. There have been advertising programs from time to time. We have had programs in the schools. As a teacher I can remember asking my students to draw posters illustrating what we can do to prevent forest fires. For the most part Canadians, because they love their woods and natural resources and because they are concerned about what they do to both nature and humanity, are fairly careful. There will always be exceptions. There will always be those who smoke when they should not and are careless about where they put their butts and matches. There will always be those who will start a grass fire in their backyard and the fire will get away from them. Those things should not happen, but they will happen from time to time.

Once again, we do not want to prejudge the case of the Gagetown incident. However, I can speak from my own experience having spent a summer at Shilo, Manitoba. We did not take tank gun practice when the weather was dry. We knew that that was not an appropriate time to be engaged in that type of practice and we engaged in other activities at that time.

I wish the Associate Minister of Defence were still in the House. I would like to ask him to look into whether or not the Forces at Gagetown were responsible for the fire in that region and the loss of houses and other buildings there. I would also like to ask him to ensure that there are standards in place which the military across the country will follow closely to ensure that their actions do not create adverse conditions such as forest fires.

It is not my intention to speak at any length in this debate. We have indicated, through our spokesperson, the Member for Skeena (Mr. Fulton), that we are very concerned about the forest industry and the individuals who have been affected by the fires in Atlantic Canada. It is more than a matter of concern. In addition to that, we would like the Government to come up with a concrete plan for what it is going to do with the forest industry. I spoke earlier about the need for a full Minister. I think it is essential to ensure that there is a Department with the political, economic, and research clout to ensure that we can develop and maintain our forest industry.

The forest industry is one of the major employers in my riding. There are people employed in the woods, in the sawmills, and in the pulp and paper mills. It is a major industry in my area and in other areas. The present Government has been no better than the previous Government with regard to coming to grips with this industry. We know that the industry is in danger. One very serious concern which the House has to deal with is the free trade talks and various actions which are being taken in the United States by various Congressmen and American industry representatives at the present time. There is also a concern that our own nation is not developing the wherewithal to ensure that we have a strong forest industry in the future. That issue must be addressed.

If nothing else, this emergency debate on forest fires in Atlantic Canada has given us the opportunity to think again about how important our forestry industry is in the country and how necessary it is to have an insurance policy against the fires and also against the other uses which we make of our forests. In other words, we must have a future to continue the industry which is so important to many of us.

Mr. Pat Binns (Cardigan): Mr. Speaker, I am pleased to join in this debate this evening which was promoted by the Hon. Member for Fundy—Royal (Mr. Corbett). The forest

industry is a major component in the economy of New Brunswick. I congratulate the Hon. Member for having brought this debate forward in this forum at this time since it gives the House an opportunity to consider fully the ramifications of what is happening in the Atlantic provinces at the moment.

Most people probably would not think of my province of Prince Edward Island as being a forestry province. However, approximately 48 per cent of the Island's land area, some 700,000 acres, is in fact covered by woodland. That is significant because, not only is roughly half the land area covered by woodland but almost all of that woodland is owned by individuals. That is a quite different situation from that in most regions in Canada where most of the woodland is owned by the Crown. Very little is owned by the private sector.

• (2210)

The history of the development of Prince Edward Island is one of small farms being carved out across the Island of anywhere from 50 to 100 acres. Generally speaking, half of the area of those farms has remained in woodland. The back half of each farm is in fact a significant woodlot which is part of the economic viability of a particular farm unit. The woodlot has always been a very important part of the farm in Prince Edward Island. The annual harvest on the Island is approximately 333,000 cubic metres of wood. We have excellent tree growth simply because of the climate. We have very fertile soil and an excellent environment for growing trees to produce lumber. Our growth rate of tree fibre is among the highest in Canada. I suppose British Columbia is ahead of us, but by silvacultural practices of thinning and cleaning and so on we have seen very significant stand development.

The forest sector on the Island currently employs about 400 people in logging, sawmilling and forest management. It will come as a surprise to many that we have 50 sawmills in operation presently. They are generally family-owned and concentrate on custom production. The woodland is of course very important to sustaining that industry which is in production at present. Sawmills produce 16 million board feet annually. Of the annual forest harvest on the Island, 20 per cent is exported to Nova Scotia and New Brunswick as pulpwood. Fuel wood is another large part of the annual harvest and many Islanders burn fuel wood to heat their homes in winter. In fact, there have been major conversions to fuel wood by industry over the last few years, so I would not be surprised if somewhere in the vicinity of 70 per cent or 80 per cent of heating requirements are now met by woodlots on the Island. A survey in 1983 indicated there was an annual consumption of 264,000 cubic metres of fuel wood. That is just a little bit of background to indicate to the House how significant the forest industry is in Prince Edward Island.

At the present time our province is something like a matchbox and at any time another fire can start. We have had over 50 fires this year to date and some 333 hectares have been burned. There have been four major fires which burned 200 hectares, roughly 50 hectares each, of mainly woodland. To date we have been somewhat fortunate that there has been no loss of life but we have lost some buildings, relatively few because many were saved. We have lost four cottages and some barns with a total value of approximately $150,000. This is the first time we have had any structural loss from woodland fires since 1978. It was only yesterday that there was a major fire in my constituency. A dairy farmer was tending to his cows in his barn and it just happened that the local fire chief in the St. Peter's area was passing by the farm and noticed smoke in the woodland behind the farm. He stopped to see where the owner was and they quickly went out to see what was happening. By the time they got to this fire it was no longer a small bit of smoke, it was exploding into a fairly major fire. Four fire departments, including the department of forestry, responded relatively quickly and they were able to contain the fire to about 100 acres of woodland. Of course, that woodland was lost in a relatively short period of time. If it had not been for the tremendous effort made by the local fire departments, provincial forestry department and concerned citizens, certainly my constituent and his family stood to lose their whole farm. As I pointed out, because the woodlots in our province run parallel to each other, next door to each other in fact, with farms very close together, the possibility existed that the whole community would have been cleaned out. It was of course very much appreciated by that family and its neighbours that the fire was contained. Therefore I think I have to join with others this evening who have already commended the valiant efforts of volunteer firemen and fire departments and those communities in general who have responded to this crisis. I know that something in the order of six or seven hundred people have been actively involved in fighting those 50 fires on the Island which have developed over the last week or so.

There has been some suggestion here this evening that woodlots and forests are under provincial jurisdiction. While I would be the first to agree that this is the case, I have mentioned that many of our woodlots are privately-owned. I think the federal Government, along with the provincial Governments and municipalities, have some responsibility to ensure that the needs of people who have suffered major losses are met. There are things we can do. For instance, I think Governments can help those private woodlot owners with things like stand replanting, and perhaps programs to help clean up the burnt-out areas. I would think that our federal-provincial forestry programs, perhaps under the job creation category with the sponsorship of the Department of Employment and Immigration, can offer some assistance to woodlot owners who have suffered losses.

I could go into more detail on other fires but I know some of my friends have been amazed that they or their neighbours have not lost their homes and other buildings because of these fires. Recently a friend of mine was trying to get home from Charlottetown only to discover that the road was blocked by fire equipment while fire-fighters and some of his neighbours were trying to put the fire out. He took a back road to get to his farm. By the time he got there, all he could see was smoke.

He could not see his barn, his buildings or anything else. As he drove up the lane trying to get closer to see what was going on, he saw huge flames jumping up over the top of the barn. However, by some miracle the wind shifted at the last moment and the fire retreated instead of engulfing his farm property.

You can imagine the concern and fear that he or any other person would have felt in the circumstances, only to find that his farm was suddenly saved. Fortunately we have had many instances of that kind of thing rather than total losses. However, I point out again that we have lost something like 1,000 hectares of woodland in Prince Edward Island already. We are urging people to be very cautious in the next number of days until we get some rain to help ensure that the current crisis passes.

On Friday morning I was still in Ottawa before returning to my constituency and I was watching *Canada AM* on television. I was rather intrigued, if not a little bit disappointed, by a map depicting the Atlantic region used by the television network which carried *Canada AM*. New Brunswick, Nova Scotia and Newfoundland were in full evidence. All the waters making up the Gulf of St. Lawrence, along with Anticosti Island, were vividly displayed. Unfortunately, Prince Edward Island was missing. I quickly got in touch with the broadcaster, reminded him that Prince Edward Island was still there and that we had some fires as well. I am sure they are moving to correct that particular art work. I did not plan to bring that into the debate this evening but I think that it is important to show that no tragedy of this kind can be more significant to one area of the country than to another.

• (2220)

In Prince Edward Island we have had over 50 fires already, we have lost a thousand acres and have had four cottages and some farm buildings burned. Fortunately we have not lost any houses.

I want to recognize those who are making a contribution to prevent fires, our provincial fire chief, our provincial Department of Forestry, our firemen, our fire departments, volunteer fire-fighters, community groups, organizations, individuals, anyone who has helped in this very serious situation.

I feel that the Government has some obligation here and I want to bring some attention to the situation in our province. We will be looking for the full co-operation of all levels of Government, federal, provincial and municipal, along with individual woodlot owners to see that everyone fulfils their obligations.

In closing I would like to congratulate the Member for Fundy Royal for having brought this matter before the House under emergency debate provisions.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join other private Members in this debate on the fires which have been devastating various parts of Atlantic Canada, particularly New Brunswick and Newfoundland, but which have not left areas of Nova Scotia and Prince Edward Island unscathed.

The loss which has been suffered in the way of forest destruction is a significant one, and it is one which will be a loss to private owners and to large companies. It is a loss to the societies of each of these provinces. It means lost opportunities for employment, greater challenges for reforestation and for the maintenance of the forest industries of Atlantic Canada. Being a Member from northwestern Ontario, Thunder Bay—Nipigon, an area in which forestry is also very important, I would like to use my opportunity this evening to say something about the importance of dealing with the needs of the forest industry in which fighting the ravages of fire is one of the important challenges that faces Governments in their responsibilities for Crown lands.

I would also like to use the occasion to recognize other problems that face us. I might say, on the matter of fires themselves, that I remember very well in the spring of 1980 when we in northwestern Ontario had similarly hot, dry weather, unseasonal weather in the late days of May. Fire devastated various areas, particularly that very large fire in the Kenora area which destroyed such large stands of timber at the time. Those experiences of fire in our part of Canada certainly sensitize one to what has been experienced lately by the people of the four Atlantic provinces. I share with them the satisfaction that no lives were lost while, of course, feeling the loss of property, in addition to forests. I am happy that rain has come to various areas and provided assistance to the fire-fighters.

In dealing with these challenges we need more than just speeches by private Members. We have not heard from any of the Ministers from the Atlantic provinces. I expect that the Minister of State for Forestry (Mr. Merrithew) is otherwise occupied and regrets the fact that he has not been able to be here and address this issue. The Minister of State for Forestry is himself from New Brunswick and must have felt very keenly the ravages of fire in these last days, having had responsibility for natural resources in the provincial Government, and realizing what the significance of this loss would be.

My friend from Skeena has suggested this evening that Government should take a leadership role in ensuring that there are adequate resources to fight fires, ensuring that we have the aircraft and the supplies needed, certainly in chemical firefighting, aside from the use of water bombers, helicopters and so on.

It is suggested that there should be a leadership role taken by the Canadian Government in ensuring that equipment is available to be moved across the country as the challenge of the forest fire arrives. Fires do not usually sweep every part of Canada at the same time, but there are other times when the threat of forest fire is a decidedly regional matter when the very great danger that occurs calls for the resources of other provinces. There is some co-ordination and movement of equipment as the communications media have been pointing out to us. Equipment has been moved from as far away as the

Province of Saskatchewan to Atlantic Canada to ensure equipment would be available.

Surely here is an opportunity for the Government to do more than just join in a debate on this. It is an opportunity for private Members, particularly from Atlantic Canada, to express their concerns about these problems and to do something in the way of taking action that will ensure when the problem arises again that Canada will be better equipped to deal with it.

The reality is that fires will occur, and unseasonably dry and hot weather makes the danger all the greater. The vast majority of forest fires have natural causes, and they will occur. They will occur in areas far removed from human habitation. Given that kind of challenge what we need is equipment.

In northern Ontario, of course, as in the Province of Quebec, we can go back to the 1920s to discover that the history of Canadian civil aviation finds a significant place for the use of aircraft in both scouting for fires and in fighting them. That underscores the argument my friend from Skeena, our spokesman for forestry, was making in saying that the Government should play a leading role.

I think too of the terrible fires that ravaged British Columbia forests last summer which became worse because the provincial Government, in a short-sighted move to save money, cut back on expenditures and disposed of firefighting equipment. People found themselves in the interior of the province, in the East Kootenay region without the equipment that was required to fight fires as they spread.

It is imperative that even in the midst of our attempts to reduce the deficit, to try to get control on government spending, as the Conservative Members here would surely say, it is imperative to realize that we have to have equipment at hand. We must remain in battle-ready condition so that we can deal with the challenge of forest fires when they occur.

• (2230)

While private Members have made good speeches tonight, Ministers have not addressed these matters and come to grips with the problem. I challenge the Government to ensure that in its pursuit of deficit reduction it does not sacrifice the future of the forests by not taking a leadership role.

Members have already indicated this evening that there is a need to maintain forests and develop forestry in Canada. Of course, this calls for a full-fledged Ministry and I, along with others, can only regret intensely that the Government has failed to estalish such a Ministry. While there is a Minister of State for Forests, there is no full-fledged Ministry of Forests and I think it is incomprehensible that the Government has chosen this route.

It seems ironic that the Diefenbaker Government recognized the importance of forestry by creating a full-fledged Ministry. As years passed, the Liberals cut back on that Ministry until it eventually disappeared and offices were established within the Department of the Environment as it was and is presently within the Department of Agriculture.

This is an important industry. The federal Government has a significant number of employees in this sector along with a substantial responsibility for it. One need only look at the activities of the Canadian Forestry Service at its various stations across the country to realize that the federal Government is involved in various areas of forestry, including research and support for regeneration activities in northwestern Ontario and other parts of Canada. The federal Government is concerned about these matters and recognizes this as an important industry.

The export of forest products is one of the most important industries in Canada and is surely no less important than agriculture for which there is a full-fledged Minister and another Minister of State responsible for the Wheat Board. Surely forestry is no less important than the fishery which has a full-fledged Minister of Fisheries and Oceans. This country requires a full-fledged Department of Forests with the authority it has in Government to ensure that this classic industry of renewable resources can provide employment for thousands of people across the country. This is an industry which can maintain medium and small communities all across the country. Surely it is of enough importance to have a full-fledged Ministry.

We were pleased that the Prime Minister (Mr. Mulroney) was here for about an hour and graced this debate with his presence. We would have liked to see him when we were debating the attack on Libya but he declined to attend. While we were pleased that he was here tonight, we need his decisions rather than an hour's presence with private Members from his Atlantic caucus who are making speeches that will look good in their home constituencies. We need action from the Government far more than just an indication from the Associate Minister of Defence (Mr. Andre) that an inquiry will investigate the extent to which the Armed Forces were responsible for one of the fires in New Brunswick. We need far more from the Government than an indication of what the Government can provide through agreements in response to the larger disaster.

The lack of involvement in this debate by Ministers from Atlantic Canada is surely a part of the failure of the Government to deal with forestry as it should.

I share with all my colleagues a concern about what has occurred in Atlantic Canada in these last days. I share their relief that there was no loss of life and I share the regret that property losses have occurred. I share in rejoicing in the co-operation of the weather late on the weekend which has made it possible for the threat to be better dealt with. I respond as a Canadian and a human being to the adversities that face other human beings.

However, as a Member of Parliament with a constituency which is one of the large Schedule 3 constituencies in which forests have enormous importance, I am dissatisfied and angry

when I see the Government patronizing in debate and doing nothing more than allowing a debate to take place. I have constituents who are concerned about the ongoing situation in the forest sector and the extent to which the forest industry can prosper and continue through the next 30 to 40 years. We agonize over the lack of regeneration activities in years past. In light of these facts, I expect far more from the Government than we have had tonight or up to this point. I trust that the Prime Minister is thinking about these things and considering the advisability of establishing a full-fledged Ministry of Forests as in the days of John Diefenbaker, which could meet the enormous challenges that face us in ths primary industry.

I am pleased to have this opportunity to lay these matters out before the House and my constituents.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my participation in this emergency debate on the forest fires by underlining a statement by the Associate Minister of National Defence (Mr. Andre), that forest fires are a national problem. I think that should be the focus and purpose of this debate. We can use the situation that has evolved in Atlantic Canada to point out to all Canadians that forest fires are a national problem and it is appropriate to debate that matter in this national forum.

My socialist friend from the New Democratic Party made reference to the Right Hon. John Diefenbaker. I should hark back to his words that when one is on the trail of big game one should not be influenced by rabbit tracks. For a Party that has a monopoly on patronizing attitudes, let me condemn the Member for patronizing those from Atlantic Canada who would bring forth to this national forum a matter of grave and great importance to their communities across Atlantic Canada and one which affects the whole nation. For him to suggest that a number of Members here are not able to project that great interest and to ensure that their projection of that interest will achieve some national attention is an insult of which only a socialist from the New Democratic Party is capable.

Having disposed of those who follow rabbit tracks when there is a national interest, a national goal and a national subject to be pursued, let me begin by giving full credit to my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), who took the personal initiative to bring this matter to this national forum.

Last Thursday, on returning to my constituency of Halifax West, I had the opportunity, as I do on a weekly basis, to fly over the Province of New Brunswick. As I was travelling at some 30,000 feet, I saw below, from the jet on which I was travelling, what appeared to be a plume of smoke and a fire which, from that distance, did not appear to be of great concern. However, as we travelled across the Province of New Brunswick there appeared to be several plumes of smoke with apparent fires. When I arrived home at Halifax I received the news that a catastrophe was taking place in the Province of New Brunswick and that almost one year's production of timber lands was being destroyed. I am sure that my colleague from Fundy—Royal reacted in the same manner as any of us hopefully would in that situation and asked what could be done about the matter. What my colleague did at the first opportunity was to bring the matter of the situation in New Brunswick and across Atlantic Canada to national attention through this political forum which allows us to consider the devastation which has been wreaked in Atlantic Canada in the light of the whole problem of forest fires and, hopefully, to seek new ideas and solutions to remedy what has been our failures in the past. I think we all owe a debt of gratitude to the Hon. Member for Fundy-Royal for giving the opportunity to Members of Parliament to involve themselves in this debate in the hope it will accomplish some good.

• (2240)

My second point is to examine not only in the national context, but in the world context, the importance of the forest industry to Canada and particularly to the Atlantic regions. I had occasion to read an article in the Winnipeg *Free Press* which focused attention on the world problem in relation to the preservation of the forest resource. It pointed to a survey by the World Bank which resulted in a determination that at current rates of exploitation, the world forest cover will be reduced by 50 per cent by the year 2000. The Science Council of Canada has done a survey to indicate the dire situation which exists in Canada with respect to the preservation and enhancement of our forest industry. So we do not have any doubts in our minds that the forest industry involves a resource we have to protect with immediate and important action not only in Canada but throughout the world.

In Canadian terms, the forest industry is one of our most important industries. It accounts nationally for over $13 billion in exports. It employs approximately 300,000 persons and involves the employment of another 600,000 persons. One out of 10 Canadians is affected in terms of employment by the national forest industry. It is interesting to note that the same statistic is reflected in the Province of Nova Scotia where 12,000 Nova Scotians are directly employed in the forest industry and another 18,000 are involved in occupations affected by the forest industry. Again, almost one out of 10 employed Nova Scotians has an interest in terms of employment in the forest industry. So we do not have to underline the importance of the industry to the Atlantic regions, to Canada and, indeed, to the world.

I would like to examine very briefly, because other Hon. Members have touched on this subject, the steps being taken to advance the interests of the forest industry nationally in Nova Scotia and the other Atlantic provinces. One of the first steps taken by the Government of Canada was to establish a separate Ministry of Forestry. I have heard Hon. Members comment that this is not a sufficient step, that there ought to be a separate Department to deal with the forest industry. But as one astronaut said: "One small step at a time". The Government under the Right Hon. Prime Minister took this step to establish a separate Ministry for Canada's forest

industry, and I believe there is no person in this House of Commons, or elsewhere, better able to judge the need to progress from there than the current Minister of State for Forestry (Mr. Merrithew). The important thing is that the first step has been taken. There have been a number of other initiatives in terms of program funding and federal-provincial programs which I am sure will be processed and enlarged upon in the future.

There is always a grave and great connection between our forests and the environment. I think that one of the important aspects of the Canadian forest industry is to protect the environment. The Third World countries which have been required to use forest products for heating and other purposes have virtually destroyed that resource and have created a great deal of environmental damage in terms of soil erosion and so on. We want to avoid that kind of problem in Canada. The point is that we proceed with all due haste but have particular concern about the environment and the effects of rapid expansion of forest production on the environment. I think all of this has to be taken in balance and I believe that is exactly what the Government is doing. It has proceeded in the right direction and I think we can look forward to continued progress.

The Province of Nova Scotia has taken a special interest in the forest industry as well, and I want to give public credit to the Hon. Kenneth Streatch, Minister of Lands and Forests, who just recently published a new policy for Nova Scotia in relation to forestry. Part and parcel of that new policy is to double the forest production in Nova Scotia over the ensuing years and decades. I think this is a achievable goal which will result in relatively dramatic increases in employment and economic opportunity for Nova Scotians. The new policy which has been advanced by the Hon. Kenneth Streatch contains general principles which involve scheduling of harvesting, allocation of stands, increased market activity and, most important, a continuing and vigorous sylvaculture program to replace the forest as it is being put into production and productive uses. So we have at both levels of Government, national and provincial, activities focused on forest development. I think we can look forward to an increase in employment and economic products as a result of these efforts by Governments at both levels. I know that what is taking place in Nova Scotia is reflected in the other Atlantic provinces, particularly in New Brunswick and Newfoundland.

Let me return to what I have said is the subject of this debate, namely, the national problem of forest fires. We have already indicated the importance of the forest industrty to Canada. We know that attention has been given to the forest industry by the Government of Canada and by the provincial Governments. Let me review very briefly some aspects of this national problem of forest fires in the context of Atlantic Canada. I do not think it is necessary to outline again the devastation which has been wreaked in the Province of New Brunswick by the proliferation of forest fires. I understand the loss is equivalent to one year's production, and that is very substantial when one considers the effect on the economy of the Province of New Brunswick where over 21,000 New Brunswickers are employed directly by the forest industry and many others are affected by it. In the Province of Nova Scotia the actual loss through forest fires has been limited to 200 acres at this point in time. However, as we know from the New Brunswick experience, as soon as we have dry weather in the spring, the risk of forest fires immediately arises. In fact, last week in the Province of Nova Scotia, the Minister of Lands and Forests had to declare a red alert. Fortunately for the forest industry and unfortunately for vacationing Nova Scotians, there was a subtantial rain storm over the next few days and the alert was withdrawn. But there is always a risk of a forest fire hanging over the heads of all people in the forested parts of Canada.

When one reviews the national media coverage of the situation which existed in New Brunswick, one can see immediately the work done by the volunteers. Those volunteers are not only members of the volunteer fire departments from the communities across Atlantic Canada but are persons who allow themselves to be recruited for the specific purpose of fighting the fire. While I give great credit to those who are involved in volunteer fire departments not only in relation to forest fires but in relation to the community activities in which they are normally involved, I want to underline the credit I wish to give to those Canadians without the experience and training of a volunteer fire department member who become involved in fighting a forest fire. Their inexperience can sometimes lead to risk taking that could result in serious injury and even loss of life. The heroes of the day are those who volunteered, the good Samaritans who came to the aid of those in need.

• (2250)

One also immediately sees the need for very substantial equipment both on the ground and in the air. Water bombers look almost puny compared to the massive fires that are burning on the ground. One can readily understand the need for more and better water bombing equipment. When one sees an ordinary fire hose being used to fight a blaze 18 miles in width, one realizes again the need for very substantial equipment.

I am pleased to note that the Associate Minister of National Defence has indicated the federal Government's involvement in equipping those who were involved in fire-fighting. The Minister referred to the work of the Canadian Interagency Forest Fire Centre. I think this kind of interprovincial and federal-provincial co-operation is the only sensible way to deal with the equipment problem on the ground and in the air.

I would like to deal very specifically with the human element of forest fires. I think a great deal has been said about the concern for the forest industry and the concern for the economic aspects of forest fires in terms of loss of property, income and economic opportunity. However, the important element is the very specific human agony and loss that is

involved in forest fires. In that respect, I want to refer to two specific cases that arose from the experience in the Province of New Brunswick.

One might say that I have a good news case and a bad news case, Mr. Speaker. After all, our real concern is the human element. We can talk about equipment and about the economy, but our concern in this Chamber and indeed in the Parliament of Canada must be for the humans involved in these situations.

Nancy Thompson said that she left her home because she could not stand to watch as the fire approached. She returned later to find out that her home had been preserved through the efforts of the St. George Fire Department. This is very typical of the sort of thing we saw depicted in the media and elsewhere regarding the efforts made by those volunteers.

I would like to place on record at least one case of a home being saved by the specific efforts of the St. George Fire Department from Charlotte County, New Brunswick. I would like to point out that effort as being only typical of the kind of efforts that were made. However, I think it is worth-while to be specific about these efforts lest we get caught up in a sea of rhetoric and forget that there are real people helping real people in these situations. That is one situation in which the help resulted in the saving of a family home.

On the other side of the coin, let me refer to the case of Ken Banks who is described as a 50-year-old carpenter and part-time farmer. He lost everything he owned as fire raced through his neighbourhood near Burton last week. Mr. Banks's home was located in Upper Gagetown, which was at the heart of the most serious of the fires, and he lost everything. When Mr. Banks says he lost everything, he means everything. He was wiped out completely. He lost his home, and the woodlot from which he intended to get his winter firewood and earn money for the future was lost totally.

This brings me to the most difficult part of this debate, and that is, liability and responsibility for the forest fires. Mr. Ken Banks lived in the area in which the fire might be attributed to the actions of the military base at Camp Gagetown. I would not rise in the House of Commons to suggest that anyone at Camp Gagetown had done anything of a negligent nature, but the fact is that the Toronto *Globe and Mail* and other newspapers and media sources in Canada have made that allegation. It has not been denied and appears to have been confirmed that the fire was started as a result of activity at Camp Gagetown.

We in the House of Commons and the Government of Canada represent all the people of Canada. We do not have to defend or attack any particular interest. We can be fair judges of the situation, and all indications are that there may be a responsibility for this fire. If that is the case, I urge the Minister of National Defence (Mr. Nielsen) and the Government of Canada to acknowledge very quickly that responsibility and to take very expeditious action to remedy the harm that has been done. I am sure there is not one Canadian who would want to reject the idea of responsibility to an individual like Mr. Ken Banks who lost his home if there is any basis for liability on the part of the national Government.

This does not mean a condemnation of the Canadian Forces or anyone in the Forces. It is simply recognition of a fact of life. Harm has been done. If it can be compensated by the Government of Canada representing all the people of Canada, let us take that course of action. Let us take it quickly and let us mitigate the losses.

What we learned from these experiences is to look to the future with the resolve to correct the difficulties of the past and to make the forests of Canada safer places for the benefit of all Canadians. If in the course of that process we have to recognize that some wrongful act has taken place in the past, let us do that. Our future is in the forests but our future is also in the people and they are the ones who require the protection as well as the forests.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I want to thank you for giving me this opportunity this evening to take part in the emergency debate on the tragic situation confronting Canadian men and women in the Maritimes. I say tragic, because it takes at least 30 years for a forest to recover from the disastrous effects of a forest fire. This evening, speaking on behalf of my constituents in the riding of Argenteuil—Papineau and on behalf of all Quebecers, I would like to express my feelings of sympathy to our fellow citizens in the Maritime provinces in these hours of anxiety and tell them that we share their concern.

I also wish to congratulate my hon. friend from Fundy—Royal (Mr. Corbett) for moving the motion for this debate. I think this is an example of what can be done under our new parliamentary reform, which gives the Speaker a chance to allow emergency debates for a limited period of time. I think it is the best way to deal with a topic as important as the one we are considering today.

Mr. Speaker, it is too bad that the Maniwaki Forest Fire Research Centre, announced by the Progressive Conservative Government in November 1985, has not yet opened its doors, because the new technology would help communities and firefighters to cope with this kind of problem. I believe our Prime Minister (Mr. Mulroney) has on several occasions mentioned how important our forests are to him, and he was the first person to endorse this project which at the end of May 1986 is now nearing completion.

[*English*]

The staffing for the centre is well advanced. A chief and three computer programmers were hired on March 1, 1986, and these people are now undergoing intensive training at the *Centre de la Société de Conservation de l'Outaouais* and at the CFS Petawawa National Forestry Institute. A search is also under way for an electronic engineer to deal with lightning detection systems, weather radar and radio communications. It is expected that this position will be filled this month.

The technology centre will be fully operational by June 1, 1986. The centre's efforts will be directed primarily at implementing, within all components of the Quebec forest fire control organization, other conservation societies and the provincial fire co-ordination centre computerized fire management techniques developed by the Petawawa National Forestry Institute. In time, the centre may also serve the needs of other fire management agencies across the country and perhaps, eventually, internationally as well.

[*Translation*]

Mr. Speaker, I am sure that the centre and the technology it will provide would have been very useful to the people of the Maritimes.

Mr. Speaker, I am also concerned about wildlife. Imagine the distress of wild animals and the irreparable destruction these fires will cause among wildlife in the Maritimes.

Mr. Speaker, I will never forget that when I was a child, there was a forest fire in my community, and things evolved the same as they did in the Maritimes. People got together and developed a very strong sense of community in the face of this disaster, and by working together they managed to control the forest fire, and that is the kind of thing we are still seeing today.

What is unfortunate is that it is impossible to erase this image unless you remove completely what was there before, because a forest fire remains in the minds of people for decades.

Mr. Speaker, my father taught me the importance of the forest when I was very young. I come from a modest family and my father was a farmer. Like all good Quebec farmers, my father worked as a logger during the winter and this was a major source of income for our family. In fact, it helped to pay for our education and little treats. When we were very young, my father taught us the importance of taking care of our forest because it is a national resource which is not inexhaustible.

Mr. Speaker, this stayed in my mind, and during the electoral campaign, even though it can be dangerous to make election promises, I made one in my own constituency, because as you know, the lands in Mirabel were expropriated and these included unique forest where both softwoods and hardwoods were well represented in an area called the *Méandre de la Rivière du Nord*. I said that the forest was important for me and for the people of my constituency who depend on it. Our forests are not that well-known even though they represent a major source of income, but they are slowly dying.

If we look around we can see that reforestation is badly neglected. Now is the time to take action if we want to have lumber to sell in the future. In 1986 I think we can see for ourselves that there has been a collective *laissez-faire* approach, perhaps without our predecessors realizing how important this sector was.

I must say that the Quebec Wood Producers Federation—which you know very well, Mr. Speaker—is made up of aggressive and very articulate people under the aegis of the Agricultural Producers' Union. They represent private woodlot owners who have decided to get involved and carry out their own applied research. They want to find ways to solve their problems. I had told them we would help, and that is precisely what we did.

In my riding last Friday, Mr. Speaker, I announced a $60,000 contribution under the farm land development plan set up by the Minister of Public Works (Mr. La Salle) and our Government. I managed to get $60,000 under this development plan by pointing out that farm development includes forests because all agricultural producers own lands where they fell trees. To me it was important that farm land development benefits private woodlot owners as well.

So they decided to prepare a small leaflet: *Private forest research, action for our survival.* And they will provide us within the next few months with a proposal for the area surrounding the meanders of the Rivière du Nord indicating the type of hardwood there is and what can be done for research. They will determine for instance whether softwood, a fir tree or a birch would grow faster in this and that environment, surrounded by fir trees or pine trees. What conditions make our softwood or our hardwood grow faster?

I am very glad, during tonight's emergency debate, to emphasize just how important our forests are.

I hope therefore that this tragedy which the Maritime provinces are living through today can be used as an example to other Canadian areas in demonstrate for instance to the Western provinces that an ounce of prevention is worth a pound of cure, and also that they need to take preventive measures to avoid such disasters. As a colleague of mine was saying a while ago, there is no point in casting a stone at the responsible party, now that we must face the facts and find a solution. It is all very nice to say: If only we had avoided doing this or that . . . From now on, we should avoid all "ifs" and have a well established policy to prevent other similar tragedies, because we need to preserve our forests which are part of our national heritage.

We have solutions, Mr. Speaker. The Canadian people . . . We have the required technology, science and will. We need to put together proposals, and I am convinced that we will find ways to help substantially our Maritime taxpayers and fellow citizens. I think also that the federal Government has a responsibility when such tragedies occur because I am not sure that insurance companies would cover such Acts of God, including the losses incurred by a farmer such as those mentioned by the Hon. Member who spoke before me.

• (2300)

In conclusion, Mr. Speaker, I hope this debate will not only give rise to pious wishes or the expression of views on such a tragedy, but will also ensure that together, collectively, we find solutions to help people in the Maritimes. Looking at what Canadians could do for hungry people in Africa, I feel that

very close to home, we will together find ways to help our fellow Canadians in the Maritimes.

I would be remiss if I did not refer once more, Mr. Speaker, to the volunteers, people in the area who spared nothing to control that fire. Fortunately, the Lord was there, and He told them: The rain must not fall on Quebec only! So he sent some rain in the Maritimes too, which was a tremendous help in bringing the fire under control.

I would therefore like to commend all the men and women who united in a common effort to tackle that problem, and those who helped firefighters, voluntary firefighters. I am certain they were first on the spot. Fire departments. Those are people whose work often is forgotten, and we seldom have an opportunity to mention their involvement in the community. Now we have an opportunity to do so, especially volunteer fire departments who are not paid for that kind of work, who do it on their own. I would like to take my hat off to them, as we say in Quebec!

I am therefore convinced that my Government, the Progressive Conservative Government, will find a way, in consultation with the provinces and our communities, to relieve the burden on taxpayers in the Maritimes as a result of this tragedy.

Mr. Speaker, thank you for this opportunity to express my views in this debate.

[*English*]

Mr. George Baker (Gander—Twillingate): Mr. Speaker, before making a few comments about the subject of forest fires in Newfoundland, I want to give credit to the Hon. Member who moved the motion and those Hon. Members who have spoken thus far on it. However, I caution people as far as fixing blame is concerned for any forest fire. In terms of the forest fire alleged to have been started by the Armed Forces in CFB Gagetown, I was thinking about the charge made by certain people. It is important that the people affected by any forest fire are compensated.

• (2310)

It is important that the people are compensated. If it means that the Armed Forces are to be blamed for a forest fire in order to get somebody compensated, then fine. I have no argument about that. It is very difficult for the Armed Forces personnel who are using shells that contain phosphorus. It is a constant problem for Armed Forces bases on any firing range. The Hon. Member from the New Democratic Party pointed out that they would make sure the Armed Forces would not fire the shells on fine days. They fire shells in the winter-time and in the summer-time, but that is not important. Wherever you have a firing range, you always have the danger of a fire. You are never certain you are going to prevent a fire from starting.

It is a common fact that if a firing range is used in the winter-time and some of the powder from the shell is smothered under the snow, come the spring a fire will start in that area. The danger is always there. It is very difficult if you have been fighting a forest fire to be sure that the fire is out. You can dump tons of water on a particular hot spot and find two or three days later that the flame will re-ignite.

I caution Members and the media about fixing blame for a forest fire. It is important that people be compensated for a loss of property or for the loss of forests in an area. The only formula to deal with that in the federal Government is what is commonly referred to as a natural disaster formula.

If there is a natural disaster in a province, the provincial Government puts up $1 per head of population first. Then the federal Government moves in with about a fifty-fifty split. The federal Government pays for 50 per cent of the additional dollar, and on it goes. It then pays 75 per cent of an additional dollar and then 90 per cent of an additional dollar until it reaches the point where the federal Government pays most of the cost. That is why provincial administrations have been hesitant about applying for money under the natural disaster formula unless the disaster is truly massive. In other words, it covers much more dollars than there is per head of population.

This natural disaster formula is administered by the federal Department of Finance. It is triggered by a request from the provincial Government. The federal Government, to my knowledge, has never turned down any such request by a provincial Government.

Having said that, and having said that it is very important that those who lost property be compensated if at all possible, let me also mention that perhaps more should be done in the co-ordination of water bombers and the establishment of new water bomber fleets throughout the country. As well, Mr. Speaker, perhaps the Armed Forces should examine the possibility of making more use of Armed Forces personnel in fighting forest fires, as they did years ago. Twenty and 30 years ago, as I recall, one of the regiments called the Van Doos would participate frequently in fighting forest fires throughout Canada. The natural disaster formula should be instituted in this case in Newfoundland, in New Brunswick and in Prince Edward Island. As well, thought should be given to greater presence of the Department of National Defence.

I want to make brief reference to the Hon. Member for Carleton—Charlotte (Mr. McCain), who is about to speak in this Chamber in the debate. The Member from Carleton—Charlotte, I believe, will address the Chamber in a few moments and will talk about the cause of forest fires throughout Atlantic Canada. The Member for Carleton—Charlotte is perhaps, and I do not think I am stretching it very much, the most knowledgeable person on the government side in the area of forests and forest management.

Mr. Nickerson: Even further than that.

Mr. Baker: I would say he is perhaps the most knowledgeable person. His knowledge surpasses that of the Minister of State for Forestry (Mr. Merrithew) by a long shot. I say that because I have listened to him over the years in the standing committee. Don't get me wrong, Mr. Speaker. I do not agree

with everything he says. In fact, I am not going to agree with what he is about to say in this Chamber. I have listened to him for 13 years and he will put forward a very serious argument that because the Governments of Canada have so restricted the use of insecticides, it has caused a destruction of our forests. Basically that is what the hon. gentleman is about to say. His contribution will perhaps be one of the more important contributions to the debate this evening.

I want to point out to the Member that there is one thing wrong with the argument that he is about to present. What if the Government of Canada had followed through and allowed the amount of insecticide required to kill the spruce budworm, the balsam woolly aphid or the hemlock looper and the one here in Ontario, the gypsy moth? I have no argument against the Ontario Government using *Bacillus theringensus*, or BT for short. However, I have a serious argument with the Government of New Brunswick and the Government of Newfoundland using the types of chemicals they have been using. The argument is this, and the Hon. Member will say, that because the Government has been so restrictive, forest insects have eaten the forests, causing the trees to dry, causing a natural phenomena to be present whereby forest fires are very easy to start.

• (2320)

If you want to start a small camp-fire, you break off a piece of dry wood, that is certainly not alive. That is what causes, or certainly encourages, forest fires. I will agree with the hon. gentleman if he says that we have been so lax in forest management that we have dead trees lying around throughout the forests in Canada. In the forests in Newfoundland, you do not have to chop down trees to get enough wood for your stove. You can just pick it up along the side of the road or anywhere in the forest.

Over the years the hon. gentleman has put forward a very solid argument with which I disagree. He says that even with our present technology, forest fires will continue to be a threat which will, indeed, continue to get worse. In New Brunswick, in 1957 and 1958 they used DDT without much control. They then used fenithrothion and Matricil. We progressed up the line until the Canadian Forestry Service discovered BT in the Quebec region. Until that was used, I cannot see where there was any great effect in getting rid of the spruce budworm or any other forest insects. They are still there.

The Government of Canada and the provincial governments say they were only trying to control the population. Still, the forests were dying, the trees were drying up, and forest fires were starting very, very quickly. I am not talking about a shell from Armed Forces Base Gagetown. I am talking about a potential shell right around the forests in New Brunswick, Newfoundland, Quebec, and the northern part of Ontario where the infestation of forest insects is a very serious problem.

I have told you approximately what the hon. gentleman is about to say, Mr. Speaker. I believe that he will put forward a very strong argument on a very sensible subject which is well founded in fact, but I strongly disagree with his logic, and I believe that there are other solutions.

The Government of Canada has been lax throughout the years in that it did not pay enough attention to finding a solution to chemical insecticides. The Member for Carleton—Charlotte will have to agree that we do not permit anyone to spray large forest lands with an amount of chemical insecticide sufficient to kill the forest insects. They were never killed and they will not be killed in Newfoundland this year through the use of fenithrothion. They will not be killed in New Brunswick by using whatever they are about to use. I look forward to hearing the Hon. Member for Carleton—Charlotte put forward his argument, which will perhaps be one of the better arguments put forward here this evening.

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, I suppose that is the price you pay for associating with people whom you might otherwise call friends. I do consider the Member for Gander—Twillingae (Mr. Baker) to be a constructive Member of this House most of the time. I have enjoyed his remarks and his predictions are, in part, correct. I will address them from the beginning.

At no time has the Government of Canada ever devoted the necessary research to the preservation of the forest structures of Canada. That is because we assumed that we had enough wood that we could waste it, burn it, and pillage it in our silvaculture practices. Our supply problem was never recognized in New Brunswick until some time in the last 15 years. We have known that our cut has exceeded the growth in the forests of New Brunswick. Even though we have established a level of allowable cuts, we have still exceeded the growth of our forests in the province. We must put that against a background in which we never even approached the production of the forests of New Brunswick as long as the budworm did not exist in a serious way, although it has always existed. As long as that forest was effectively sprayed, we still had growth exceeding the cut. It was effectively sprayed in the 1950s.

I am not saying that we should go back to DDT. I am saying that when all the scientists in Canada get together and give a convincing argument that BT will never mutate and never attack anything except spruce budworm, I will be much more prone to the use of BT than I am now.

I happen to have a sick grandson in the hospital at the moment. He has an infection which has developed an immunity to the drug which was being used. He has been seriously ill. The only way that that could happen is because of a mutation of the virus present in his little system today. There must have been an element of mutation, an adjustment to the environment in which it has thrived, namely the human body, so that it resists whatever drug was used to fight it. There is ample proof that those little critters which infect the health of birds, animals or insects do indeed have a mutative capability to develop an opportunity to survive in the presence of pesticides. It has happened in agriculture so many times that one could make an endless list. When the scientists of Canada promise

me that there will be no mutation in BT, I will give it my wholehearted support. However, they must explain why other organisms do, in effect, develop resistance to the drugs which mankind has made for control.

There are biodegradable pesticides on the market which would be effective. When they become biodegradable, the residual effect and impact of them is negligible if at all important in the environment in which they exist and in which they will be sprayed. The trick is to learn how little we can use to control the population, how little carrier or solvent we need to distribute the insecticide, and how often we have to spray for it to be effective. These are the things which the Government of Canada, the pesticide corporations, the pulp corporations and the provinces have never intensively attacked.

For instance, not long ago I read in one of the Ontario papers that 57 million acres of forest in the Province of Ontario is infected with budworm to one degree or another. That is probably more forest land than all of Atlantic Canada can claim. That is a multibillion dollar capability for economic benefit of the country which is threatened if it is not addressed in some way. We are farming the forests of this land and if we are to maintain the economic viability of the industry, we have to address it as a farming operation from here on in. This is particularly true in New Brunswick which, for somewhere between 10 and 15 years, has been cutting more than natural growth has regenerated. We are looking at losing a billion-dollar industry in that province, or at least a significant part of it, if we do not have policies which are going to guard the value of that forest land and keep it growing.

• (2330)

We may attack the spraying program of the 1950s but it killed at least 95 per cent of the bugs. When that was done the forest needed spraying only every three to five years. We do not know what percentage of the bugs is being killed by existing sprays, and this is carelessness on the part of Government, regardless of who is the Prime Minister of the day. We do not know the degree of control we are getting because we are not monitoring as effectively as we did in the 1950s. This is not acceptable.

My plea is that we now address the issue of how we can protect the environment in every way. Flora and fauna have been mentioned in the debate tonight. What flora and fauna is there in those burned-over acres in New Brunswick, Prince Edward Island or Newfoundland? There are a lot of dead bodies, a lot of burned-up blossoms and no birds. We have to find a balance between the ecology and the economy. We have to get to a position where we respect the flora, the fauna and the economy. I am convinced that this can, should, indeed must be done. The corporations, the provinces and the Government of Canada must join forces.

This tragedy is not over tonight even where the fires are out. The tragedy continues in a province which is deficient in wood production and has now lost a full year's production. We are one year closer to the critical point where unemployment starts to occur. Do we know what trees should be planted in these burned-over areas? Do we know how much of the soil has been destroyed? How can the soil be restored? Are we going to plant a tree in soil which will grow a 10-inch pine stump in 75 years? I have seen one of those stumps in an area of New Brunswick which had been burned over after the budworm infestation of the early 1930s. Fire swept through New Brunswick at that time, too. There was a 75-year old pine about that big when it should have been much bigger. The soil would not produce effectively the pine species on that burned-over land.

The Hon. Member for Gander—Twillingate (Mr. Baker) is not very far away from where I stand on this. He gave my speech for me. He mentioned Matricile, a biodegradable pesticide. It is effective and has little if any residue. Some of the others he named are not acceptable to me or the ecology groups who are so adamantly against spraying. I do not know about the rest of Canada, but there has been roughly $3 billion in gross product loss in Atlantic Canada. These fires have been fed in part at least by the kindling left behind by the budworm. They created an inferno which was virtually unstoppable. The wood was absolutely dry and ready to burn. Another reason is that the ground was not covered by the foliage which ordinarily grows there. The soil dried out far earlier than it otherwise would have. Now this fire has destroyed the soil as well and I do not know how long it will take to replace that growth.

In conclusion, I want to congratulate my friend and colleague from Fundy—Royal for moving the motion and the Speaker for accepting it. I think it is a very critical moment. Perhaps it is a disaster only in Atlantic Canada at the moment, but it can be a disaster in any province in Canada. It is a situation which demands an outright attack on the silvaculture policies of this land and the preservation of the forest for future generations. We cannot continue the silvaculture practices that were in use when we had wood running out of our ears, wood far in excess of our needs. That situation no longer exists in Atlantic Canada. We are getting close to a shortage in other provinces in Canada. We have to look at how many water bombers we need, what research we need, what kind of forest protection and silvaculture practices we need. We have not done this in the past and I am very disappointed that we have not attacked it up to this point in time.

It has not been a political discussion this evening and I commend those who have discussed the matter in this debate for their constructive ideas. Those who have suffered losses have my sympathy. Not all of them are in Gagetown and they have little if any hope of compensation. They have my sympathy. To those fire departments which worked so hard in New Brunswick, whether it is Saint John, Gagetown, St. George or wherever, it made no difference. They worked on behalf of their fellow man to the very best of their ability and, in many instances, at the risk of their lives. To all those I offer my sincerest congratulations.

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I would like to congratulate the Hon. Member

for Fundy—Royal (Mr. Corbett) for moving this motion, as well as Members of Parliament from Atlantic Canada for their fine comments on the importance of our forestry sector. It is a $30 billion industry in Canada and accounts for more than $500 million of the gross provincial product of Nova Scotia. Forests cover three-quarters of the Province of Nova Scotia, and 92 per cent of that is considered productive. That is nearly 3.8 million hectares of usable forests. For every thousand cords of wood harvested and processed in Nova Scotia, we get approximately five direct jobs and up to 10 more are created elsewhere in our economy. Obviously, to get the maximum return from the development of our forests, we must manage them properly.

Our Government has made a concrete commitment to Canadian forestry and its improved management. We have named a Minister of State for Forestry (Mr. Merrithew) to ensure that the industry has a voice at the cabinet table. We now have in place across Canada more than $1 billion in federal-provincial agreements for forest management activities. In the case of Nova Scotia, more than $18 million has been spent to date for forest improvement under the current Canada-Nova Scotia forest resource development agreement. In Cape Breton this represents $2.5 million in forest management activity. That is a wise investment in an important resource. Recently we announced that $10 million under a special Nova Scotia-Canada agreement would be directed to the Cape Breton forests alone.

One of the vehicles we have been using in Nova Scotia to improve management of our forests is the group venture vehicle. It began in 1975 with a group of interested citizens who formed a limited company to prepare and implement forest management plans on the company's shareholders' properties. In 1978, eight group ventures were operating, and today 16 such group ventures are operating covering more than 60,000 hectares and involving 900 members.

• (2340)

This year these groups received $1.7 million in forest improvement assistance from the Canadian Forestry Service. These groups are funded under the FRDA group venture program. Each will receive approximately $200,000 in federal support and another $100,000 in provincial funding by 1987. It is hoped that each of these groups will provide about ten to 13 permanent jobs.

These programs are different in that they bring together private woodlot owners and give to them the responsibility to manage their lands to ensure that the maximum economic and social benefits accrue to their communities.

In my riding, in particular, we have a large pulp and paper producer who is really an important part of our economy. This industry employs 800 to 900 people directly, both on the plant site and in the forests. This company has been a leader in forest management techniques imported from Sweden, such as silvaculture techniques. This company has been a leader in dealing with badly infected hectares resulting from spruce budworm, which devastated the Highlands area of Cape Breton and eastern Nova Scotia over the last decade.

It is the success this company has shown which has permitted the federal Government to work with the province to put in place many more initiatives that will result in a far healthier resource, and one from which we can get long-term benefits.

I know there are many other Members from Atlantic Canada who wish to comment on our forestry industry, and for that reason I will close now and emphasize the importance of the Government responding to the compensation needs of the land owners and people affected by the recent disastrous fires in Atlantic Canada.

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I also welcome this opportunity to say a few words at this late hour in the emergency debate. It is something that has affected all of Atlantic Canada. The hockey game is over, it is a quarter to one in Atlantic Canada, and most of the people are asleep. It is the sleep of peace, Mr. Speaker, because in the last few days very few of them enjoyed it. My riding of Northumberland-Miramichi is the largest geographical riding in the country and the forest fires threatened literally the length and breadth of the riding.

I had the opportunity yesterday of being airborne in a helicopter and had a chance to see, firsthand, the damage and the devastation that a forest fire can cause, not just in one location, but in many up and down the river, the homes that were destroyed, the fishing camps, the lodges and the cottages. People had to evacuate communities like Newcastle, Douglastown and Northumberland-Miramichi. There were people who did not want to leave their homes and the mayors literally had to go out and force them out in order to protect their lives. We are grateful, of course, that there was no loss of life. When people did get back and looked at their property, the lucky ones saw that, indeed, the fire on many occasions encircled them, and others came back to see nothing but ash.

One would be remiss if one did not speak of the co-operation that took place during this crisis, the co-operation between people in Lands and Forests, Natural Resources and the Department of National Defence. I would have to mention names like Hayward Sturgen, who was responsible for co-ordinating the over-all firefighting effort. I was airborne with Bill Stewart, Department of Natural Resources who, for the last 72 hours or so, was able to subsist on four hours of sleep at night. I flew along with him as he surveyed from the air the continual flare-ups. He co-ordinated the over-all attack, landing here and there to help direct the fire-fighting effort on the ground. Without the co-operation of the base commander, Canadian Forces Base Chatham, without the use of his equipment, the foam trucks, many, many homes would have been lost. Some of the areas affected by the fire were Newcastle, 13,000 plus acres that had been burning out of control; Kirkwood in the Barnaby River area, 1900 acres; Trout Brook, over 80,000 acres; Quarry Ville, 500 acres; Barryville, 5 acres; Burnt Church, 150 acres; Otter Brook, A. Daigle, Escuminac,

Eel River, Kouchbouquac Park, Carrigan, and the list goes on and on.

There was devastation, the loss of future income that was affected by this, not just the private woodlot owners, and, indeed, that is a serious consideration, but also the angling, the camps, the outriggers, the Tabusintac River where so many camps were lost, and these people depend on that kind of livelihood at this time of year for the sports fishermen who come to that particular area. It is very, very difficult to assess in dollars what the total impact and loss will be to them individually and collectively. A lot of the fowl and wildlife was also affected.

I know the Minister of State for Forestry (Mr. Merrithew) would like to be here to participate in this debate. I know how close he is to the forestry, not only through the entire country, the province, but in my particular riding. He is in Scandinavia on important business.

The warm response received by the Associate Minister of National Defence (Mr. Andre) from all Members of the House will be noted when he said, in conjunction with the statement about the fire at Gagetown, that after the findings of the board of inquiry compensation for those affected would be dealt with expeditiously and with generosity. In that regard I would hope that in the Government's generosity the same consideration and assistance will be forthcoming to those in the rest of the province. The Government has concern and compassion for the people.

In closing, I would like to say that it was heartening to see not only the Prime Minister (Mr. Mulroney), but six or seven other Ministers in the House. Much has been said about the lack of attention from time to time that the Government has shown Atlantic Canada, and I think in the time of crisis we know who is in support and behind Atlantic Canada, it is the Government of Canada.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I, too, would like to express my appreciation to the Member for Fundy Royal (Mr. Corbett) for bringing on this emergency debate on the fire situation in the Maritimes. I heard one critic earlier on say that this was an intrusion into Hockey Night in Canada, but I am sure those of us here tonight are quite prepared to speak on a matter of this importance.

• (2350)

Last summer in British Columbia, certainly in Kootenay West, we saw the same type of forest holocaust that is currently affecting the Maritimes. Certainly because of the size of the province, the nature of the terrain and the size of the timber, the fires were greater in their magnitude and their fury. However, a forest fire is still a forest fire and the absence of underbrush, the terrain, the weather and a host of variables can either make it strong or weak.

The fires in British Columbia last summer were uniformly strong. In that context, I want to express my appreciation for the advancement in the reporting system of fires and fire strikes that have been put in place in British Columbia and other areas of Canada. I want to speak specifically about the sophistication in British Columbia because I recall last summer, at the height of the conflagrations, being at a mill office in Slocan when a thunderstorm rolled in. Within minutes, there was a telephone call indicating that there was a strike at one location, a strike at a second location and a third strike at another location. The sophistication was such that up to 100 lightning strikes could be indicated in given areas as well as which ones generated a fire. It is that kind of sophistication, which can indicate precisely where those strikes occur, that is needed at least to help fight a fire.

The ultimate task falls upon the technology of men, women and their muscle in combination with the experience of foresters and the sophistication of the equipment.

I had ample opportunity to talk to those who were on the fire lines. As well, as a young man I experienced it myself. I spent three useful, worth-while, healthy and sometimes hazardous summers fighting fires in British Columbia. It is an experience I will not forget and one that I am pleased to have had because it taught me a great deal of respect for both my colleagues who were fighting the fires and for the hazards associated with fighting forest fires.

There is really nothing quite like a forest fire. Fire-fighters are sometimes engulfed in smoke. They have to put up with the intense heat and the very hot sun, the dirt and dust as well as a terrific thirst. Perspiration runs down their eyes, and I swear that one's tongue hangs out a yard. Fighting forest fires requires a system of supply to keep these men in reasonable comfort under the circumstances. They need spare clothing and fire-fighting equipment. Such an operation involves a massive investment in order to make fire-fighting equipment available. The marshalling of men in camps must be made very quickly, with foremen doing a first-class job in setting up tent towns, bringing in cooks and food and arranging a supply line. All the while, they never know what kind of fire it will be, where it will take place and whether it will be on such a steep slope that it will simply have to burn.

During that period last summer, in the heat and intensity of those fires, I talked to those men who were covered in dirt, charcoal, sweat and burns. Their first dedication was to the job. It is important to note that some of these men were taken from the mines, the forests and other jobs in order to fight the fires. They did not complain because they knew a job had to be done. However, some of these men had seasonable employment which, in many cases, paid UI benefits. They were put on a job which is described in the Province of British Columbia as a disaster response with no UI benefits. There were also volunteers on that fire line who were receiving UI benefits and others who had no UI benefits.

I expressed the view that these men and women should be covered by unemployment insurance benefits because they were doing honest work in a dedicated fashion. It was suggested that such a step would only encourage arson. There was

only one proven case of arson in all the fires that swept through British Columbia last summer.

After my discussions with these fire-fighters, I approached the Department of Revenue and the Minister of Employment and Immigration (Miss MacDonald) in the middle of the summer. I also expressed my concern to my caucus colleagues from British Columbia, which they accepted and supported. The Government's response was quick—I would venture to say in the space of two weeks—and it was to amend the regulations under the Unemployment Insurance Act so that forest fire-fighters who were brought on to the fire lines by the provincial departments of forestry would be covered under the UIC.

The only problem is that this is a co-operative venture and that some of the provinces—British Columbia in this case—have not accepted that proposal. I cannot for the life of me understand why it has not accepted this proposal because it is the Government of Canada that is paying the bill through the taxpayers of Canada. Perhaps the provincial Government is concerned that including all of these additional people in its Department of Forestry will inflate the numbers in its books and will be challenged in the provincial legislature for having more man-years than it planned. However, what opposition Member would challenge the Government on that basis when it is clear that the reason for these increased man-years is the need to provide UI benefits for those fire-fighters who are put on the workforce of that particular Department?

In conclusion, I want to thank the Hon. Member for Fundy—Royal for bringing about this debate. It has given me an opportunity to put on the record of the House of Commons the dedication of the men and women who fought those fires last summer, the response of my colleagues to a matter of urgent and pressing necessity, and to indicate the outstanding speed with which the matter was addressed by the Minister of Revenue (Mr. Mackay) and the Minister of Employment and Immigration.

Finally, it is time for the provinces, along with the Government, to begin a co-operative venture so that each province will have the same provision for UI benefits.

• (2400)

Mr. Fennell: Mr. Speaker, I believe the House would give unanimous consent to permit the Hon. Member for Saint-Denis (Mr. Prud'homme) to talk for up to 10 minutes and to extend the time from 12 o'clock to 12.10 a.m.

Mr. Deputy Speaker: Is there unanimous consent to not see the clock—

[*Translation*]

—to allow the Hon. Member for Saint-Denis (Mr. Prud'homme) to continue his speech for ten minutes?

Some Hon. Members: Agreed.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, first of all I wish to thank the chief Government Whip for letting me join all my colleagues in speaking here this evening. I think it is appropriate that all Members be given a chance to take part in the debate, irrespective of the region they come from, because after all, this country draws its strength from the solidarity of the provinces.

When everybody is happy as they are now in Vancouver because of Expo, all Canadians rejoice. When tragedy strikes as is the case now in the Maritimes, in Atlantic Canada, the whole country suffers. That is what our Confederation is all about. That is what makes us proud to be Canadians.

I want to thank my friend the Hon. Member for Fundy—Royal (Mr. Corbett) who raised this issue, and Mr. Speaker who agreed that it was an urgent matter to be debated this evening. For having spoken to you, Mr. Speaker, I know that as the Member for Verchères you too would have liked to join in the debate and add a few comments to what has been said tonight, but your important responsibilities prevented you from doing so since you must listen without getting involved.

In my opinion, this is one of those rare occasions when I can speak for the Chair and all my colleagues, as they may have spoken for us at times, for nobody can remain insensitive to this kind of tragedy. And I would like to remind Quebecers—

[*English*]

I would also like to remind Canadians in other provinces that this is the time for solidarity. It is not the time for partisan politics. It is a time when we can show that a tragedy taking place in one part of Canada affects us as much as if it were taking place in our province, in which case it would be a tragedy in which the Hon. Member for Fundy—Royal (Mr. Corbett) would feel he must participate and give his time and effort in order to make his own province understand that there is a solidarity we have to exercise with each other.

I listened to most of the speeches tonight and, because of the hour, I do not believe I can add very much except to say that we must be prepared at all times with all of our know how, technology and manpower to assist when a tragedy of this kind takes place in Canada.

With respect to world tragedy, I was saying recently that we should have a prepared team to assist in the kinds of tragedy which take place in the world and especially the kinds of tragedy which take place in Canada. Forestry is one of our greatest riches. That was said well in the letter sent by the Hon. Member for Fundy-Royal to the Speaker, and it has been said tonight by all Hon. Members who spoke in the debate.

We in this great vast land have been blessed by God with much and we should be ready to help any individual province. We must not hesitate. We must immediately get on the phone and say: "Mr. Premier, is there anything we can do? We are ready right now". Our Armed Forces should do the same, not only because it happened to be an army base which was involved. Our Armed Forces in Canada would be delighted to be on the alert for this kind of tragedy. They could be ready

and waiting for the signal by the Minister, the Associate Minister, or the Prime Minister (Mr. Mulroney) at the request of a province.

I will not abuse the privilege given to me to speak after the hour, but as a Canadian living in Quebec, I have to say at least a few words to let the House know that my province deeply regrets this tragedy and is ready to join with the rest of Canada to help. After all, it is not the maritimes which is attacked. It is all of Canada. In the name of Canadian solidarity, we have to be ready to make the necessary sacrifices if need be in order to help these people in the Atlantic region. Many of them lost almost everything they owned. Many of them lost what is best in life, a job. Losing everything on their land is losing everything they own.

I want to again thank my colleagues who made it possible to have this debate tonight, and I thank you, Mr. Speaker, for your patience in listening to all of us so late. As Chairman of the Members' Services, I would like to thank the very able staff who stayed with us so late, and I see that everyone still has a smile. They are saying: "Yes, we do not mind staying because we are showing Canadians that at times we can put aside the division of our political Parties". Tonight it was a Canadian show of solidarity for people who suffer in this country, and I really wanted to be part of it.

Mr. Deputy Speaker: The hour being midnight, pursuant to Standing Order 29(13), I declare the motion carried.

This House stands adjourned until later this day at two o'clock p.m., pursuant to Standing Order 3(1).

The House adjourned at 12.08 a.m.

HOUSE OF COMMONS

Wednesday, May 21, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

TORONTO TELEVISION STATION TAKEOVER APPLICATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, the CRTC is about to decide whether the takeover of the Toronto multilingual television station, MTV, by Rogers Cable Television should be approved. MTV has become an institution in Toronto. It has served exceptionally well not only the ethnocultural community but also the community at large. It has fostered a better understanding between people of all races. It has allowed a sharing of the rich multicultural beauty of Canada.

The Rogers Cable takeover of MTV raises a number of serious questions. The takeover may present a threat to the very purpose and *raison-d'être* of MTV.

I would hope that the Minister of State for Multiculturalism (Mr. Jelinek) has obtained assurances that the multicultural mandate of MTV will continue and be strengthened. Control of MTV should not be transferred to those who lack complete understanding of multicultural television. If the transfer of MTV to Rogers is approved, I call upon the Government to ensure, at the very least, that the current application before the CRTC on the national multilingual television network is held in abeyance pending further—

Mr. Speaker: Order, please. Sixty seconds.

* * *

CHALLENGE '86

EMPLOYMENT FUNDING FOR NON-PROFIT GROUPS IN WINNIPEG

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, over the last few weeks a coalition of non-profit groups has emerged in Winnipeg. It is concerned about being left out of the employment funds allocated by the Government under Challenge '86 and the Canadian Jobs Strategy. This group called FACE represents some 75 to 100 groups, being a cross-section of the community, including native people, women, disabled, and those involved in day care. They have been waiting for answers for funding under the Canadian Job Strategy since last October. What they see happening is an arbitrary allocation of funds. Some groups get money, others don't. A lot of the money is going into the private sector now. In the past these groups got money under Canada Works. Now the money is having to be shared with private consultants and the private sector.

• (1405)

If the indication of spending over the last year is any benchmark, there is less money for non-profit groups, and these groups—

Mr. Speaker: Order, please. Sixty seconds.

* * *

RAILWAYS

FUTURE OF CN SHOPS AT MONCTON

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, for the past year the CN shops located in my federal constituency of Moncton have been the subject of an internal assessment conducted by CN regarding its maintenance capacity. The study supposedly involves Montreal and Winnipeg as well as Moncton, but fears exist that CN's attention is centred only on the Moncton facility as the location to be closed or downsized.

The Moncton shops are the largest single industrial employer in the Province of New Brunswick, employing approximately 1,000 people and injecting over $70 million annually into the Atlantic economy. Their existence is of vital economic concern to the Province of New Brunswick and represents a major federal contribution to the economy of Atlantic Canada.

It is past time that a clear signal be sent by our Government to Canadian National that closure or significant lay-offs by CN at the Moncton shops is totally unacceptable and will not be tolerated. The Government of Canada has a responsibility to Atlantic Canada and Atlantic Canadians, and must ensure that CN continues to operate its shops in Moncton at viable employment levels. I urge the Minister of Transport (Mr. Mazankowski) to take immediate action in order to live up to our federal commitment to Atlantic Canada by instructing Canadian National—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

[*Translation*]

SHIPYARDS

FUTURE PROSPECTS

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): For several days now, Mr. Speaker, Opposition Members have been trying to intimidate Quebec shipyard workers by making every kind of unfounded allegations concerning our Government's plans about the survival of this major industry.

As a responsible Government we have decided to give serious consideration to this matter and to launch a consultation process involving all participants. Unlike the Liberals who for 20 years ignored the shipbuilding industry and let it go down the drain, we in the Conservative Party want to make sure it will survive to become a strong and prosperous business.

Mr. Speaker, my riding is home to Versatile Vickers, one of Canada's most productive and efficient shipyards. The workers need not worry about the ongoing process because the shipbuilding industry can indeed look forward to a promising future throughout Quebec.

* * *

[*English*]

CHALLENGE '86

EMPLOYMENT FUNDING OF NON-PROFIT ORGANIZATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, yesterday we were treated to the spectacle of the Minister of Employment and Immigration (Miss MacDonald) defending government policies which mean this summer there will be hundreds, if not thousands, of children in camps for the mentally retarded who will be denied service, denied a chance to go to camp. At the same time the Government is funding projects like running rides at La Ronde, working in 7-Eleven stores, and stocking shelves for the Oshawa group.

I think it is an outrage that the Government's quota system for the private sector has meant that many, in fact thousands of good public and non-profit projects have been turned down or have been cut back. There has been a 44 per cent cut in the city of Toronto. At the same time the private sector is getting funded for projects which will never lead to any kind of professional development.

We do not need funding for 7-Eleven stores in this country. We need good non-profit funding, the kind that was delivered under past Liberal Governments and will be delivered in the future if we get a chance to cut back on this Government's private sector privatization fetish.

[*Translation*]

FRANCOPHONE COUNTRIES

UTILIZATION OF FRENCH LANGUAGE COMPUTER SOFTWARE

Mr. Nic Leblanc (Longueuil): In Montreal recently, Mr. Speaker, after the francophone summit in Paris, the Governments of Canada and Quebec played hosts to officials responsible for data processing in francophone countries.

Under the theme "The computer and its applications in francophone countries", the Agency for Cultural and Technical Co-operation invited member States to a one-week seminar.

The objectives were, first to consider problems related to the development and use of French language computer software and, second, to draft strategies for data processing projects. One of the central issues was the advent of a new kind of international co-operation based on a spirit of partnership.

We urge all participants to continue their efforts to promote wider use of French language computer software.

* * *

• (1410)

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—COMPENSATION ISSUE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, this past weekend the National Association of Japanese Canadians stated that $25,000 for each surviving internee and a $50 million community fund would represent appropriate compensation for wartime losses. The Minister of State for Multiculturalism (Mr. Jelinek) has talked carelessly in the past of redress demands which might exceed $5 million. He has rejected the Price Waterhouse calculations of $443 million. Now he is critical of the NAJC proposal which would cost no more than $300 million.

The time has surely come for the Government to review negotiations with the NAJC. The Prime Minister (Mr. Mulroney) promised the Japanese Canadian community a redress settlement. Does he think a $6 million human rights foundation represents adequate redress? Is he going to continue letting a flippant Minister pursue this issue in his own divisive way? When will the Prime Minister demonstrate his grasp of proper redress by sending Government representatives to negotiate with the NAJC?

CANADA POST CORPORATION

LACK OF HOME DELIVERY SERVICES IN NEPEAN—CARLETON CONSTITUENCY

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the Canadian postal system daily touches every home and business in Canada. Canadians expect and depend on good mail service. My constituents in Nepean—Carleton are growing increasingly frustrated with the current postal system. Given that the urban component of the riding is growing rapidly, hundreds of new home owners do not receive home delivery. Many travel several kilometres to pick up mail at postal outlets on busy arterials, with limited and inadequate parking. My constituents who use public transit for work or shopping, the poor and the elderly, find it next to impossible to visit these postal outlets regularly. This is an intolerable inequity which I hope will be quickly rectified.

I urge the Government to reverse years of deterioration in mail service and to deliver to Canadians a mail service that they once knew, one that is efficient, reliable, equitable, and respected.

* * *

[*Translation*]

EXTERNAL AFFAIRS

NUCLEAR POWER PLANTS—NEED FOR INTERNATIONAL CONVENTION AND CREATION OF PUBLIC INFORMATION CENTRE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Chernobyl disaster in the Soviet Union and the world nuclear situation give us all cause for concern. The future of Abitibi and Canada is at stake, and I am thinking not only of human beings but all living things on this planet.

This disaster should mark the beginning of a new era in international relations, and although I am not criticizing nuclear power programs, I must say I prefer hydro-electric projects such as the James Bay project in Quebec.

We should ask for an international convention and create a public information centre that would be open 24 hours a day, because we know now the world has already had ten nuclear accidents that were not revealed to the public.

* * *

SHIPYARDS

MARINE TRANSPORTATION POLICY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today, 2,000 people from the Sorel area have come here again, to demonstrate like the people who came from Montreal and Quebec City. They have to come begging for jobs because of the injustice perpetrated by this Conservative Government.

Mr. Speaker, during the election campaign, the Prime Minister (Mr. Mulroney) and his Members promised us a marine transportation policy and jobs. Today, they have given the competition a mandate for rationalizing and phasing out shipyards.

I hope the Conservative Members from Quebec will wake up, so we will not get the same raw deal we got when the Gulf refinery was shut down in Montreal East.

* * *

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, in this morning's *Globe and Mail*, the editorial page was very positive about the achievements of our Government.

In major areas, the ideas, achievements, actions and changes that have been made by our Government deserve applause. Our economic policies have contributed to prosperity and begun to yield significant results in restoring public finance and controlling the deficit.

Our tax and trade policies which welcome investment and our deregulation policy have helped to bring down interest rates and sustain the value of the Canadian dollar.

Our rapprochement with the provinces and with the United States has reduced obstacles to economic growth and reinforced national unity.

Our foreign policy has shown more energy and consistency than we had ever seen under the previous Government. We have reformed our parliamentary process, which has helped to improve Government management.

Mr. Speaker, those are concrete achievements that were publicly recognized today, May 21, 1986, by the *Globe and Mail*.

* * *

[*English*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of this House and the people of Canada the disgraceful actions of the federal Government and the Minister responsible for housing with regard to the Residential Rehabilitation Assistance Program, or RRAP as it is widely known.

The actions of the Minister have resulted in less money being allocated, fewer people being given assistance, and the criteria for eligibility being tightened beyond any reasonable conditions. The consequence of these ill-advised actions is that people who would have received funding last year are now going to receive absolutely no funding whatsoever.

The Minister has quite simply abdicated his responsibilities and set those Canadians in need of housing assistance adrift with little or no hope of receiving much needed Government assistance. The conclusion one must draw from all this is that the Minister must be removed if he is not going to protect the interests of those who desperately need his help.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—VALUE OF CANADIAN DOLLAR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It is no coincidence that today, at the outset of negotiations for free trade with the United States, the U.S. Secretary of the Treasury, James Baker, sent an ultimatum to Canada to raise the value of our dollar. Does the Prime Minister feel that the U.S. can continue to put this kind of economic pressure on our country as part of the price for free trade? Will he not make it clear that his Government is not going to be pushed around in order to keep these negotiations going?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is a preposterous point of view. The Right Hon. Leader of the Opposition knows full well that Secretary Baker delivered himself of a response to a question that was, as far as we are concerned, rather academic. We are members of the—

Mr. Waddell: It is always academic.

Mr. Mulroney: Absolutely. We are grateful for the rise, but it is quite academic because Canada, as the Minister explained, is a full partner in G-Seven now and we will work with all of our partners to strengthen our national and international economies.

Mr. Turner (Vancouver Quadra): The question is not academic at all. When the American negotiators start looking at our $22 billion trade surplus with the U.S., they will look at the value of our dollar as part of the price. It is not academic at all.

[*Translation*]

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the United States, which has been attacking our forestry workers, our farmers, our social programs, our cultural identity, has now launched an attack on the value of the dollar.

Will the Prime Minister finally decide to call up his friend, the President of the United States, and tell him he is going too far?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is quick to turn into a demagogue. After all, the trade talks are only starting—

Mr. Malépart: And the Canadian Constitution!

Mr. Mulroney: If it isn't the constitutional expert from Montreal—Sainte-Marie again!

The trade talks are only getting started today. In fact, these negotiations will provide the basis for discussions between our two countries, in order to take a serious look at certain problems and deal with them. And that is what we are doing today: Ambassador Reisman for Canada and Ambassador Murphy for the Americans. There will be quite a few problems to discuss before the final settlement, and we will have to come to terms with certain realities. We are going to have a mature discussion about our various problems with a view to creating a national and international climate that will result in a new dimension of prosperity for Canada and new jobs for Canadians.

[*English*]

LUMBER EXPORTS TO UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has taken the position that the President of the United States has nothing to do with the current American attack on our lumber exports, this despite a clear letter from the President to Senator Packwood. Is the truth not revealed in that letter where the President promised to play tough with our lumber industry in order to get the free trade negotiations on the rails? Will the Prime Minister call his good friend President Reagan and say "Back off, back off on our lumber exports"?

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): There are too many Edward G. Robinson movies being watched over there.

Some Hon. Members: Hear, hear!

Mr. Mulroney: If the Americans—

Mr. Axworthy: It is better than watching the Keystone Cops over there.

Mr. Hnatyshyn: "You dirty rat, you".

Some Hon. Members: Oh, oh!

Mr. Mulroney: I missed that, and I missed the gymnastics lesson last week by the Member for Hamilton East.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think I will go to the next questioner.

* * *

APARTHEID

SOUTH AFRICA—ATTACKS ON NEIGHBOURING COUNTRIES—CANADIAN POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, yesterday the Secretary of State for External Affairs told us that he would take no further action with respect to South Africa until he had consulted with our ambassador and our friends in the Commonwealth and elsewhere. What further action, beyond attacks and acts of war on three adjacent states by the South African regime, is necessary before Canada decides to terminate its diplomatic relations?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would hope that all Members of this House would want to give our priority to using every instrument we have to ending apartheid in South Africa, and not simply direct our attention toward attracting headlines in Canada. I would hope that would be the premise of the policy of the Liberal Party, as it is the premise of our policy and, I believe, from the tone of the questions by the Leader of the New Democratic Party yesterday, the approach being taken by the NDP.

We have been in preliminary consultation with High Commissioners of the Commonwealth countries who are in Canada. Roy McMurtry is meeting today in London under the auspices of the Commonwealth group in the subcommittee dealing with South Africa. I have called home our ambassador, and we will be getting his direct information on the situation in South Africa. We will be meeting Archbishop Scott, who has been a member of the Eminent Persons Group. We are seeking evidence of ways in which we can bring action and influence, either alone or with others, against apartheid. That is what we intend to do.

[*Translation*]

REQUEST THAT CANADA SEVER DIPLOMATIC RELATIONS WITH SOUTH AFRICA

Hon. Donald J. Johnston (Saint-Henri—Westmount): I have a supplementary, Mr. Speaker. We quite agree with the spirit of the answer, but what else will South Africa have to do for Canada to decide to break off diplomatic relations with this country? He didn't answer that question.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada is now proceeding to consider, with other Commonwealth countries, the feasibility of effective action within the Commonwealth. It is very important for all of us to maintain the effectiveness of this institution. And that is why yesterday, the Prime Minister of Canada telephoned to consult directly with the President of Zambia, Mr. Kenneth Kaunda. And that is why today we are continuing our consultations. It would of course be easy for us to take some kind of action against South Africa. However, to us, it is not a matter of making a gesture. What we want is the end of the apartheid system, and that is the objective of this Government and the Commonwealth.

* * *

TRADE

COMPOSITION OF TEAM NEGOTIATING FREE TRADE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister for International Trade. In Ottawa today, talks are beginning with the Americans on the subject of free trade. According to the Minister, the Government intends to talk about Canadian realities. Does the Minister really believe that Canadian realities are accurately reflected in this important negotiating team that has only one francophone and one woman?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer is no. Ambassador Reisman's team is a preliminary one. We must point out that sitting at the table for Canada today we had Mrs. Sylvia Ostry, an internationally respected economist, as well as a francophone woman responsible for legal matters. However, we read the comments in the press today and we agree that the Canadian team should reflect Canadian society more accurately.

[*English*]

Mr. Broadbent: Mr. Speaker, one would have hoped the thinking would have gone on before the mistake was discovered.

[*Translation*]

But I am very pleased the Minister intends to change the team. That is a good thing.

[*English*]

LAUNCHING OF COUNTERVAILING ACTION BY U.S. LUMBER INDUSTRY

Hon. Edward Broadbent (Oshawa): I have another question to direct to the Secretary of State for External Affairs. Considering the countervailing action initiated Monday in the United States against Canadian softwood producers, who thought they were producing already under a free trade agreement in this sector, could result in the loss of up to 45,000 jobs in British Columbia alone, I want to ask the Minister if Mr. Reisman was instructed today to say to the Americans that they cannot have it both ways. If they want the trade talks to continue they have got to stop the countervailing actions in the United States now.

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Minister for International Trade made it very clear in the House yesterday, as he, I, and others have on several occasions, that the purpose of these negotiations is to bring to an end, or at least substantially modify, a situation where Canadian interests can be threatened in the way they are being threatened now by countervailing action. We hope that these negotiations may lead to an alternative. The NDP wants us to stop the negotiations before an alternative can be found.

Mr. Broadbent: The New Democratic Party wants the Government to stand up for Canadian jobs for once. That is what the NDP wants.

Some Hon. Members: Oh, oh!

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering that all the men and women working in this industry in British Columbia already thought they had a free trade arrangement, and that the Americans are trying to stop their imports, and that we are beating them at their own game, will the Minister now stand up for Canadian interests and tell the Americans that if they want free trade negotiations they have to practise what they preach and cancel the countervailing action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as is well known, the New Democratic Party stands up for what the Canadian Labour Congress tells it.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Try that in British Columbia. Go to B.C. and say that.

Mr. Clark (Yellowhead): With regard to jobs, the Leader of the New Democratic Party should know that since this Government was elected some 630,000 Canadian jobs have been created. With regard to the future it is crystal clear that in order to maintain security for Canadians, opportunities for Canadians and growth in jobs, then we have to change our trading situation in the world. That is what we are trying to do.

The NDP can stay mired in the 1930s if it wants, but that is not good enough for this Government.

SALE OF U.S. BARLEY TO SAUDI ARABIA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. It involves another example of the deteriorating relationship in our trade with the United States.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The Conservatives laugh when the western farmers are losing their markets to the United States.

Mr. Speaker: Order, please.

Mr. Axworthy: I want western farmers to know what they are laughing at.

Some Hon. Members: Sit down.

Mr. Speaker: Order. I would like to be able to hear the question.

Mr. Axworthy: While his colleagues are laughing about it, I will direct my question to the Minister for International Trade. The Americans are undertaking subsidized sales of barley to Saudi Arabia, which is a prime Canadian market, thereby encroaching upon and transgressing the assurances they gave that their subsidy programs would not move into Canadian markets. Will the Minister take any action to protest this latest American announcement? Will the Tories stop laughing and start doing something about the fact that we are losing our western grain markets?

Mr. Crosbie: You lost your marbles.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when the Hon. Member was a Minister of the Crown of Canada, claiming to represent a western Canadian seat, his Government consistently let down western Canada, including western Canadian agriculture.

Some Hon. Members: Shame.

Mr. Clark (Yellowhead): This Government and this Prime Minister, at the Tokyo Economic Summit—for the first time in the history of the summits—raised the question of how we break the cycle of subsidy that is creating such problems for Canadian farmers across the country.

Mr. Orlikow: What is the answer?

Mr. Clark (Yellowhead): It is not enough simply to stand up and demonstrate that one is anti-American. We know that of

the Member for Winnipeg—Fort Garry. We need to break the cycle of subsidy, and we began that process at Tokyo.

Some Hon. Members: Hear, hear! More, more!

Mr. Axworthy: The Minister is only demonstrating that he either does not understand or has been insensitive to the plight of western Canadian farmers.

Some Hon. Members: Oh, oh!

Mr. Axworthy: We never let prices drop 30 per cent in one year and he knows that.

• (1430)

REQUEST FOR EXPORT ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Will the Government take some action and protest the American initiative, and begin providing some export assistance to Canadian farmers so we can compete against unfair trade practices by the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to name a few of the things, interest rates are down, fuel costs have been dealt with, the Minister responsible for the Wheat Board will be meeting with—

Mr. Axworthy: World prices are down 30 per cent for the farmers.

Mr. Clark (Yellowhead): The Hon. Member for Winnipeg—Fort Garry can try to shout me down if he wants. He has asked what action we are going to take. I am indicating some of the action we have taken and are taking. The Minister responsible for the Wheat Board will be meeting with representatives of grain producing countries in Vancouver so we can—

Mr. Axworthy: Oh, oh!

Mr. Clark (Yellowhead): The Hon. Member disparages meetings. He would sooner shout at people—

Mr. Axworthy: No, I want some action from you guys.

Mr. Clark (Yellowhead): —than sit down and reason with them—

Mr. Axworthy: Let's have some action and less words. Come on. Let's see what you can do and stop talking about it.

Mr. Clark (Yellowhead): —so we can make progress together in the interests of Canadian farmers.

Some Hon. Members: Oh, oh!

Mr. Axworthy: You're a big mouth, Clark. All words, no action.

Mr. Speaker: Order, please.

Mr. Axworthy: More public relations, no action.

U.S. BARLEY EXPORTS TO SAUDI ARABIA

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. This is a very important issue because the Americans have just decided to use their Export Enhancement Program to try to sell an extra 400,000 tonnes of barley to Saudi Arabia. Last year we sold around a million tonnes, about a quarter of our export market, to that country. Would the Secretary of State for External Affairs speak directly to his American counterpart and tell him to back off from using this subsidized program to obtain Canadian markets which are so important to our farmers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I think the Hon. Member knows because he follows these questions regularly, not like the Hon. Member for Winnipeg—Fort Garry—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Take that, Lloyd.

Mr. Rodriguez: That's true.

Mr. Clark (Yellowhead): —I think the Hon. Member knows that we have already made representations to the Americans with regard to the use of their new program. More importantly, we have begun to take an initiative which we hope with success will have the effect of breaking a cycle of subsidy which has led to the subsidization of agriculture in the European Community which, incidentally, is now the main supplier to the Saudi market, which has led to the U.S. Farm Import Bill which creates such very serious problems now for Canadian producers. We are dealing with individual action by the Americans.

Mr. Speaker: Order.

Mr. Clark (Yellowhead): We are dealing with the general problem.

INTERNATIONAL WHEAT COUNCIL—REQUEST THAT GOVERNMENT LODGE COMPLAINT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this is the thirty-first time the Americans have used that program. In the interest of protecting Canadian farmers I want to know if the Government is willing to lodge a complaint with the International Wheat Council that this is a violation of orderly marketing in the world. Will the Minister do that on behalf of the Canadian farmers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have previously expressed to the Americans in the case of other markets our disagreement with their action.

Mr. Broadbent: You're not getting very far.

Mr. Axworthy: Lots of results.

Mr. Clark (Yellowhead): If there is indeed a threat to existing Canadian markets in Saudi Arabia we will do that again with regard to existing Canadian markets. But I make the point that what needs to be broken here is the cycle of subsidy which has grown up over so many years.

Mr. Deans: What about now?

Mr. Clark (Yellowhead): There is some chance now that it can be broken. That is the best hope for Canadian farmers, and this Government has taken the lead in bringing that matter to international economic councils.

* * *

[*Translation*]

SHIPYARDS

VISIT TO OTTAWA BY SOREL REGION PEOPLE REQUESTING WORK

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I wish the Prime Minister would answer the question instead of asking the Minister to reply for him. Mr. Prime Minister, today 2,000 Sorel area residents are here begging for work. A month ago it was people from the Montreal area, and six months earlier it was people from the Quebec City area. Does the Prime Minister find it normal that Quebec residents should have to come here seeking justice, begging for work and asking for jobs in Quebec shipyards?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can see why the Hon. Member for Montreal—Sainte-Marie was booed outside the House by Marine Industries Limited workers. Now we understand why. He thinks Quebecers are beggars. Quebecers are not beggars, they are very proud individuals. In fact 630,000 Canadians found jobs since this Government was sworn in. And there will be many more, including Marine Industries workers who have been seriously harmed by the unkept promises of the Liberals. The Conservatives will honour their promises.

REQUEST THAT PRIME MINISTER MEET PEOPLE FROM SOREL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it is scandalous and demoralizing to see how far the bush-league Prime Minister can stoop. If the Prime Minister is not totally spineless after closing down Schefferville, let him show he has the courage to join me outside and address those 2,000 men. Will the Prime Minister meet with these people and promise them jobs? Yes or no?

Hon. André Bissonnette (Minister of State (Small Businesses)): I did go outside!

Mr. Speaker: Order! Order!

Mr. Bissonnette: Mr. Speaker, I did go outside and say that the Hon. Member for Montreal—Sainte-Marie was a liar. I said that the only one here in Ottawa who spoke about shutdowns is the Member for Montreal—Sainte-Marie. Other than the Member for Montreal—Sainte-Marie, nobody here in Ottawa has been talking about closing down the shipyards.

[*English*]

Mr. Speaker: Order, please. Order, please. Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members are complaining about language heard on the other side, expecting the Chair to be able to hear it despite the fact that side is making so much noise the Chair cannot hear it.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think I heard through the noise the Hon. Minister refer to the Hon. Member for Sainte Marie—

[*Translation*]

—as being a liar. If he said that he must withdraw the word.

Mr. Bissonnette: Mr. Speaker, I said—

[*English*]

Mr. Speaker: No. Order, please. The Hon. Minister will please resume his seat.

Mr. Nunziata: Bounce him.

Mr. Speaker: The Hon. Member for York South—Weston will please keep in his seat.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Wednesdays are always my favourite day.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister knows that if he has said that he must withdraw it and do nothing but that. I must hear that, please.

[*Translation*]

Mr. Bissonnette: I withdraw the word, Mr. Speaker.

RATIONALIZATION OF QUEBEC SHIPYARDS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion.

Today on Parliament Hill, the Minister of State for Small Businesses made it clear that Mr. Peter Paul Saunders of Versatile Industries had no mandate from the Government to rationalize shipyards in Quebec, while yesterday, the Acting Minister said the exact opposite, namely that the Government was trying to rationalize the industry.

Could the Minister explain this contradiction and inform the House whether the position of the Minister of State for Small Businesses is also the Government's position?

[*English*]

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I said yesterday that the Government was taking action to deal with the problems and the plight of the shipbuilding industry not only as it exists in Canada but as part of the world-wide phenomena. What the Government is attempting to do is to provide a secure and stable future for the shipbuilding industry in Canada.

[*Translation*]

FUTURE PROSPECTS FOR MARINE INDUSTRIES LIMITED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary.

I would like to put a question directly to the Acting Minister: Is the Government prepared to guarantee that Marine Industries Limited can continue as a shipyard with a sizeable share of this industry? And will Marine Industries Limited have the right to tender for all federal shipbuilding contracts?

[*English*]

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I think the Hon. Member, if he were honest with the situation, would recognize there is over-capacity and that is one of the things that is recognized not only by the Government but, indeed, by the shipbuilding industry itself. To the extent it can be rationalized and consolidated, the Government will certainly aid in that process. But I should remind the Hon. Member that MIL currently has work going on with two Coast Guard vessels. It is heavily engaged in the Canadian Patrol Frigate Program and will he able to compete for vessels which are going to be called for shortly under the TRUMP Program. So it certainly has a pretty optimistic future, I would suggest.

• (1440)

INDUSTRY

DE HAVILLAND SALE SEQUEL—CREATION OF JOBS IN WINNIPEG

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, my question is for the Acting Minister of Regional Industrial Expansion. It has been several months since de Havilland was privatized and sold to Boeing. At that time both the New Democratic Party and the Liberal Party strenuously opposed such action, stating that several hundred jobs would be lost to the United States. Can the Minister advise the House whether or not that is true or, in fact, has the opposite occurred?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, first I should point out to the House and the people of Canada that my friend and colleague was certainly a very ardent supporter of the privatization process. It has paid off. Just today Boeing announced that it will be building a major structural wing component of the Super 747 in Winnipeg which will create some 250 jobs—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Briefly, please.

Mr. Mazankowski: Not only is that good for Winnipeg, it is good for Canada. That is standing up for Canadians and Canadian jobs.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SHIPYARDS

CHOICE OF GOVERNMENT REPRESENTATIVE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

A moment ago we heard the Minister of Transport say that efforts must be made to rationalize the shipbuilding industry. The Minister of State for Small Businesses, widely known as the strong-arm man, went and told him that Mr. Saunders had no mandate to talk about rationalization—

Mr. Speaker: Question, please.

Mr. Lapierre: I would like to know whether or not his Government gave Versatile Vickers President Saunders a mandate to negotiate the rationalization of the shipbuilding industry? If so, can he explain to me why he chose to put Dracula in charge of the blood bank?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I am pleased to repeat again the same

answer I gave four times last week. No, nobody has been given a mandate to rationalize or shut down anything whatsoever.

The one thing I can tell you is that the federal Government is anxious to continue the discussions with all industry representatives so as to draft a national shipbuilding policy.

SCOPE OF MANDATE

Hon. Jean Lapierre (Shefford): Of course, Mr. Speaker, the Minister of State for Small Businesses was not even invited to the meeting.

I direct my supplementary question to the Minister of Consumer and Corporate Affairs who was there. Can he confirm that he and his colleague have given Mr. Saunders a mandate to meet with the provincial Minister and other shipbuilding industry officials to end production at Marine Industries?

Hon. André Bissonnette (Minister of State (Small Businesses)): One more time, Mr. Speaker, no, Pierre Paul Saunders was not given a mandate to rationalize or shut down any industry, either in Quebec or elsewhere.

* * *

[*English*]

TRADE

LUMBER EXPORTS TO UNITED STATES—INVITATION OF COUNTERVAIL PROCEEDINGS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. I think he is aware that on May 8 President Reagan wrote a letter to Senator Packwood regarding Canadian softwood lumber in which he stated:

—I intend to press for an expedited resolution to this problem independent of comprehensive negotiations.

I am sure the Prime Minister is aware that President Reagan controls the acceptance or rejection of the countervailing action through Secretary of Commerce Baldrige. Has the Prime Minister himself, through his office, by phone or by letter, contacted President Reagan and asked that this countervailing action be stopped?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no. I think I responded to that question yesterday. We are satisfied that the mechanisms in place are designed not only to eliminate problems but to create a climate of confidence within which these problems can be resolved. That is exactly what we are trying to do—not by yelling at the problems, not by denigrating anyone, but by sitting down in a reasonable, positive, and strong way to resolve these problems on behalf of Canadians.

Some Hon. Members: Hear, hear!

REQUEST FOR FINANCIAL AID FOR LEGAL ACTION

Mr. Jim Fulton (Skeena): Mr. Speaker, since the Prime Minister is prepared to accept a double-cross from President Reagan on a clean launch for the free trade talks, will he stand in the House today and commit funds to the Canadian forest industry so that it can at least prepare its legal defence against this unfortunate countervail action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the allegation of the Hon. Member is denied by the words which he has quoted. The letter he has quoted from the President of the United States made reference to the fact that, as this House has been seeking, and as the New Democratic Party has been insisting, there would be a clean launch. That is what the word "independent" means.

Insofar as the question of legal support for the defence of Canadian interests by Canadians is concerned, as the Minister for International Trade made clear in the House yesterday, we intend to support the Canadian position and support Canadian interests in every way we can. If it is necessary for us to commit legal funds, that too will be done.

Some Hon. Members: Hear, hear!

* * *

CHALLENGE '86

EMPLOYMENT FUNDING FOR NON-PROFIT COMMUNITY PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. As a result of her $19 million cut for student summer employment this summer and her quota limiting non-profit community projects, many excellent community services for the aged, the disabled, and youth, will be eliminated. While there is still time will the Minister restore the budget for Challenge '86 to the same level as last summer and eliminate the quota on non-profit community projects?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, there have not been any quotas put on either private sector jobs or jobs provided by the public sector. Some 35 per cent of the applications last year came from the private sector. This year it was a greater amount. However, this year the private sector will only receive 36 per cent of the funding and the non-private sector will receive 64 per cent of the funding. I do not see how the Hon. Member can say anything against that.

Mr. Allmand: Mr. Speaker, the Minister is misleading this House, if not lying to this House—

Some Hon. Members: Order, order.

Some Hon. Members: Oh, oh!

Some Hon. Members: Out, out.

Some Hon. Members: Withdraw!

Mr. Allmand: I will not withdraw that.

Mr. Speaker: Order, please. The Hon. Member knows that I must ask him to withdraw at least part of that. Therefore he should do that and then put his question, please.

Mr. Allmand: I will not withdraw. We are being told all over the country—

Some Hon. Members: Out, out!

Some Hon. Members: Withdraw!

Mr. Speaker: The Hon. Member will resume his seat, please.

Mr. Clark (Yellowhead): And John Turner smiles!

Mr. Speaker: I must ask the Hon. Member to withdraw at least the allegation he has made. I think he knows that is the parliamentary way, and he should then put his question.

Mr. Allmand: Mr. Speaker, I am not going to tell a lie to the House. She is misleading this House.

Some Hon. Members: Order, order.

Some Hon. Members: Out!

Mr. Ouellet: That is his right.

Mr. Speaker: Order, please. The Hon. Member is an experienced Member—

Mr. Rossi: Mr. Speaker—

Mr. Speaker: Will the Hon. Member for Bourassa at least have some sympathy for his colleague, if not for the House?

I must ask the Hon. Member for Notre-Dame-de-Grâce—Lachine East, who knows our practices, to withdraw the implication that the Minister is lying. I must ask him to do that. Will he please do that now?

Mr. Allmand: Mr. Speaker, if this Question Period is to have any meaning, we have to expect Ministers to tell the truth in answering questions—

Some Hon. Members: Order!

Mr. Speaker: Order, please. I have no choice, then. I am given no choice. I must name Mr. Allmand and ask him to leave the House.

[*Editor's Note: And Mr. Allmand having withdrawn:*]

Mr. Speaker: Next question, please. The Hon. Member for Essex—Windsor.

Mr. Langdon: Mr. Speaker, it feels like the Stanley Cup finals.

* * *

TRADE

CANADA-UNITED STATES—EXCHANGE VALUE OF CANADIAN DOLLAR

Mr. Steven W. Langdon (Essex—Windsor): My question is for the Prime Minister. Not content with telling us what to do in our lumber industry the United States has now told Canada to look at raising the value of our dollar in order to ease trade problems between the two countries. In view of this will the Prime Minister request the resignation of his Minister of Finance—

Some Hon. Members: Oh, oh!

Mr. Langdon: —since, quite clearly, Washington has decided to direct our financial policies in the future?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): That is a challenging question, Mr. Speaker, a real tough one. I will think about it, but I think the answer is no.

Some Hon. Members: Oh, oh!

STATEMENTS ATTRIBUTED TO MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, does the Prime Minister not in fact recognize that we have opened ourselves up to pressure from the United States on our exchange rate by the statements of the Minister of Trade who said that this would be a subject for discussion in the trade talks which opened today? He talked about exchange rates in those terms.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is the vicious "supps" which kill me. The fact of the matter is that the Secretary of State—

Mr. Turner (Vancouver Quadra): Oh, come on. The guy asked you a decent question.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Leader of the Opposition defending the NDP—

Mr. Axworthy: That is right. He is a Member of Parliament.

Mr. Mulroney: Sweethearts on parade again.

Mr. Turner (Vancouver Quadra): A Member of Parliament deserves an answer.

Mr. Clark (Yellowhead): But the Leader of the Opposition will not defend the Speaker. Shame.

Mr. Speaker: Does the Prime Minister want to complete his answer briefly, please?

Mr. Mulroney: Sir, it should be noted that the Leader of the Opposition will defend an NDPer but he will not defend the Speaker against a vicious attack by—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Mr. Ouellet: Withdraw that.

Mr. Guilbault (Saint-Jacques): Withdraw that remark.

Mr. Speaker: Order, please. The Hon. Member for Willowdale.

Mr. Ouellet: Just a minute!

Mr. Speaker: Order, please.

Mr. Nunziata: That's the new civility!

Mr. Speaker: Order, please. Of course the comments about the Chair are out of order, but there is nothing unparliamentary requiring the Chair to have anything withdrawn.

* * *

ABORTION

HOSPITAL ABORTION COMMITTEE PRACTICES—INQUEST JURY'S RECOMMENDATIONS

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Recently an Ottawa coroner's jury condemned the abortion practices of the Ottawa Civic Hospital when that particular hospital apparently approved an abortion after the abortion had taken place, and it cost the young lady her life. Will the Minister initiate an investigation into this serious breach of procedure? Are any changes being contemplated on the basis of the jury recommendations to the Minister?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the case which the Hon. Member cites is a very regrettable situation. A similar question was also answered by the Minister of Justice earlier. The recommendations, as I understand them, go to the Health Minister and Attorney General of the province, in this case the Province of Ontario. I think all of us in the House, regardless of what side of that difficult social issue we might be on, expect those committees to function within the ambit of the law. That was not done, and I would hope that the people responsible for those committees will take note of the coroner's report which was very specific.

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR CLARIFICATION OF STATEMENTS ATTRIBUTED TO MINISTER'S ASSISTANT WORKING IN MONTREAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. In an interview on the TVA network on May 15, the Minister of Public Works said, in referring to contracts, that he had no hesitation in showing his gratitude to the people that deserved it. Can the Prime Minister confirm that Mr. Lessard, the Minister's political adviser who works at the Montreal office, was put there to do just that: to show gratitude to Conservatives who deserved it, in other words, to those who contributed to the Prime Minister's election campaign and to those who followed the procedure recommended by the Hon. Member for Quebec East? Is that what he is supposed to do?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the question which the Hon. Member asks was answered yesterday by the Minister of Public Works. If the Hon. Member refers to page 13412 of *Hansard* he will find the Minister of Public Works was pleased to inform all Members of the House of Commons who were having to cope with the lack of information and often inadequate services that he had decided to post a departmental representative in Montreal who will be able to provide more and better information and services for all Members. I am sure all Hon. Members appreciate more information and more services being made available on behalf of the Government by the Minister of Public Works.

MINISTER'S ASSISTANT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, that is interesting. I wonder whether the Acting Minister could respond to the comment of Mr. Lessard in an interview when he said that there were 57 Conservatives who knew nothing about the routine of the federal Government and that it was his job to help them. Does he think that that follows through on what the Minister said yesterday? Will he not admit that he is a political hack? Will the Prime Minister do the right thing, dismiss the individual, and tell the Minister of Public Works to get his hands out of the taxpayers' cookie jar?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member makes aspersions about contracting and tendering done by Public Works. If he really cares about how contracting and tendering are done, he could refer to Chapter 310, Appendix F of the Treasury Board Administration Policy Manual, the same policy manual used by the previous Liberal administration.

APARTHEID

SOUTH AFRICA—BRITISH POSITION ON IMPOSITION OF SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister. Mrs. Thatcher is quoted as saying that she does not believe sanctions are any more likely to succeed now than before the raids. Given the leadership role played by the Prime Minister in the Commonwealth, and given the dangers to the Commonwealth posed by a failure on the part of Great Britain to act, has the Prime Minister been in contact with the Prime Minister of Great Britain within the last 48 hours to convince her to change her mind?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. I am aware of Mrs. Thatcher's point of view with regard to sanctions. It is not one that I share. It is one that she has explained and defended. I understand her point of view, but I believe that the Commonwealth is inclined to come to another point of view in the event of a failure of the Eminent Persons Group mission. We believe there is still a possibility for success. I will be meeting with the Archbishop on Friday in this regard. Pending that, Canada will continue to seek further information. However, we have not moved from the position set out by the Secretary of State last autumn with regard to the ultimate action that Canada will take if we are incapable of persuading South Africa to rid itself or rid the world of the evil of apartheid.

THREAT TO COMMONWEALTH

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question is directed to the Prime Minister. Given the threat to the very existence of the Commonwealth which this situation poses, how can the Prime Minister explain not even having made the attempt to contact Mrs. Thatcher to convince her to change her mind?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the Hon. Member, who has a genuine interest in this question, was absent from the House earlier when I indicated that I had met yesterday with the High Commissioners of various country members of the Commonwealth, including Great Britain. While there was disagreement in that room, naturally, about the measures which should be taken now, there was general agreement about the importance of maintaining the integrity and the strength of the Commonwealth as an institution. That is a position which we are pursuing. That is a position which the Prime Minister advanced materially in his call yesterday to Mr. Kuanda, to indicate the continuing solidarity of Canada with the citizens of Commonwealth countries which were attacked, and our continuing determination to play a leadership role in any way we can—our sanctions if necessary, and working in the Commonwealth, if that will work, to bring an end to apartheid.

Petitions

EXTERNAL AFFAIRS

HAITI—FREE ELECTIONS—CANADIAN POSITION

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is for the Secretary of State for External Affairs. With Canada's reputation for conducting fair and free elections, and with a number of Canadians having acted as observers of elections in foreign countries, could the Secretary of State for External Affairs indicate what initiatives he is taking to export democracy and, in particular, whether he has had any discussions with the Government of Haiti in respect to its objective of developing free elections in that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have indicated publicly our—

Ms. Copps: Oh, oh!

Mr. Clark (Yellowhead): It may be that the Hon. Member for Hamilton East is not interested in the help which Canada might bring to Haiti. However, I think there are other members in the House, and I would have no doubt citizens in her constituency, who—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I cannot allow that.

Mr. Ouellet: Imputing motive. Withdraw.

Mr. Axworthy: How do you withdraw pomposity?

Mr. Speaker: Order, please. The Right Hon. Minister knows why I must interrupt at that point. Order, please. Three o'clock.

* * *

• (1500)

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order today to designate Friday as an allotted day.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages

the Government's response to the following seven petitions: Nos. 331-386 to 331-389, inclusive, and 331-413 to 331-415, inclusive.

* * *

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 84(1), I wish to table in both official languages a notice of a Ways and Means motion to amend the Customs Tariff Act, and pursuant to Standing Order 84(2) I request that an Order of the Day be designated for its consideration.

* * *

GRASSY NARROWS AND ISLINGTON INDIAN BANDS MERCURY POLLUTION CLAIMS SETTLEMENT

TABLING OF MEMORANDUM OF AGREEMENT

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to table in both official languages copies of a Memorandum of Agreement between Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of Ontario, the Islington Indian Band, the Grassy Narrows Indian Band, Great Lakes Forest Products Limited and Reed Incorporated.

This Memorandum of Agreement establishes the terms of a settlement between the Parties for claims arising from the mercury pollution of the Wabigoon and English Rivers.

TABLING OF ESCROW AGREEMENT

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I also table an Escrow Agreement, dated as of December 16, 1985, between Her Majesty the Queen in right of Ontario, Great Lakes Forest Products Limited, Reed Incorporated and the National Trust Company.

The terms of this Escrow Agreement were approved of and consented to by the Grassy Narrows Indian Band, the Islington Indian Band and Her Majesty the Queen in right of Canada.

Hon. Members have been given notice of the intent to introduce a Bill to approve, give affect to and declare valid these agreements.

IMMIGRATION

REFUGEE DETERMINATION SYSTEM

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, on behalf of this Government, I welcome this opportunity to announce to the Members of this House and to all Canadians the details of the proposed new refugee determination system for Canada.

[*Translation*]

Mr. Speaker, the Government has the honour of announcing to the Members of this House, and to all Canadians, a new refugee determination process.

[*English*]

There is agreement that claims to refugee status should be treated fairly, humanely and expeditiously. I want to assure you today, Mr. Speaker, that this Government has given very careful consideration to all the views expressed by refugee aid groups, church groups and ethnic organizations across the country. These groups help to identify those who need our assistance, they sponsor about one-quarter of the flow of refugees to Canada and they are invaluable in helping refugees integrate into Canadian society.

I want to state also that the Government is indebted to the invaluable contributions of Rabbi Gunther Plaut and the Standing Committee on Labour, Employment and Immigration. I believe that all those who have studied the system and proposed reforms will see reflections of their ideas in the model I am proposing today.

The refugee determination process, like the definition of a refugee itself, is dynamic and evolving. I do not see these measures as the end of the journey we have travelled together, but they are steps in the right direction.

[*Translation*]

As a Canadian, I am proud of our humanitarian tradition. Over one half million refugees have settled in Canada since World War II.

[*English*]

As a Canadian, I know we can proud of our tradition of humanitarianism. More than a half million refugees have settled in Canada since the Second World War. For the past six years, over 125,000 refugees and designated class immigrants have found new homes in Canada. Thousands of others have been helped by humanitarian measures developed to deal with special unexpected circumstances in the volatile world in which we live.

The new refugee determination system will continue this humanitarian tradition of our nation, Canada. In a time of restraint, our Government is allocating substantial new resources to the system. Over the years, however, all levels of Government will be saving millions because nothing could be more expensive, or less effective, than our present

system. Nevertheless, Mr. Speaker, Canada as a prosperous and fortunate country must continue to do all it can for refugees seeking protection at our borders while continuing our program of resettlement from abroad in consultation with the United Nations High Commissioner for Refugees.

[*Translation*]

Canada will continue to do everything in its power to help refugees who ask for our protection.

[*English*]

In formulating our proposals, we have been mindful of our international legal and moral obligations as a signatory to the United Nations convention as well as Canadian standards of justice as set out in the Canadian Bill of Rights and the Charter of Rights and Freedoms. We have taken a cumbersome and elaborate system, an outdated system which caused tragic delays for genuine refugees and months of uncertainty for others, and we have streamlined it. I believe we have made it essentially more fair and more efficient.

The highlights of the new refugee determination system are as follows. First, an oral hearing on questions of merit for all claimants; second, independent and well-informed decision-making; third, a new Convention Refugee Determination Board with full and part-time members to meet the ebb and flow in this volatile situation. Fourth, we will have a non-adversarial format, moving human rights away from the immigration mode and its legal mode so as to see the refugee stream more in the broad humanitarian and human rights tradition. Fifth, we will have a two-member expert panel. Any split decision, if one happens, will go in favour of the claimant. Our system will be a generous one. Sixth, we will have an appeal by leave to the Federal Court of Canada. Seventh, in order to meet the needs of those *bona fide* refugees, those most in need, we will have limited access controls such as for those exceeding the time limits, for those granted protection already in another country and for those who are making repeat claims. Eighth, we will have a legislated requirement that claims be heard expeditiously so that those whose lives have been turned upside down will not find themselves faced by interminable delays.

In addition to the details of the proposed system, I am announcing today that a case by case clearance of the backlog will commence July 15, 1986. Further, I wish to inform the House and Members of the public that those individuals whose claims have not been initiated prior to this date, May 21, 1986, will have their refugee claims dealt with swiftly. This will enable the Government to assist genuine refugees in getting on with the rebuilding of their lives. It will ensure that those whose claims have no merit will be promptly removed from Canada.

[*Translation*]

Mr. Speaker, with these conditions in our new system, the Government will be able to continue to assist those who are genuine refugees.

• (1510)

[*English*]

Through this proposed system my Government is continuing to do what it always intended to do, that is, to help those who genuinely need protection and discourage those who seek to use the system for purely economic reasons.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to respond on behalf of my Party to the statement of the Minister. Over the years and under successive Liberal Governments Canada has been a leader within the international community regarding the issues of human rights and immigration policies and our role in resolving the crisis of world refugees. Our traditional instinct throughout in such dilemmas was to act compassionately, progressively and with a vision that was to be respected world-wide. We in Canada took our international obligations seriously and played our part just as well as did any other country.

Canadians do not want people to be sent back to countries where they will be persecuted, suffer loss of freedom, or face sure death. At the same time, particularly during recent international incidents of terrorism and conflict, Canadians are concerned that the huge backlog gives rise to an increase of bogus refugee claimants to the detriment of legitimate refugee claims. The backlog weakens Canada's acceptability of making our rightful contribution to the plight of refugees. What better way of convincing the public and politicians to not allow refugees to seek protection than by pointing to the illegitimate refugee cases which are abusing our regulations, using our health and social services, working at jobs that would otherwise be available for Canadians and generally clogging up the system. Thus, a reformed and improved refugee determination system would cater to these two aspirations of Canadians. The present system is inadequate and gives rise to a grey, middle-of-the-road approach which does not meet these two fundamentally important expectations.

When you stip away the public relations aspect of this particular policy you will see that the Conservative Government's new policy is a regressive move which tarnishes our proud tradition. One of the major flaws in this particular piece of legislation is the Government's willingness to limit access to the refugee process on the grounds of the claimant's country of last sojourn. The vast majority of refugees must escape their country of persecution into a secondary country before coming to Canada simply because persecution cuts off direct access to Canada.

This decision by the Minister lacks morality and integrity and, in essence, is washing the Government's hands of the obligation to the refugee reality. It is intellectually dishonest. It runs counter to the spirit of the 1951 U.N. Convention and the subsequent protocol of 1967. It runs counter to the recommendations made by every single group and witness that came before the committee.

Another major flaw is the appeal procedure. The Minister suggested that appeals should be to the Federal Court of

Appeal with leave. Once again, the Liberal Party strongly disagrees and believes that the entire refugee determination procedure is only as effective and fair as its appeal process. The Liberal Party favours an oral appeal to a three-member refugee appeal board before proceeding to the Federal Court of Appeal. An additional level of appeal to a specialized body would ensure and safeguard claimants' rights.

It should be noted that the Federal Court lacks the expertise in refugee law and understanding of international and individual country situations. Also, its mandate precludes it from receiving new factual evidence and reassessing the credibility of the claimant. It is unrealistic to expect that changes and reforms in the Federal Court will take place in the foreseeable future. A competent and specialized appeal body, as advocated by numerous witnesses, must be part of the process and would place an appropriate priority on the important issues of the right to life, liberty and freedom, the absence of which has given rise to the refugee phenomenon.

Another fall-out from this piece of legislation is the silence on the right to legal counsel from the initial stages of the process. The Government does not feel it is necessary or practical to provide individuals with the right to counsel prior to an inquiry. The Liberal Party disagrees once again. We believe that it is necessary to give counsel to all refugees. From the refugee's perspective especially, where his or her liberty or security is in jeopardy, this right becomes all the more important.

Moreover, it is incorrect that some information collected prior to the inquiry, without the presence of counsel, can be used against the claimant. The Liberal Party does not believe this practice to be right or constiutionally fair. Therefore, we ask the Minister to change this very serious flaw.

In his prepared statement the Minister made the decision to slap visa requirements on Portugal. It is amazing that the Government decided to impose visa requirements. Fortunately, due to pressure, it decided to reverse itself at the eleventh hour. Notwithstanding this decision, I believe the Minister has besmirched the good name of an ally and owes the Portugese-Canadian community an apology.

In short, if the process limits access to the process and denies a refugee claimant the right to counsel, and if the process does not, from beginning to end, provide an appropriate and strong appeal for the refugee claimant, how fair is that process? How have we as a country helped the claimant seek refugee status in this country?

In conclusion, I would like to quote from the report of Rabbi Gunther Plaut. He said:

> The number of refugees we are asked to admit, and especially the number of inland refugee claimants, is small when compared to the vastness of our land, the wealth of its resources and the peaceful internal and external conditions which are Canada's. To be sure, like everyone else we worry about our own well-being but our adherence to the U.N. Convention, and the incorporation of its principles into Canadian law, are flags we have run up on our pole of moral purpose, and there they must continue to wave.

It is my humble submission, Mr. Speaker, that that flag has been pulled down the pole of morality. This policy is bankrupt of any morality and discussions which have been held over the last number of years. First, there is an absence of right to legal counsel. Second, there is the question of limiting access to the refugee process. Third, there is an absence of a strong and genuine appeal body. Once those three elements are stripped away there is no longer a legitimate, genuine, and effective process which will protect the rights of individuals who are escaping torture and death. It will not protect the interests of Canadians and Canada. I hope that these elements will be changed.

In addition to the legislative changes, I hope that the regulations which the Minister has highlighted will be subject to a parliamentary debate so that we can expand on our principles on the floor of the House of Commons, thus informing Canadians of what really lies behind the ten-page statement we just heard from the Minister.

Mr. Dan Heap (Spadina): Mr. Speaker, on behalf of the New Democratic Party I am happy to respond to the Minister's announcement. I welcome the fact that he has made an announcement, although it is a matter of great regret that there has been so much delay. I am personally satisfied that it was possible for me to withdraw my legal action which would have required the Minister to respond. I am very pleased that he has now finally responded.

After a long delay we have a report by the Government which contains about five good points and about six serious flaws. The report of Rabbi Plaut, which is universally praised, was due in December of 1984. It was received by the Minister before April, according to what the Minister said in a committee. It was not made available until the end of June. Then of course it was referred to the standing committee for consideration. There was a half-year delay. Then the reports of the standing committee were tabled in November and December, and neither of them had the substantial response required and envisaged by the rules, until at least a month or two later. We are told now that the program will not begin until mid-July. However, we at last have something in front of us.

• (1520)

As I say, there are five good points. I believe they will be unanimously supported by all sides of the House because they were unanimously supported by the standing committee. There is the matter of an oral hearing for all claimants, as the Supreme Court required more than a year ago, although it has not yet of course been put into action. We are told, however, it will be at some point. There is the matter of an independent and well-informed decision-making body. This is true up to a point, according to the Minister's announcement, but only put to a point. I will come back to that and the matter of the very shabby appeal provision. There is the matter of the new convention refugee determination board with full and part-time members. That is also good. There is the matter of the non-adversarial format for the hearings which was also asked

for. There is the matter of a two-member expert panel, requiring one to find in favour, but both if the decision is to be against the refugee's claim. These are points strongly supported by all the public witnesses, church representatives, the Bar Association, and refugee serving organizations which came before and were unanimously supported by the committee. I believe there should be no difficulty in putting these into effect through this House.

However, there are, as I say, serious flaws in what the Minister has proposed and I hope he will give them further consideration. The appeal system is not satisfactory. There was a Justice of either the Federal Court of Appeal or the Supreme Court who told a gathering in Hart House in February of 1982 that the Federal Court is not the place to handle refugee questions. It has neither the time nor the expertise. Furthermore, since the question in a refugee claim is almost always one of credibility of the claimant, and that is the very question which is almost entirely excluded from the jurisdiction of the Federal Court of Appeal, an appeal will be almost entirely useless for most claimants who may seek one. It is in that respect that I say the independent and well-informed decision-making process is only partly present. It is present, I hope, in the board, but there is no provision for making it present in the Federal Court of Appeal.

My second concern is that the limitation on access is very loosely handled in the statement we have where it says "Those granted prior protection in another country". It is not at all clear whether we are talking about a country which according to its laws has solemnly granted that protection and that protection will not be reversable. It is not clear whether that is what we are talking about or whether we are talking about some official at an airport who says "You came from such a country and we are going to send you back, you have prior protection".

Third, there is a harsh time limit considering that the right of counsel is still denied at the port of entry. It is not at all clear that a refugee will have a reasonable time to prepare his case.

Fourth, there is the question of the backlog and who is eligible. That is not defined here. It may be made clear later on but it is not defined on page seven. It says individuals whose claims have not been initiated, and so on, will have their refugee claim dealt with swiftly. That is a very vague statement. Furthermore, we are not told how it will be handled swiftly and whether they will have a proper right of appeal.

There is also a very ominous statement in the original draft, which has perhaps now been dropped, that a visa requirement may be imposed suddenly on a country to serve as a prompt deterrent to further abuse when there is an increase in claims. In other words, the Minister is taking the view that as soon as there is an increase in claims it is an abuse. If there was a right-wing coup in Chile and refugee claims rose, then that would be considered an abuse and a visa would be slapped on. The same in El Salvador and Guatemala and other countries. In other words, genuine refugees are then suggested to be abusers.

In conclusion, I want to say that the many Canadian citizens who the Minister has acknowledged, citizens who helped to settle about a quarter of all the refugees, who have helped at all stages of the process, those who asked for a better report than this on the six points I have named, should be heard because they are the ones on whom the Minister says he depends for help in settlement. They should be heard through the medium of a debate in this House and in its committees. In particular, the regulations on the backlog which have not been spelled out in any kind of detail must be heard in a committee, or we will find ourselves with the same system of injustice from which we are trying to escape.

* * *

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the duty and privilege to present a petition signed by many residents of Stratford, Ontario; Halifax, Nova Scotia; and Calgary, Alberta. They are protesting changes to the Unemployment Insurance Act which see pension income treated as earned income for unemployment insurance purposes. The petitioners call upon Members of Parliament and this House in particular to rescind that iniquitous provision in the Unemployment Insurance Act.

CANCELLATION OF UI BENEFITS TO ARMED FORCES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I, too, wish to present a petition in this House on behalf of numerous citizens of this country from British Columbia and Alberta. They are very seriously concerned about the removal of unemployment insurance benefits for currently active and retired Armed Forces members. This Government has, without consultation, changed the ground rules and the petitioners urge the Government to reconsider this position, play fair with them, and reinstate their benefits.

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): I have a second petition from numerous people who live and work on the coast of British Columbia. It is the intention of the Government to automate lighthouses and remove their capacity to provide search and rescue communications and accurate weather briefings. Many fishermen and mariners have lost their lives on the coast of British Columbia because of a lack of this information. The fact that the Government is willing to shut these down will wreak great hardship on those who must live and work on the coast of British Columbia and depend on marine and air services, which in turn depend on the services provided by lighthouses. The petitioners urge that these

lighthouses not be decommissioned and turned into automated lights and fog-horns.

* * *

• (1530)

GRASSY NARROWS AND ISLINGTON INDIAN BANDS MERCURY POLLUTION CLAIMS SETTLEMENT ACT

MEASURE TO ENACT

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-110, an Act to approve, give effect to and declare valid certain agreements between the Government of Canada, the Government of Ontario, Reed Inc., Great Lakes Forest Products Ltd., the Islington Indian Band and the Grassy Narrows Indian Band.

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

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read a second time? At the next sitting of the House or later this day?

Mr. Crombie: Later this day.

Mr. Deputy Speaker: By consent? Agreed?

Some Hon. Members: Agreed.

* * *

STARRED QUESTIONS

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, would you be so kind as to call Starred Questions Nos. 546 and 547?

[*Text*]

INCIDENTS AT EMBASSIES IN NATIONAL CAPITAL REGION

Question No. 546—**Mr. Turner (Ottawa—Carleton):**

1. Since 1960, have violent incidents taken place at embassy locations within the National Capital Region and, if so, which embassies were directly affected and on how many occasions?

2. Since 1960, how many threats of violent incidents were received within the National Capital Region and directed at which embassies?

3. What amount is spent annually by the RCMP to protect embassy locations within the National Capital Region?

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Yes, the following incidents took place at embassy locations within the National Capital Region since 1960:

Date	Victim/Target	Incident
1961	Indian First Secretary	Assassination
1966	Cuban Embassy	Bombing
1967	Yugoslav Embassy	Bombing
1969	Lebanese Embassy	Occupation
1972	Cuban Ambassador's Residence	Bombing
1972	Cuban Embassy	Bombing
1972	Israeli Officials	Bombing
1974	Cuban Embassy	Bombing
1977	Indian High Commission	Bombing
1981	Iranian Embassy	Occupation Attempted
1985	Turkish Embassy	Armed Takeover
1986	Bahamian High Commission	Hostage Taking

In answer to Part 2, we are unable to answer this question for security reasons.

In answer to Part 3, the figure for the total cost administrative and operational for the fiscal year 1984-1985 is $7,037,000.

For 1985-1986, the cost figure from April 1, 1985 to February 28, 1986, for administrative and operation expenses is $6,596,000. Total financial figures for the year 1985-1986 are not yet available.

SITE OF NEW U.S. EMBASSY

Question No. 547—**Mr. Turner (Ottawa—Carleton):**

Did the United States State Department indicate that the proposed Ottawa site for the new U.S. Embassy on Sussex Drive was unacceptable and, if so, on what date and for what reasons?

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): On December 10, 1984, the Acting Chargé d'Affaires of the U.S. Embassy in Ottawa informed the General Manager of the NCC in writing that the U.S. Department of State had determined that the proposed site for the new U.S. Embassy on Sussex Drive had very serious shortcomings from a security standpoint. In subsequent discussions with U.S. officials, it was learned that the State Department no longer considered the Sussex Drive site acceptable due to the fact that this site no longer met the State Department's increased security requirements, in particular with respect to setbacks of the building from the nearest public road.

Mr. Speaker, I ask that the remaining questions be allowed to stand?

Mr. Deputy Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, this day's sitting will be extended by 25 minutes.

GOVERNMENT ORDERS

[*English*]

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

The House resumed from Tuesday, May 20, 1986, consideration of the motion of Miss Carney that Bill C-92, an Act to regulate interest in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be read the second time and referred to a legislative committee.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I cannot say I am pleased to stand today and participate in this debate on Bill C-92, because I believe that Members of Parliament have a responsibility to deal with matters in this House that are relevant, contemporary, and have an impact on Canadian society now or in the future.

The dilemma I have in holding Bill C-92 in my hand, which received first reading December 2, 1985, a scant five months ago, is that I have the overwhelming impression that I am dealing with something pulled off a dusty shelf in a long forgotten museum. We are often told that a week can be a lifetime in politics. I am sure the Minister of Energy, Mines and Resources (Miss Carney) is feeling that 20 weeks has represented many lifetimes for her.

This Bill is no more relevant to what is currently happening in Canada's energy patch today than is the horse and rider relevant to the way in which we try and deliver mail today. The Bill is out of date. It does not deal with the reality of Canada's energy patch, May 21, 1986. That Bill was brought in in the Government's great attempt to deregulate the energy industry, in the words of the Minister, to set it free, in the words of the Prime Minister (Mr. Mulroney), to introduce a brand new day to Canada; in the words of the Minister, to set free the entrepreneurial spirit and create 300,000 jobs; and in her words, not to treat the industry as the proverbial milk cow. All of those words may have been highfaluting, sounding quite immpressive five months ago when this Bill was brought in, but today this Bill simply will not wash.

What has happened over the last 20 weeks in this country? What kind of industry is it that the Minister has set free to exist entirely at the mercy of the vagaries of the market? What kind of industry is it today? Is it the big powerful, bruising, bullheaded oil and gas patch that we knew in Canada six months ago? Is it the industry where they really meant it when they said "what's a million" and, more importantly sometimes, "what's a billion"? Is it the industry that last year saw 14 rigs operating in the oil and gas sector in east coast Canada, and tens of thousands of jobs? Is it the industry that the Premier of Newfoundland said would foreshadow the great day of the economic renewal that would happen in the Province of Newfoundland? Is it the industry that built up a multibillion dollar heritage fund in the Province of Alberta?

The answer to all those questions is no. It is not the same industry for which the Minister designed this Bill. That is why the Bill is irrelevant and should be withdrawn.

We know by looking at the numbers over the last 20 weeks that things have dramatically changed. Twenty weeks ago, 30 weeks ago the oil and gas industry was talking about $11.2 billion in expenditures in 1986. That projection has been revised down to $6 billion, a reduction of $5.2 billion in expenditures, service industries and associated jobs. According to public announcements to date, personnel reductions will exceed 4,000. I am not talking about 4,000 seasonal jobs or 4,000 part-time jobs about which the Minister of Employment and Immigration (Miss MacDonald) likes to beat her chest. I am not talking about 4,000, 10-week jobs that the Government puts together through its job development program. These reductions involve 4,000 full time, highly paid, highly skilled jobs that are essential for providing long term maintenance of this industry. Not only are those people unemployed, the best of them are taking their talents and skills out of the country.

• (1540)

The Government, when confronted with a $5 billion reduction in investment and a cut in 4,000 man-years of employment, holds up Bill C-92 that it introduced 20 weeks ago as its answer to the problem. The Government is frozen to its commitment to something that no longer exists. It wants to live in a world of an energy patch that is no longer relevant and ignore an almost 50 per cent cut in investment and a reduction of 4,000 personnel. That is simply not acceptable.

I suggest that Canadians have expressed clearly their belief that since oil and gas are their natural resources the Government of Canada should make a number of provisions for the oil and gas industry in Canada. It is a crucial industry that is as vital to the future prosperity of this country as the blood that beats within all of us is vital to our own individual health and welfare. Canadians demand security of supply. They do not want to be subject to the whims of the OPEC cartel. They demand that our country have enough energy resources to meet our needs so that we will not be subject to blackmail. While Canadians are demanding security of supply, the Minister has said that this goal is as irrelevant as her Bill.

Canadians demand an element of Canadianization because the decisions about Canada's oil and gas industry ought not continue to be made in the boardrooms of other countries. Canadians ought to have a say about our oil and gas industry which provides the energy that drives the engine of growth in Canada. The Minister's view of Canadianization is that any find discovered before 1982 can be managed in its production stage entirely by foreign companies.

Canadians are familiar with the prospective finds at Hiberia, Beaufort and off Nova Scotia. All of these were initiated previous to 1982 which means that the Minister's irrelevant legislation guarantees that the production timing for all of those finds is in the hands of those who sit in the boardrooms of the tall office towers overlooking expensive real estate somewhere outside this country.

I do not blame those in the corporate boardrooms for relishing the thought that the Minister has given them that power. They are not in the business of building the long term interests of Canada, they are in the business of making a buck for their shareholders. They are as amazed at their good fortune as Canadians who fully understand Bill C-92 are chagrined at knowing that again this country has been sold out to the financial power players outside of our borders who treat us like another piece on the monopoly board. That is the effect of Bill C-92 on Canada's oil and gas industry.

Canadians demand that they receive a measure of benefit not only in the revenues from the resource but in the exploration and production phase. Bill C-92 makes clear that the exploration side versus the production side of oil and gas development in this country may be handled entirely by foreign interests, whether the finds take place before or after 1982.

I believe in the free enterprise system. We ought to reward success in this country because it generates the most wealth. A free enterprise system with a social conscience and a Government that is prepared to intervene when necessary can be the nucleus for creating the best society possible by giving the greatest opportunities to individuals. Having said that, I do not envisage Canada as a real estate commodity. Oil and gas are more than a stock to be traded on the stock exchange, they are important resources to be used to build our nation and develop a sense of unity and sharing in our country. Bill C-92 will not accomplish that because it treats this industry solely as a monopoly piece.

We are aware of the severe and tragic impact of low world oil prices on the Province of Alberta. What is happening in Alberta is nothing less than tragic, but the Government says that the free market shall determine what happens to the tens of thousands of good people in Alberta who are either unemployed or facing unemployment.

What is happening on the East Coast? While we do not have a mature oil and gas industry, we have the potential to develop one. Over the last 10 years, skilled personnel have been drawn together, training has been provided and exploration work has been carried out. We have spent billions of dollars and are on the threshold of being able to give something back to the country though the development of those offshore resources. This is not a pipe dream or an instant solution to all our problems, including high unemployment. We have the ability to develop our own tools and give our provinces the income so that we do not become the proverbial orphan of Confederation, constantly putting a hand out for a subsidy from our fellow Canadians.

Let me explain what has happened in my area. We have gone from 14 rigs off the East Coast of Nova Scotia and Newfoundland, involving multimillion dollar operations employing thousands of people, to 2 rigs off Nova Scotia and 4 rigs off the Province of Newfoundland. The reason for this drop is that the Government changed the fiscal regime. It eliminated the petroleum incentive grants and did away with the notion that Canadian participation is important in the development of the offshore. It brought in a new regime, something called a 25 per cent exploration tax credit under the new frontier energy policy. That is what was introduced 20 weeks ago in this irrelevant document.

• (1550)

What has happened? We have seen a dramatic decrease in exploration in East Coast Canada. We have seen a dramatic decrease in the amount of Canadian participation in the development and ownership of a Canadian resource. We have seen only those players, big enough on the international scene to sit on that resource and, if necessary, leave it capped in anticipation of a better price down the road, active in the offshore and on the East Coast of Canada, particularly in the Provinces of Newfoundland and Nova Scotia.

Walter Deboni, the Vice-President of Bow Valley called the exploration tax credit a "PIP squeak", a mere, pale, flimsy shadow of the kind of fiscal regime which was in place before the Minister cancelled out the PIP program and brought in this tax credit. The new tax system means that instead of receiving $40 million in PIP grants for every $50 million spent in the offshore, these companies will receive $4.5 million. That is a reduction of $44.5 million on a $50 million expenditure.

Those people sitting in the galleries and those people watching debate on television might say: "That sounds good. For every $50 million spent, we give $4.5 million versus $44 million. That sounds like a good deal". But what those people do not realize is that in addition to cutting back on the grants available to make exploration happen in frontier areas, the Government gave back to the oil and gas companies, foreign and domestic—and in particular, foreign, because it is mostly foreign—a 25 per cent share of those discoveries which were owned by the people of Canada.

There used to be a provision that any oil and gas found on Canada Lands, particularly in the offshore, belonged to the whole country, to all 25 million Canadians no matter where they live in the country. We have given our 25 per cent share

away. We have given back to the oil companies the PGRT tax worth billions of dollars.

What have the international conglomerates given us? What commitment have they made to security of supply? What commitment have they made to developing frontier lands which are expensive, which are non-conventional? I will tell you the commitment, Mr. Speaker. We have gone from 14 rigs to four rigs. What commitment have they given the people of this country that a workforce which has been trained and assembled over the last 10 years will be maintained through this period of recession? None. They are laying them off by the tens of thousands.

If that is the Government's view of what the free market-place is, and if its view of this country is that it is but a piece of real estate, a chip to be played on the monopoly board of the international market-place, I can tell the Government that is not the view of Canadians. Even though one feels like a voice in the wind trying to impress upon the Government the reality of this country, I again beg Hon. Members opposite, who know and understand what I am saying is true, to reconsider this slavish commitment to a free market system which may well serve only those people who occupy boardrooms outside of Canada. It is a system which, in the currently recessed market of world oil prices, is not serving this country well. I beg Hon. Members to make the commitment to see that Canada not only prospers but that our resources serve our people, not only in terms of revenue but in terms of jobs and a technology which otherwise will be lost.

Mr. Waddell: Mr. Speaker, the Hon. Member speaks eloquently but I sometimes wonder exactly what he is getting at. At one point I heard him say he was much in favour of free enterprise. He said: "I am a free enterpriser". But at the end of his speech he seemed not quite in favour of free enterprise. He is worried about this Bill. He quite correctly perceives that this Bill will feather more nests in the boardrooms of this country—and I would not even limit it to this country. It will help Mobil Oil and the large American multinationals, and the Canadian Oil Companies will get frozen out of the frontier where, under the Liberals' National Energy Program, they had just begun to appear.

I have two questions for the Hon. Member. First, if he is such a fervent free enterpriser and wants to leave it to the market, what does he think that will do to Newfoundland? If we had a completely free market, without any use of the federal state, the state of Canada, it seems to me that Newfoundland would go from 15 per cent or 20 per cent unemployment to 60 per cent or 70 per cent unemployment. Is the Hon. Member not being hypocritical when he waxes on about his commitment to free enterprise? Is he not, in a typical Liberal fashion, trying to walk both sides of the street at the same time? That is what the Minister of Indian Affairs and Northern Development (Mr. Crombie) likes to call a "mugwump". That is a guy who sits on the fence and has his mug on one side and his wump on the other and tries to sit there so he does not have to come down on either one, which is modern day Canadian Liberalism. That is my definition of "mugwumpery".

My second question is in a little more serious vein. The Hon. Member is from Newfoundland What does he advocate for the oil industry in Newfoundland? I know a succession of provincial politicians have held out the sort of pot of gold at the end of the rainbow. I am from British Columbia and I would like to see Atlantic Canada, especially Newfoundland, prosper.

Mr. Tobin: We would like to see B.C. prosper.

Mr. Waddell: Yes, I know the Hon. Member would like to see us prosper. Some of my best friends are Newfoundlanders. How would the Hon. Member propose to keep Hibernia going in this time of low oil prices? At $15 U.S. a barrel, there is not going to be any Hibernia in the immediate future. Let us face facts. Would the Hon. Member keep the oil going there or would he forget about that? The Hon. Member is from Cornerbrook, the forestry and fishing area, the traditional strengths of Newfoundland. Would the Hon. Member keep going with the oil industry? Let us be honest. Would the Hon. Member tell us what he really thinks? Don't be a Liberal for a moment. Tell us what you really think. How are we going to deal with this oil boom? Are we going to keep it going or not?

Mr. Tobin: Mr. Speaker, I am always delighted when the young fellow from British Columbia gets up and asks a question because it gives us humble, quiet spoken and articulate people from Newfoundland, who look as often as we can for an opportunity, to explain the concept of Liberalism to Hon. Members in this House who otherwise may be confused. The very nature of the question asked by the Hon. Member points to the need for a vibrant and moderate Liberal voice in this country. The Hon. Member asks if I am a free enterpriser—and one can only be a free enterpriser— or am I socialist—and one can only be a socialist—because one cannot be a free enterpriser and have a social conscience. The question illustrates best what is so sad and tragic about a Party which initially found as its *raison d'être* the notion of reform of the political system. The Hon. Member shows the contemporary face of the New Democratic Party which has become more conservative in terms of its doctrine and philosophy than the Conservatives. The Conservatives have a fixation that the free market system, and the free market system only, should provide all goods and services. Despite its earlier reformist roots, the New Democratic Party has a firm fixation that government and government only should provide all goods and services.

• (1600)

Being a person from a young part of the country—in fact, the newest province which only joined Confederation in 1949—I have discovered that rather than being married and slavishly loyal to a philosophy either left or right we ought to take what is good about social policy and what is good about the free enterprise system and marry the two. That is called a pragmatic approach to society. It is one which recognizes that

there is a place for the free enterprise system, an important place. It recognizes as well that because of its small population and overwhelming landmass there is a need in our country to ensure fairness and justice. It recognizes that there is a need for Government intervention and a good social conscience. If the Hon. Member cannot understand that then he is part of the problem and not part of the solution.

The Hon. Member's second question with respect to whether we want an oil industry in Newfoundland or whether we want to go back to fishing and forestry is just another example of the Hon. Member's mental block. This block does not enable the Hon. Member to be more progessive in his views. He wants to tell Newfoundlanders that they must be either quaint fishermen and hewers of wood or that they can make the dramatic leap into the 1980s and try oil and gas. Newfoundlanders believe that they are sound enough in their appreciation of their heritage and culture to maintain the forestry and the fishery as the backbone of their economy. They can maintain it competitively enough to reach out and to participate fully under the proper conditions in the oil and gas industry. We do not feel a need to make a choice. In Newfoundland we have decided to retain what is unique about our province and to participate fully in all that Confederation has to offer the citizens of our province. If the Hon. Member does not understand that then it will be a long time indeed before we elect a New Democrat in the great Province of Newfoundland.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, that will be a hard act to follow.

One of the communities to which I feel close is Fort McMurray in Alberta. The reason is that if one takes the Fort McMurray phone book and goes through it one will find the names of my constituents throughout. Out of the 28,000 people in Fort McMurray there are between 5,000 and 6,000 Newfoundlanders. There are Rumboldts from Labrador, Walshes from the Island, Russells and Clarks. If one were to go through the phone book, as I did when I was there, one would find the names of a great many young Newfoundlanders in Fort McMurray. They are there because that is where the jobs were. These are young Newfoundlanders who went to Alberta looking for jobs when there were not enough of them at home and when, in fact, there was no hope that there would be any. That was many years ago.

When I was visiting Fort McMurray a couple of years ago, after the meetings we had during the day I went to a pub where a nice Irish band was playing. I talked to some of my fellow countrymen who were there. Some wanted to stay in Alberta since they were Canadians and not museum pieces or quaint folk from the outback, as my colleague, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), pointed out. These are young mature Canadians whose country this is in the full sense of the word. They wish to stay in Alberta to make their living there. However, there were a great many others who had a strong attachment to our province and who wished to return home. They saw that Hibernia was coming. They knew that the skills they had developed in the oil patch would be of great value to them and to their province in the development of Hibernia. Many of them wanted to return home.

Those who wanted to return home were the ones to whom my colleague referred a few moments ago when he spoke about the thousands who will now be unemployed in western Canada. Some of those thousands who will be out of work in western Canada will head back to the Atlantic provinces to join the many more unemployed who are already there. These are people who had also hoped that Hibernia and Venture would go ahead, as well as other oil discoveries. These projects are now on hold. The dream that we had is quite rapidly being put off to another day. I agree with my colleague from Humber—Port au Port—St. Barbe when he says that we do not want to depend only on oil and gas, but that it is a very important, meaningful and real option. It is an option which is now fading farther back into the mists of the future because of the policies which have been put before us by the present Government.

I do not wish to repeat the arguments put forward by my friend from Newfoundland who quite lucidly, clearly and correctly pointed out the effect we are now seeing in terms of developments off the East Coast.

To divert for one moment, am I to understand that there is a 20-minute time limit on speeches?

Mr. Deputy Speaker: I recognized the Hon. Member on a question or comment. If he now wishes to enter debate he may do so.

Mr. Rompkey: It was my understanding that I was taking part in debate, Mr. Speaker.

Mr. Deputy Speaker: I will allow the Hon. Member to continue on debate.

Mr. Rompkey: I asked Your Honour if I could continue my remarks since I saw you gesticulating. I was not quite sure whether we were playing football or whether we were still in the House of Commons.

I would now like to talk about why we thought Hibernia was going ahead. We knew that the National Energy Program encouraged exploration off the east coast and that it encouraged Canadian companies. I remember the deals and contracts we signed with companies to explore off the east coast. Built into those agreements was consideration for Canadian companies, smaller companies, Canadian workers and Canadian goods and materials. All of these items had to be guaranteed by the various companies which were exploring off the east coast. My understanding is that that is no longer the case. That is something for which the National Energy Program provided and that is why there was exploration. Those provisions are no longer in place.

The hundreds and possibly thousands of local people who obtained jobs through those companies now find themselves in

jeopardy, as well as their jobs. My hon. friend from Newfoundland correctly pointed out that the number of rigs operating off the east coast has been drastically reduced, not to mention the danger in which Hibernia stands at the moment. The National Energy Program encouraged exploration, Canadian companies, local workers and local companies. As a result there was increased employment. In St. John's, and in other cities, small local companies which could provide a service to the offshore grew up. These companies are now in jeopardy.

The latest news from the East Coast is that the petroleum industry has signalled its growing disenchantment with low oil prices and risky East Coast exploration by bidding low at the first federal oil acreage staged under the Atlantic Accord. That is something which was reported in the evening *Telegram*. I think that clearly sets out the reaction not only of Governments but of the oil companies.

What the Government has done is throw us back wholly and completely on the mercy of not only private enterprise but of the multinational oil companies. We are now completely at the mercy of those multinationals. It is all very well to let the private sector do the job, but there has to be a time for the Government to intervene, as my colleague pointed out. I think that the Government should now be intervening, as it did in the past, to ensure the security of supply and to ensure those jobs off the east coast.

• (1610)

We must care about Canada and about Canadians. Again the Government has shown that it does not favour Canadian companies and that it does not favour Canadian people by ensuring that their rights in the Canadian offshore are protected. Previously there was a 25 per cent Crown share, which has now been done away with. Companies do not own that acreage; the people of Canada own that acreage. There should have been a preservation of that Crown share in the future as there was in the past. As a matter of fact, it was one of the strong points made continuously by the Government of Newfoundland in its negotiations with the Government of Canada. I note in passing that the Government of Newfoundland is now noticeably silent about doing away with the Crown share.

What we have is a reduction in drilling and a putting off of Hibernia for some time to come, basically because of the tax regime and the fiscal regime which the Government introduced. The Government will say that it signed the Atlantic Accord with Newfoundland. That was signalled by the Government of Canada as a great step forward for the Province of Newfoundland. We turned down offers, which included a Crown share as well as a more fruitful and lucrative fiscal regime for the province, in favour of the Atlantic Accord.

What do we have now? Yes, it is true that the Government of Newfoundland has control. However, over what does it have control? Control of nothing is still nothing. At the moment there is no Hibernia. The Government of Newfoundland can have all the control it likes, but if nothing is happening there is nothing to control.

The Government of Newfoundland also has royalty rights, but royalties on what? A percentage of nothing is still nothing. Nothing is happening at the moment. No money is coming in and there is no prospect of any that I can see. I do not want to be one who instils doom and gloom, but from the observations I have heard through the media and in the industry, the reality is that Hibernia has been put off well into the future, unless the Government of Canada does something about it.

This brings me to what the Government of Canada should be doing. The reality is that Hibernia cannot go ahead at the present price unless the Government of Canada intervenes. Why should it intervene? It should intervene because of security of supply. We should have security of supply in this country. The Government of Canada should take steps to ensure that we have security of supply and therefore that Hibernia goes ahead. However, the power of the Minister to do that has been reduced in the Bill.

As well, the Government of Canada should ensure that Hibernia goes ahead for the purposes of regional industrial expansion. We have always been a country of regions. Some regions have been more equal than others. Some have been more powerful, more rich, and have had larger resources available to them, such as some of the regions in the industrial heartland where we stand now. Historically other regions have needed help from the Government of Canada both in law and in finance. That is still true. The Government of Canada should ensure that Hibernia goes ahead because of the necessity for regional economic expansion.

The Government of Canada is prepared to put $1 billion into the Atlantic Enterprise Program. I predict it will draw on very little of that. However, it is not willing to put funds into supporting either a guaranteed price or some other mechanism to ensure that Hibernia goes ahead. The Government of Canada has to build in incentives. The only way we were able to develop Canadian companies, to encourage them to drill in the offshore, and to take that oil field to the point where it is now, was by building in incentives, biases and special attractions for Canadian companies. That must be done again. Whether it is in taxes or grants it does not really matter; the Government of Canada has to do it.

It may be expensive to be Canadian but I think it is worth while paying the price. I think most Canadians would agree. If we look at a number of different areas of the country, we see that it will cost us to be Canadian. It is a price we are prepared to pay. I think we should be paying that price in the Atlantic offshore as we have in other areas of the country.

At the same time as the Government of Canada changed its tax structure and oil policy, it cut back on Government programs available to our province. We are suffering from a double whammy, and I think the people of Canada should realize it. Not only is Hibernia not going ahead in the future,

which will rob us of jobs we thought we would have, but Government programs have been slashed. Many jobs in the Public Service and in other areas of our province upon which we depended for a livelihood for some time have been cut back. There have been lay-offs in the fisheries and in transport. Other policies have been introduced, such as wharfage fees for fishermen. That kind of policy or kind of cost recovery is having a damaging and tragic effect upon the economy of the Atlantic provinces. The Government of Canada has changed its policy on oil, its fiscal regime, and its tax structure ensuring that projects will not go ahead. At the same time it has cut back on Government services upon which we have historically depended over the years.

It is a bleak day for Newfoundland. The people in my province had hoped for good times ahead. Now those dreams are beginning to fade. The Government should wake up and see the reality of what is happening. It should take steps to change its present policy. We require special incentives for Canadian companies. We require a mechanism in place which ensures that Hibernia and other projects can go ahead. Indeed, some of those steps have been taken by the Government of Canada and, for example, by the Government of Alberta. However, more of that needs to be done. Not enough has been done. The process has to be accelerated and expanded.

I say to my colleagues opposite that if that does not happen, if the Government does not step in, if the Government does not take steps to ensure that Hibernia goes ahead and that oil fields produce not only oil but jobs, there will be a time of reckoning for them. It will be, if not before, in the next election. The people of my province are seeing a Government which does not care; a Government which is not concerned about their welfare, their livelihood, and their future; a Government which does not care about their future with the Canadian companies they built. Again I plead with the Government to change its policy and to put in place a mechanism which ensures real jobs in the offshore and in Newfoundland and Labrador for the future.

Mr. McDermid: Mr. Speaker, I enjoyed, as I always do, listening to my hon. friend. He made some very constructive points, but I am interested in understanding a couple of items.

The Hon. Member talked about the importance of bringing Hibernia onstream for the purpose of security of supply. I do not quite understand how bringing it onstream assures security of supply. If we know the oil is there, and if we know the amount that is there, surely that is security of supply. I was somewhat confused by his comments in that regard and I would like some clarification of them. I can see bringing it onstream for the economic good of his province; that is fair enough.

He also talked about initiatives and incentives to bring Hibernia onstream. Could he give some concrete ideas of what he has in mind? Could he be a little more specific about what he feels the Government should do? I would be very interested in hearing his ideas.

Mr. Rompkey: Mr. Speaker, in answer to the Hon. Member's first question, we do not know exactly what is the field in the offshore. The reason many companies wanted to do more drilling was simply to verify exactly what was there. We have an idea, but we do not know specifically how much is there. It would be very useful to know exactly what is there in the offshore.

We were told about the number of rigs which would have been operating this year. Bob Blair, Chairman of Husky, said that because of the financial support system they could not do the work they were to do. They wanted to get out there; they wanted to verify what was out there. That is one thing the Government should be doing.

• (1620)

Let me go back to a previous policy. I recall that part of the National Energy Program was a made in Canada price. That sort of thing could be explored again. I recall that we had a price for old oil, a price for new oil and a combined price for Canadian projects. Why can the Government of Canada not look at that again? It was a policy before. I suspect the same bureaucrats in the Department of Energy, Mines and Resources are the ones who helped to put that policy together in the first place. If it made some sense then, why does it not make some sense now when the world price of oil has dropped? Let us look at a Canadian solution. Sure the oil is there offshore, but multinational companies are bringing oil in from outside the country. It is cheaper for Esso to bring oil in from elsewhere than to use resources in Canada.

I am not the Government, Mr. Speaker. Members on the other side are. Our job is to say what the Government is doing and how it affects Canadians. If the Government is looking for solutions, perhaps Government Members could look again at the solutions proposed earlier on, look at incentives to drill to verify oil fields, and to look at a made in Canada price for the production of those projects.

Mr. Taylor: Mr. Speaker, it did my heart good to hear the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) tell about the hundreds of Newfoundlanders who were finding work in Fort McMurray and in Alberta. I have visited Fort McMurray many times. I have seen young people, young men, older men and women from all parts of Canada who were doing well. But what killed the industry in Alberta was the National Energy Program. The Member says it was good for Canadians. It was good for some Canadians, but it literally destroyed the oil and gas industry in Alberta and part of Saskatchewan. It drove hundreds of our rigs and people with expertise out of the country.

An Hon. Member: Rubbish.

Mr. Rompkey: You are the Government now.

Mr. Taylor: It brought on an artificial depression. That is what the National Energy Program did for Alberta. Had it not

been for that program, we would not be in the position we are in today in the Province of Alberta.

The situation today is entirely different. It is not an artificial depression. We have a depression. There is a surplus of oil in the world. We have an international situation. The Government had nothing to do with that. It is an international situation and we are suffering along with every other oil producing country.

Mr. Deans: We are suffering.

Mr. Taylor: When the Member talks about security of supply, where were Members of the Liberal Party when they brought in the National Energy Program that literally stopped production in Alberta and Saskatchewan, certainly in Alberta? I saw hundreds of vehicles leaving the province. Hundreds of our people were out of work and hundreds went back to their own provinces because of the policies of the National Energy Program. It was an artificial situation created by the previous Government. As some people say, it was a policy to try to destroy an industry in one part of Canada. I hope we never have that kind of a policy again by any Government.

We have to deal now with an international situation and deal with it as effectively as possible. There will be better times in the oil industry.

I remember when we were looking for people in 1940 to help us develop the oil industry in Alberta. We could not get one red cent out of the Liberal Government at that time. We had to go out of the country to get finances, without which we would not have an oil and gas industry today.

Why did the Liberal Government introduce a policy like the National Energy Program? It destroyed the industry in Alberta and drove many hundreds of people out of the country entirely.

Mr. Rompkey: Mr. Speaker, the Hon. Member has to remember that he supports the Government now. We are not here to debate the pros and cons of the National Energy Program. I would be quite happy to do that, but under the National Energy Program we had rigs off the east coast. Under the National Energy Program we had young Newfoundlanders employed, and under the National Energy Program we had small Canadian companies that were servicing the offshore. Now we do not. That is the reality, Mr. Speaker. Members over there have to deal with the situation. There is a world-wide problem and it is the Government's job to come up with answers to what is happening in Canada. We are not here to fight the battles of the past. That Party is now the Government and it is responsible for finding solutions to the situation in Canada.

People back home in my province and my colleagues and countrymen in Alberta will be laid off because the Government is not doing anything about the situation. If the Hon. Member wants to make his mark he should be talking to his Cabinet colleagues asking them how they are going to deal with the reality of today. Never mind the National Energy Program. We know what the National Energy Program did and did not do. There were jobs, there were rigs and there were companies operating. Now there are not. The question is not, what was the National Energy Program all about, but what is the Government doing about the situation today. That is the question, Mr. Speaker.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows. Miss Carney, seconded by Mr. MacKay, moves that Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be now read a second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 258*)

YEAS

Members

Attewell	Clark (Brandon-Souris)	Desjardins
Belsher	Clifford	Desrosiers
Bernier	Clinch	Domm
Bertrand	Cochrane	Dorin
Blackburn (Jonquière)	Collins	Duplessis
Blais	Comeau	Ellis
Blenkarn	Cook	Epp (Provencher)
Bouchard	Cooper	Fennell
Bourgault	Cossitt	Ferland
Boyer	Côté (Lac-Saint-Jean)	Fraleigh
Brightwell	Côté (Langelier)	Gagnon
Browes	Crofton	Gass
Cadieux	Crombie	Gervais
Caldwell	Crosby (Halifax West)	Gormley
Cardiff	Crouse	Gray (Bonaventure-Îles-de-la-Madeleine)
Carney	Darling	Greenaway
Champagne (Saint-Hyacinthe-Bagot)	Della Noce	Guilbault (Drummond)
Champagne (Champlain)		

Members

Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kindy
King
Ladouceur
Landry
Lawrence
Layton
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Malone
Marin
Martin
Mayer
McCain
McCuish
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
Minaker
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Porter
Price
Redway
Reid
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vincent
Wilson
(Swift Current-Maple Creek)
Wise
Witer—128.

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Fulton
Gagliano
Garneau
Guilbault
(Saint-Jacques)
Henderson
Hopkins
Hovdebo
Jewett
Keeper
Langdon
Lapierre
MacLellan
Malépart
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Prud'homme
Robinson
Rodriguez
Rompkey
Rossi
Skelly
Tobin
Waddell
Young—46.

• (1700)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to a legislative committee.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILLS C-93 AND C-110

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties with respect to the business for the remainder of the day. The agreement arrived at between the Parties will involve unanimous consent of the House.

We want to deal with two Bills today. The first one is Bill C-93 respecting the Sechelt Indian Band. This matter was reported from the committee yesterday but there is a disposition, by unanimous consent, to deal with the Bill now at report stage and third reading. I simply ask you to get confirmation from the opposition Parties as to that understanding.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, for this Party, we have had discussions about Bill C-93, the Sechelt Indian self-government Bill, and we are quite prepared to give consent that this Bill move toward final reading this afternoon.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I understood that we were going to deal with two matters and would deal with both before the House rises at 6.25 p.m. However, I do seek from all Members of the House agreement that we try to share the time reasonably in order that those who want to speak to either or both Bills will have the opportunity to do so and still complete the business.

Mr. Hnatyshyn: Mr. Speaker, I simply want to confirm the understanding that we will seek an equitable sharing of time.

I should mention that the second Bill we want to deal with, even though it was introduced only today, is the Bill introduced by my colleague, the Minister of Indian Affairs and Northern Development (Mr. Crombie), with respect to the settlement with the Grassy Narrows Indian Band.

Mr. Penner: Mr. Speaker, with respect to the second matter, we see this as an agreement that has been negotiated between the Indian people of Islington and Grassy Narrows, and Parliament is, in fact, validating it. We are prepared to go through all stages this afternoon and see that Bill passed.

Some Hon. Members: Hear, hear!

* * *

SECHELT INDIAN BAND SELF-GOVERNMENT ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-93, an Act relating to self-government for the Sechelt Indian Band (Title changed from An Act relating to the establishment of self-government for the Sechelt Indian Band), as reported (with amendments) from the Standing Committee on Aboriginal Affairs and Northern Development.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved that the Bill be concurred in.

Motion agreed to.

Mr. Crombie moved that the Bill be read the third time and passed.

• (1710)

He said: Mr. Speaker, I would first like to thank all Hon. Members of the House from all Parties for their consideration in allowing us to proceed with this Bill and the second Bill later on today and, given the constraint of time, I would simply like to make one or two remarks. I would like to indicate that this Bill is notable for a number of reasons. First, it is notable because it has the agreement of the federal Government, the Province of British Columbia and all political Parties in this House. Indeed, even more significantly, it has the consent of all federal Departments in Ottawa. It is no mean task to achieve all of that in this country with so many varied opinions and views. I might say that the credit for all of that goes to the people of Sechelt. They have kept the negotiations going at every turn of the road when it looked as if they were going to be frustrated. I was with them recently, as was the standing committee. If we have any sense of the feeling of what this Bill means, it is from listening to what the Sechelt community has to say. They have a big banner and T-shirts. On the T-shirt it says: "C-93 will make us free". It is a small event in many ways but it speaks volumes about the ability of this House and this system of Government to move forward in a way which fits a very small number of people of very ancient heritage.

I want to conclude by simply saying, thanks a lot to the House and thanks a lot to the people who put it together, particularly, the Sechelt people.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I will speak only briefly on Bill C-93 and indicate, as the Minister himself implied, that in a national sense, perhaps in terms of the recommendations of the Committee on Indian Self-Government, in terms of constitutional recognition of aboriginal rights and the definition of those rights, including that of self-determination, we would have to say that the Sechelt Bill is one small step in the right direction towards aboriginal self-government. I think all Hon. Members know that no longer are we speaking in the realm of theory. We are now talking in a real world. Most of us will see self-determination for aboriginal people become a significant reality in Canada within our own lifetime. As the Minister so well said, for the people of Sechelt this is a major leap forward. I was there recently with members of the Standing Committee on Aboriginal Affairs and Northern Development. The feeling and spirit of the community was one which really should be experienced by all Hon. Members. If we believe in Indian First Nation autonomy, if we accept the fact of diversity in the Indian community, and we really have no choice in that regard, then we certainly have to accede to the wishes of the Sechelt Indian people. They have hoped much and have worked very hard. The Bill we are passing this afternoon incorporates what they want, not what someone else wants. They collaborated in the drafting of this legislation, which is certainly a monument to Chief Dixon, to his advisers and to the people he leads.

The Minister knows I have some lingering concerns about the Bill. I wish the funding provisions were stronger. They rely to a significant extent upon the good faith of Government and we just hope that that good faith will be evident. I wish the Government of British Columbia had been willing to leave the Sechelt lands unencumbered. I wish the resource control legislation on the lands which will go to them in fee simple had been lifted. Chief Dixon knows of these concerns and we hope there will be that kind of response from the Government of British Columbia.

I will conclude by saying that when we were in Sechelt, Chief Dixon reminded us that we live in the real world, not a world we would structure if we could, not an ideal existence we would plan for ourselves. So my best wishes today are for Chief Dixon and his people. I am convinced that the people of Sechelt with this Bill will build a much better world for themselves. I commend them for what they have done and I commend the Minister for his co-operation in helping this come into being in a relatively short period of time.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I, too, would like to lend my voice to the kind of atmosphere of co-operation in this House today and thank the Minister of Indian Affairs and Northern Development (Mr. Crombie) and Hon. Members of the Liberal Party for bringing together their efforts today to pass this piece of legislation. I think it demonstates the kind of co-operation we can obtain in a legislature. We often see conflicts arise in the House and those are the things which are highlighted in the public eye. Today has been the culmination of an act of co-operation in which Hon. Members of the House developed the wishes of a group of people who live in British Columbia, the Sechelt people.

It has been a long and difficult task. It was not put in place over a short period of time. The task took something in the order of 15 years after it became apparent that the band could not live under the Indian Act, that it could not grow and develop in the way the Sechelt people desired. At that time they began to struggle and look for solutions. It was a task which was begun well before the present Chief and Council were in place. Previous councils of the Sechelt people began the concept, developed it and passed it on to the next council which developed it even further. I think Chief Dixon and his Council must be very proud today to have put in place a historic piece of legislation. It is legislation in which the Sechelt people are free of the Indian Act. They are free now to set out on the course of social and economic development which I am sure will be a glowing success.

The Sechelt people make it very plain that this is only one step. They are now free of the Indian Act. Certainly there are many problems and challenges which face them from here on in, but they have succeeded after 15 years of planning in getting this particular legislation in place, and we have not seen the last of the Sechelt people and their representatives. They will move on with other Indian people in this country to build the kind of place in Canadian society that they wish and we wish for them. I would like again to congratulate Hon. Members of the House, the Sechelt Council and Chief Dixon,

and all of those who have made this the success it is. I wish them well in the future.

The Minister of Indian Affairs and Northern Development mentioned that there were many symbols developed by the Sechelt people. He mentioned a Sechelt T-shirt which says: "C-93 will make us free". With your indulgence, Mr. Speaker, this T-shirt says: "The Sechelt is free of the Indian Act", and I would wish the Minister to have it.

Mr. Speaker: The Hon. Member knows why I must interrupt at this point.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I would just like to say a couple of words, but not to repeat what other Hon. Members have said. As Chairman of the Standing Committee on Aboriginal Affairs and Northern Development, I want to congratulate the Minister and his Department for the manner in which they put the Bill together, the Government of British Columbia for the manner in which it has co-operated on this project, and the standing committee which worked on this matter for some time.

I can recall the Special Committee on Indian Self-Government. The Sechelt people appeared before us some years ago and put forward an excellent plan which has been carried out fairly today. I want to thank the members of the committee for putting forward a first-class piece of legislation for the Sechelt people. I wish the Sechelt people well.

• (1720)

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

GRASSY NARROWS AND ISLINGTON INDIAN BANDS MERCURY POLLUTION CLAIMS SETTLEMENT ACT

MEASURE TO ENACT

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved that Bill C-110, an Act to approve, give effect to and declare valid certain agreements between the Government of Canada, the Government of Ontario, Reed Inc., Great Lakes Forest Products Ltd., the Islington Indian Band and the Grassy Narrows Indian Band, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

He said: Mr. Speaker, I would again like to thank Members of the House. I would like to thank you as well, Mr. Speaker, for your fast-track approach. You should be negotiating with the Americans.

Bill C-110 deals with a matter which, as some people know and remember, has been around for years and years. I guess it has been around in the order of about 15 or 17 years.

Mr. Penner: Sixteen years.

Mr. Crombie: Sixteen years.

We arrived at the essentials of an arrangement between the Grassy Narrows Indian Band, Whitedog, the corporations and the Province of Ontario last fall. Since that time we have been trying to ensure that the arrangement stays together, if I can put it that way. There are a number of people who have significantly contributed to this arrangement, not the least of whom was Mr. Justice Emmett Hall, now retired but still going strong, who is so good at these matters. It also took the act of support of opposition Parties and, in particular, their northern members.

I might say that in a sense this brings to a close a very sad and bad chapter in this province's history with respect to native people. Indeed, it spawned a number of essays and a number of books. It taught many people something which we perhaps too often forget; that is, that native people live in a world which is sometimes not clearly understood by non-Indian people. We tend not to spend enough time trying to learn about it. Perhaps I should not make such a comment at the second reading stage of this Bill, but on the weekend when I was dealing with the matter in Winisk I noticed that it did not receive nearly the attention it should have received even though there was a loss of life, one person missing, and an entire community of 125 people destroyed. The matter was sort of put into seventh place in the news. In a sense the legacy of Grassy Narrows and Whitedog is still with us.

In conclusion, this is the last page of the bad old way on the matter of Grassy Narrows and Whitedog. Hopefully, it is the first page as well for a new future for both these bands. Anyone who has had experience with the episode of the mercury poisoning in the English and Wabigoon Rivers and how it affected those communities will know that, in a way, we will never be able to rectify what was done. This is at least a small way in which to begin a future with a new generation of people in these two communities.

I wish to thank again those who have given their consent for this matter to go ahead today. I welcome the comments of others.

Finally, I wish to say that the negotiations were difficult but the next 20 years will be the most difficult for these communities. I hope that the arrangements we have made will be sufficient for the task.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in commenting briefly on Bill C-110 I would like to say to Hon. Members who are concerned that a Bill of this nature is to go through all stages in a relatively short period of time that they should be aware that what we are in fact doing today is ratifying an agreement. We are validating a settlement which will confer benefits on people who have suffered terribly

because of the effects of pollution. The fact that this Bill will not go to a legislative committee should not be distressing or disquieting to any Hon. Member since it would not be possible to amend it anyway. If people wished to amend a Bill of this type it would have to go back to all the parties.

When I note that the hand of Justice Emmett Hall is in this agreement it gives me great confidence that this is the best possible agreement that could have been reached since he has such an outstanding reputation in this country. He is surely one of the greatest humanitarians in the entire history of Canada.

I wish to say that the problem with the Grassy Narrows Indian Band and the Islington Indian Band touches me personally. I was a resident in the community of Dryden at the time it was learned that mercury from the pulp and paper mill had polluted the English and Wabigoon Rivers. There was evidence early on that people were suffering in terms of health. Later on that suffering became much more than just a matter of health. It became a serious problem of social dislocation. Serious psychological problems arose. It spelled the destruction of a way of life of a people, a people in this country whom, as the Minister has said, few of us appreciate, understand and even care a small amount about. I am talking about the Indian people of the country, the aboriginal people. Some day it will dawn upon the consciousness of Canada that we owe a huge debt to the first citizens of this country, a debt that can never be paid. However, we can certainly work actively and diligently toward the justice which the first citizens of Canada deserve. After all, we are the beneficiaries of those first citizens, the aboriginal peoples of Canada. Most of us are the descendants of newcomers to this country. We have profited from the land which was derived from reaching agreements, in certain cases treaties, which were never in my view honoured either by letter or in spirit.

With respect to the Grassy Narrows Band, the Islington Band and the community which was once known as Whitedog, I think there are some lessons which have to be learned. One of the lessons is that when environmental matters are raised in the House of Commons they can never, ever, be taken lightly under any circumstances. When we hear references to toxic substances in the Niagara River system we cannot say that it is just another issue which Members who live there or members of the Opposition are concerned about. I say this because I learned from the English and Wabigoon Rivers' problem and the effect it had on the Indian people that those environmental problems are real. They are not esoteric or theoretical. They are real. They touch people where they live, how they earn their living, their health and their well-being in every single respect. When we neglect serious environmental concerns in the country we are simply inviting tragic consequences. There is no more tragic consequence that I am aware of than that at Grassy Narrows and Whitedog.

As I have said, these people have suffered terribly. In reaching this settlement, which I welcome, I wish to say that my confidence in certain aspects of our society over that 16-year period has been very sorely tried. For example, my confidence in the goodwill of the corporate sector of the country has been sorely tried. I do not think, in the history of Canadian corporations, that any company involved in this problem with the people of Whitedog and Grassy Narrows can take any pride in it at all. It is really a shameful part of our history. My confidence has also been sorely tried in the ability of Government to move with a sense of haste and urgency in dealing with serious and obvious cases of injustice. It is a crying shame that it has taken 16 years to reach nothing more than a monetary settlement with these people. A settlement has been reached; certainly it is long overdue. There will be no delay from myself or from members of my Party. We want this settlement ratified and put into effect very quickly.

• (1730)

In conclusion, I want to indicate that the compensation package for these Indian people is only a very humble attempt to correct a wrong. It seems that all we can do is to offer money. That money will be well used. It is required and necessary. However, let the House know that in no way can we heal all the wounds or undo all the harm. In passing this measure with a minimum amount of debate, I can only say that it is the very, very least we can do.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am pleased to be able to add today some brief comments to the consideration of Bill C-110, as we move toward passing it and ratifying the agreement which has been accomplished between the Government of Canada, the Government of Ontario, Reed, Great Lakes Forest Products, the Islington Indian Band at Whitedog, and the Grassy Narrows Indian Band.

As the Hon. Member for Cochrane—Superior (Mr. Penner) rightly observed, this is but a partial restitution for the tragedy. It is not my intention today to go into a lengthy exposition of the nature of the tragedy. While it certainly bears repetition, reiteration and holding up as an example to Hon. Members of the House and indeed the people of the country, to do so in the House of Commons at the final phase of the ratification of the agreement would not be appropriate. I would rather charge every Member of the House, and indeed every citizen of the country, with studying the tragedy of Whitedog and the tragedy of Grassy Narrows. They should vow to themselves that such tragedies should never be allowed to happen again.

As most of us are the descendants of newcomers to this country, we should appreciate the legacy the native people of Canada, the Indian and Inuit alike, have given to us. There are those of us who are newcomers to the country. I hope I speak for the majority of us when I say that we appreciate that we are, in a very real sense, enjoying what the Indian and Inuit people of Canada have granted to us freely and in a spirit of goodwill, brotherhood, and co-operation, which we unfortunately have been somewhat tardy and somewhat inconsistent in returning.

I first made the acquaintance of the people of Whitedog, the Islington Indian Band, and the people of Grassy Narrows approximately a decade ago, almost to the month. In 1976, I had the privilege of visiting their communities. At that time I was struck by the air of desolation and by seeing a dog limping crazily and zig-zagging down a dirt road. Obviously the dog had been affected by the consumption of mercury contaminated fish and presumably had a very short life because of it. I was also struck, even then, by the spirit of the people. That is what sticks out in my mind as I address the Bill today. I was struck by their spirit and their determination not to be ground down by the force of circumstance or by the blind, ignorant damage of an industrial system from which they never benefited and which they were totally unable to influence at the time.

I should also like to mention some of the outstanding people who, by personal commitment, made it possible for Whitedog and Grassy Narrows to reach the situation of today, the ratification of the agreement. Of course these are mostly people from the communities themselves, but there were some who were outsiders to the community and should be mentioned, for example, Bruce Crofts, John Olthuis, and retired Justice Emmett Hall who was mentioned by the Minister. More particularly I should like to refer to the leaders of the bands—former Chief Steve Fobister and present Chief Arnold Pelley of Grassy Narrows; former Chiefs Isaac Mandamin and Roy McDonald, as he was at the date of the signing of the agreement, and present Chief of the Islington Band at Whitedog, Anthony Henry. These are the people who will carry forward the torch for their communities and for their peoples. These are the people who will play the leadership role in taking this compensation which, while I would not term it token, can never compensate for all the damage done to those communities. I know it was not designed with the idea that it could totally compensate.

Let us merely say that the compensation which has been granted to the people of these communities is relatively modest, or very modest indeed, in comparison with the assistance and the guarantees which the damaging parties have received, and of course in comparison with the profits they have made. That is not said in a spirit of meanness or revenge with regard to those parties. I believe that it is by partnership in the future that the situation of the communities of Whitedog and Grassy Narrows will be improved. It is by co-operation based upon an understanding, an awareness, and a resolve by the people of the country, by the leaders of industry and by those who bear responsibility for environmental regulations, that this type of tragedy, which we take a small step toward correcting today, shall never happen again in this Canada of ours.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I should like to join in the debate this afternoon. As the Minister indicated during his opening remarks, there are some people who have been involved in one way or another for a number of years.

The problem started back in 1970 with the discovery of mercury contamination from the Reed Mill in Dryden. That was before the time that I became involved in politics, but it became an issue of which I was very conscious as a resident of northwestern Ontario. In 1975, as a Member of the Ontario Legislature, I found myself having to deal with that issue in a general sense in the House and in committee. I find it ironic that today, 16 years later, we are closing a chapter of the book relating to the history of Whitedog and Grassy Narrows. I also find ironic the way in which white society in Ontario has treated our native brethren, our original residents of the country. Nothing could be clearer than taking a look at that very small corner of northwestern Ontario to see the dual approach—and I say it frankly—which the Government of Ontario took in dealing with those residents.

In the community of Minaki, the Government of Ontario spent over the last 16 years upwards of $50 million in the redevelopment of a luxurious resort facility designed to attract people from outside the area and to stimulate the economy. On the other hand, a small native community a few miles up the road and its neighbour, the second community we are debating today, received only talk from the Government of Ontario for most of those 16 years. All they got from the corporations was talk. All they got from the federal Government was talk.

• (1740)

I want to compliment the Minister of Indian and Northern Affairs (Mr. Crombie) for having the willingness and the fortitude to get something done. I want to compliment the new Government of Ontario for deciding that it was time we had a settlement and that we had to work collectively instead of fighting over whose jurisdiction it was. I compliment the patience of the bands. My colleague, the Hon. Member for Kenora—Rainy River (Mr. Epp), mentioned the leaders of the two bands who have participated over the years. I compliment them on their patience. Perhaps that is one of the lessons they can teach us as a result of this process. When you are dealing with the white society you must have patience because we are not prepared to act quickly to respond to specific needs. This should not have taken 16 years, at least not to provide the kind of compensation finally reached. It should have been a matter of course.

Whether it was the federal Government or the provincial Government, it should have met with the bands in a short period of time, worked out what their economic needs were and what they needed to replace their livelihood, which was based on natural resources, particularly the fishing industry and the wild rice industry that was destroyed by Ontario Hydro. That is what we should have done. Either the federal Government or the provincial Government should have taken the companies to court. Why let the natives, who have been suffering because of Minimata disease and because of the loss of their traditional livelihood and forced onto welfare and into alcoholism, do it? We as a society had the responsibility. We as the federal Parliament had the legal trust for those reserves. We should have taken that action and done on behalf of

natives what they have taken 16 years to accomplish, the reaching of a settlement that allows them to have the economic wherewithal to begin re-investment in the future, to encourage new development, new industry, any industry, and new employment opportunities to re-orientate and look into the long-term health ramifications. That is what we should have done, Mr. Speaker. Unfortunately we did not. We as a society must accept the shame of that but we must learn from it.

As we are moving into an era that will see an evolution of self-government for our native people, we must keep those kinds of things in mind. We must ensure they have the wherewithal and the mechanisms to react. We as a society must continue to ensure that our native people are not faced with the situation in northern Canada seen in the last three or four months of mercury contamination in the Churchill, Hudson's Bay area and the finding of high levels of toxins in our wildlife. We must react and react quickly to protect the peoples and to ensure that we can replace their traditional livelihoods if those livelihoods are threatened or destroyed. We must do something that makes sense for them and is done in concert with them.

I am pleased the Bill is before us today. It is the closing of a chapter. I hope it leads to a very successful sequel to the residents of White Dog and Grassy Narrows so they too can rejoin the rest of Canada in having the right to a job, the opportunity for a job, the opportunity for an appropriate lifestyle conducive to the natural environment. Maybe some day we may even find that the English-Wabigoon River sytem having purified itself will once again be available for the harvesting of fish and thus return the traditional lifestyle to the native populations.

I congratulate the Minister for bringing this legislation forward. I know that, relatively speaking, the work the Minister has done has been done in a most compressed time. I compliment him for that. I compliment too members of the Fisheries and Forestry Committee who last year dealt with this issue and had the chiefs of the two bands before them. I would like to think that, along with the work of the Minister and the work of Mr. Justice Emmett Hall, that committee had some weight behind it to bring forward this agreement we have today together with the acceptance by companies of their responsibility to the peoples of north western Ontario. Congratulations, Mr. Minister. Thank you.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

Clauses 2 to 7 inclusive agreed to.

On Clause 8—*Payments out of C.R.F.*

Mr. Penner: Mr. Chairman, I do not wish to debate this at all, but just for the information of the House, since this is the appropriation section and monies for the two bands are to be appropriated from the Consolidated Revenue Fund, can the Minister say whether he is able to advise the House as to the method in which these monies are to be paid? Will they be put into a trust fund in total at one time or is it to be over a period of time? If the Minister could provide that information to the House, we could then pass the Bill.

Mr. Crombie: Mr. Chairman, it is a staggered payment, the specifics of which I can give to the Hon. Member in the standing committee later this evening. Perhaps I could provide the information at that time.

Mr. Penner: Mr. Chairman, that is acceptable. Thank you.

Clause agreed to.

On Clause 9—*Coming Into Force.*

Mr. Angus: Mr. Chairman, I have just a quick question for the Minister. Is there a specific date in mind for the proclamation of the Act?

Mr. Crombie: Mr. Chairman, we would like to do it immediately. The effective date of this Bill is two months ago. The Bill will go through the normal procedure, but it will not affect the effective date.

Clause agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Crombie moved that the Bill be concurred in.

Motion agreed to.

• (1750)

The Hon. Ray Hnatyshyn (for the Minister of Indian Affairs and Northern Development) moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Deputy Speaker: The Hon. President of the Privy Council (Mr. Hnatyshyn) has designated this coming Friday as an allotted day. Therefore, there will be no Private Members' Business. Accordingly, I have instructed the Table Officers that the item which was scheduled for Friday in the name of the Hon. Member for Cowichan—Malahat—The

Islands (Mr. Manly) be dropped to the bottom of the order of precedence pursuant to a ruling made earlier on these matters.

* * *

INCOME TAX ACT

MEASURE TO AMEND

The Hon. Ray Hnatyshyn (for the Minister of Finance) moved that Bill C-109, an Act to amend the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased today to speak on second reading of Bill C-109, an Act to amend the Income Tax Act. Bill C-109 relates to the controversial scientific research tax credit program introduced by the previous Government. The scientific research tax credit was designed to allow corporations to transfer the benefit of tax deductions and credits to outside investors. This tax was equal to the SRTCs sold and is refundable as the corporation actually performs research and development. This tax is provided for in Part VIII of the Income Tax Act and is payble 30 days after the end of the month in which the SRTCs were sold.

The purpose of Part VIII tax is to protect the Government from corporations which would drain the public purse without actually doing any research and development. I agree with the purpose behind these provisions. I would inform the House, however, that this intention has been undermined by recent and conflicting case law. Notwithstanding that Part VIII tax is payable within 30 days after the end of the month in which an SRTC is issued, one judicial authority has held that it cannot be collected as it becomes due but, rather, can be collected only after the corporation has filed its income tax return for the year in which the SRTC was issued. This could be up to six months after the corporation's year end.

[*Translation*]

Mr. Speaker, at this point I do not intend to recall the ways in which this program was abused, which led to the program being abolished in the May Budget. However, I may remind the House that the transitional relief provisions that followed the program's abolition allowed for issuing a certain amount of scientific research tax credits until the end of 1985.

Mr. Speaker, it is therefore essential that Bill C-109 be adopted quickly, to avoid a situation where the Government would have to refund taxes collected under Part VIII of the Income Tax Act, which might prove difficult to collect later on.

[*English*]

In the absence of these amendments $225 million of Part VIII tax previously collected as the result of 576 audits, mainly by legal action, seizing assets or accepting security, may have to be refunded by Revenue Canada. In addition, Revenue Canada cannot proceed with the collection of 866 additional assessments now being monitored, nor can assessments be issued for approximately 100 SRTC designations received since the court decision. These amendments are not controversial, nor do they change the intended application of the Part VIII tax as approved by this House.

[*Translation*]

These amendments should therefore receive the support of the House, since they are in line with the objectives we had in mind when the Part VIII tax was adopted by this House.

[*English*]

Bill C-109 also excludes the Part VIII tax from the taxes in dispute legislation contained in the Income Tax Act. The taxes in dispute legislation was introduced as one of the first acts of the Government in order to protect taxpayers who have legitimate disputes with Revenue Canada as to the amount of regular income tax owing. This is not appropriate in the case of the Part VIII tax however, as this tax merely offsets credits already issued by the corporation, which credits the Government is bound to honour.

Bill C-109 ensures that corporations cannot delay the recovery of Part VIII tax by the simple act of filing a notice of objection to an assessment. It should be noted, however, that Revenue Canada's practice is to collect Part VIII tax during the course of a corporation's taxation year only when it has reason to believe that the SRTC funds will not be expended on research and development.

The amendments proposed in Bill C-109 are not retroactive but are effective for assessments made after March 28, 1986, the day on which these proposals were announced. Nevertheless, in cases where Government funds are at risk, new assessments can be issued and Part VIII taxes collected as soon as is appropriate in the circumstances.

I need not dwell on the abuses that have been reported on this program. It is for this reason that the SRTC was discontinued in the May 1985 Budget. Nevertheless, under transitional relief provisions it was possible for some SRTCs to have been issued up to the end of 1985. It is imperative that Bill C-109 be implemented quickly in order that the Government not find itself in a position of having to refund taxes collected under Part VIII which may be in danger of not being subsequently collectable.

It is with anticipation, therefore, that I seek the co-operation of all my colleagues in the House in the speedy passage of Bill C-109.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, the scientific research tax credit is a mechanism used by a company which carries out research in Canada and which may not have to pay taxes because it is not a profit-making business—for instance a company just beginning to develop a new product or a new technology—so this tax credit is a mechanism through which it

is allowed to transfer its tax incentives to outside investors. We are talking about a company which does research and needs money to carry out its work a company which would normally be eligible for the scientific research tax credit but which cannot avail itself of the Income Tax Act provisions on research funding because it is not making any profit and does not pay corporate taxes.

The scientific research tax credit was a way to enable such a company to transfer its tax incentives or tax credits to outside investors like profitable businesses prepared to lend or invest money in the company. In turn these investors could claim the tax credit normally available to the company doing the research work.

This mechanism was first unveiled in the April 1983 Budget of Finance Minister Lalonde, and it was set up after lengthy consultations with the interested parties from whom this proposition originated in the first place. These were private sector interests, people doing research who claimed it was imperative to find a way to fund research projects.

• (1800)

[*English*]

We are all well aware of some of the abuses involving the scientific research tax credit which led to its eventual elimination. The Bill we are studying today, Bill C-109, would give the Government the power to collect advance payment of taxes questioned under certain court rulings recently. Therefore, our Party supports the legislation. It is intended to make one aspect of the Government's monitoring and collection system enforceable. However, we do not support the outright elimination of the SRTC as announced one year ago by the Minister of Finance (Mr. Wilson). We feel it should be maintained with appropriate controls. In spite of the abuses the SRTC was subjected to, its basic principle was valid.

As I mentioned earlier, the industry was highly supportive of the credit. Original estimates by the Department of Finance in the Budget of June, 1983, were that this tax credit would generate about $100 million of additional expenditures on research and development. That forecast was proven wrong both because the program was more successful than expected, and because of the abuses mentioned. The safeguards initially designed by the Department of Finance against abuse were clearly inadequate. However, I would point out that the Conservative Party supported the SRTC when it was introduced. Indeed, the former Minister for Science and Technology sitting here this evening, now the Minister of Fisheries and Oceans (Mr. Siddon), was his Party's critic on science and technology at that time. He commended the initiative in the House on December 13, 1983. He even said the measure was inadequate. In retrospect it is amusing to look back on the comments he made at the time. For purposes of debate I would like to read—

Mr. Siddon: Read the whole thing.

Mr. Berger: —what the Minister said. I am not going to read his whole speech.

Mr. Siddon: Read the good parts.

Mr. Berger: I will read the relevant parts. At page 145 of *Hansard* of December 13, 1983, he said:

> —when I deal with the specific increases in R and D tax credits, I will point out the tremendously inadequate level of support they represent to a very important sector of our economy.

He went on to say, as reported at page 147:

> What the income tax amendment to the R and D tax credits does is to increase the incentive to do research in the private sector by something in the order of one one-hundredth of what is required. The amendment is only 1 per cent as powerful and significant as what is required to get the private sector really rolling along and doing much more research and development in the country.

I do not know if the order of magnitude was right, but certainly the thrust of his comments was right. Even with the SRTC and some of the good research it produced I submit we still have not found the answer to getting the private sector really rolling along and doing much more research and development in this country. Indeed, the committee concerned will be hearing tomorrow from Douglas Wright, the President of the University of Waterloo, who has some very serious concerns to raise about the subject of university research and the Government's proposals in the February Budget to provide matching grants for contributions by the private sector.

I would like to emphasize again that considerable good investment did occur as a result of the SRTC. I have articles here going back to 1983 and 1984 where it is pointed out that companies like Pratt & Whitney Canada obtained some $165 million through this incentive. We are all well aware of the kind and quality of the products that company has produced, and the resulting economic benefits. The same is true of Mitel Corporation. That company has had some financial difficulties, but with the recent purchase by British Telecom it will hopefully be able to see its way past those difficulties. It raised money for research under the SRTC program as well.

In addition, I would like to refer to a recent meeting of the Standing Committee on Public Accounts which dealt with this question on March 11. The Deputy Minister of National Revenue gave a number of examples of qualifying research projects under this program. He could not name companies because of the confidential nature of the information under the Income Tax Act, but he mentioned some research being done on a computerized security system. He said that, if successful, this system will be substantially advanced over the systems available today. Potential buyers in both Canada and the United States have already expressed an interest. Another example he gave was the development of an interactive computer graphics technology to integrate the work of multidiscipline teams in the exploration area. The main purpose of the project was to increase productivity of such teams by 30 per cent and, if successful, the program had a potential world-wide market. Another example concerned the development of new products.

• (1810)

The scientific research tax credit incentive was sufficient, it was observed, to entice a foreign commpany to move its research facility to Canada. The research has since been successfully concluded and the company is in the planning stages of setting up a production facility at the same location. There are several other examples of Canadian companies which plan to set up production facilities as soon as the research projects have been completed.

It is quite clear that considerable good research took place as a result of this program. I asked a question in the Public Accounts Committee a year ago. I asked the representatives from the Department of National Revenue, the Department of Finance, and the Comptroller General's office what percentage of the spending or what percentage of the research conducted under this program was good and what percentage was bad. We all know that it is the abuses that get the attention. One individual decides to spend the money that has been raised ostensibly for research on buying a Ferrari, investing in real estate transactions or something like that, and it makes headlines right across the country. Are these headlines and this anecdotal evidence representative of all of the research that took place under the program? I asked the department officials, is this 10 per cent, 20 per cent, or 50 per cent? They could not tell me. Even today you cannot get a straight answer when you ask that particular question.

I think we can arrive at some kind of a conclusion if we look at the figures provided by the Deputy Minister of National Revenue in the Public Accounts Committee on March 11. He pointed out that the Part VIII tax that is anticipated to be uncollectable is something in the order of $900 million. The total Part VIII tax liability is $2.8 billion.

If you look at it in those terms, the uncollectable amount is approximately one-third of the total Part VIII tax liability. Part VIII tax liability, to try and translate that into understandable terms, is the amount of the tax credits that have been given by the Government for purposes of research and development. A tax credit, as those who are familiar with the Income Tax Act may know, reduces tax otherwise payable. When $100 is spent on R and D with a 50 per cent tax credit, a 50 per cent tax credit reduces government revenue by $50. When the tax credit is given to the investor under the scientific research tax credit, the Government is out of pocket by that $50 until the research and development is actually performed, which then extinguishes the liability. The amount the Government is out of pocket initially, as I said earlier, is $2.8 billion. Of that $2.8 billion, some $900 million is believed to be unrecoverable.

If we can conclude from that that two-thirds of the research that was done under this program is legitimate, it tells us that the abuses are, perhaps, less than may initially meet the eye. I do not know if one can conclude that two-thirds of the research will actually produce something of benefit for Canada, something of benefit for the company, or lead to a successful company, because by the very nature of it research is a hit and miss operation. Some companies may conduct dozens of research programs, and only a few may lead to a successful invention or lead to a product which is marketable by the company. I felt it important to try and put this whole debate into a certain sense of perspective.

In its pre-budget submission to the Minister of Finance (Mr. Wilson) in December of 1985, the Canadian Advanced Technology Association, which represents a number of Canadian-owned and controlled high technology companies, made the point that considerable scientific research spending in Canada occurred under this program that would not otherwise have taken place. They stated it is clear, therefore, that markets are responsive to government incentives to encourage risk taking. While this program was seriously abused, the Canadian Advanced Technology Association says—we are not in any way trying to defend those abuses—the ability to flow through R and D tax benefits to individual investors did result, as I said earlier, in considerable scientific research spending in Canada that would not otherwise have taken place.

They went on to recommend that the Department of Finance officials examine the possibility of structuring a new flow-through mechanism for scientific research and development expenditures structured along the lines of the flow-through share arrangements currently in place in the mining industry. They point out in their pre-budget submission to the Minister of Finance that this would differ from the SRTC Program in several important ways. There would be clear risks to the investor. Second, shares would not be issued to the investor until R and D expenditures had actually taken place. Third, due diligence would be enforced on all the players. They offered to volunteer the resources of their association to work with the Department in assessing the merit of developing a new policy instrument along these lines.

Unfortunately, the Government did not respond to this request from the Canadian Advanced Technology Association in its last Budget. Our Party has taken the position that it is necessary to have this kind of a mechanism to provide financing for high risk research, for start-up companies which have difficulty raising research moneys and investment under the current tax incentives.

I would also like to mention that there is considerable concern in the high technology community that the abuses which occurred under the scientific research tax credit program are going to seriously damage the Government's new investment research tax credit, which was introduced in the Budget of last May, in which the Government stated its intention to broaden the definition of research and development. Revenue Canada issued a paper in which it undertook to consult respecting the preparation of guidelines on the subject of scientific research and development.

• (1820)

The Standing Committee on Reseach, Science and Technology had a meeting last week with the same Canadian

Advanced Technology Association. The members of that association expressed a number of concerns. They were not allowed to participate in the process of preparing guidelines which, up to now, seem to have been prepared by academics, auditors or accountants. There has been a lack of representation by people in the private sector who actually do research and development in the preparation of these guidelines.

In addition, the Minister of National Revenue (Mr. Mackay) has refused to make draft guidelines public. This is very difficult to understand. The previous Liberal Government and the present Government have talked about improving the regulatory process for a number of years. In fact, I participated in a task force on regulatory reform several years ago.

One of the cardinal rules of effective consultation is to publish draft guidelines to give those affected by these regulations the opportunity to comment on them and ensure that they are appropriate to the every day reality of the private sector. It is difficult to understand why the Minister has refused to make these guidelines public when we have been talking about the definition of research and development for the past three years.

The only justification given for not publishing these guidelines is the necessity to adopt them quickly. However, I suggest it would be foolhardy to adopt the guidelines at this point if they do not meet the needs of the private sector. Therefore, I urge the former Minister for Science and Technology, the present Minister of Fisheries and Oceans, to speak to his colleague, the Minister of National Revenue, and suggest that these guidelines be published to meet the very minimal request of the members of the Canadian Advanced Technology Association.

Another concern is that the abuses of the scientific research tax credit will result in the Government and Revenue Canada officials going overboard and making it very difficult for small business research and development performers. I also understand that Revenue Canada is planning to audit 100 per cent of claims for the refundable investment tax credit before these tax credits are issued. We were told in the committee last week that this could lead to delays in small companies obtaining tax credits which they desperately need to stay alive and that this over-zealousness could lead to several companies going into bankruptcy.

In conclusion, we support this technical amendment which will allow Revenue Canada to exceed the 120 day limit in collecting tax at an early stage from people who owe tax under Part VIII. However, I want to re-emphasize that the whole question of a flow-through mechanism for funding research and development has not been satisfactorily answered by the Government. On the other hand, there is a concern that the abuses of the SRTC will result in greater hardship in the application of other programs for small businesses which conduct research and development.

Mr. Deputy Speaker: It being 6.25 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Thursday, May 22, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF THE ELECTORAL BOUNDARIES COMMISSION FOR THE NORTHWEST TERRITORIES

Mr. Speaker: I have the honour to lay upon the Table the 1982 report of the Electoral Boundaries Commission for the Northwest Territories and the report of the commissioners in relation to the deliberations of the Standing Committee on Elections, Privileges and Procedure.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to the following seven petitions: Nos. 331-421, 331-426, 331-477, 331-480, 331-482, 331-495 and 331-497.

[*English*]

CANCELLATION OF UI BENEFITS TO ARMED FORCES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, it is a pleasure to present before the House today a petition concerning the Government's withdrawal of unemployment insurance benefits to members of the Armed Forces and a request that the Government consider reinstating these benefits as soon as possible.

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have a second petition which involves a large number of individuals from the coast of British Columbia who request that the Government not automate lighthouses but leave crews in place to provide communication services, search and rescue and accurate weather forecasting and reporting to ensure that safety will prevail on the coast of British Columbia for marine and air transportation.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 548 will be answered today.

[*Text*]

THALASSIC DATA

Question No. 548—**Mr. Caccia:**

1. In the past six months, has the Department of Environment had any contact with Thalassic Data and, if so (*a*) on what dates (*b*) with whom (*c*) on what subjects?

2. Does the Department have a professional assessment of information that Thalassic Data has regarding the St. Clair River and, if so, what is their assessment?

3. Since March 18, 1986, have there been contacts between Thalassic Data and the Department and, if so (*a*) who represented the Department (*b*) how many meetings were held (*c*) what was the end result with regards to the information Thalassic Data has (*d*) will the information be used by the Department or further data collection pursued and, if not, are future meetings planned?

Hon. Tom McMillan (Minister of the Environment): 1. Yes.

(a) Dates	(b) Contacts	(c) Subjects
On or about November 10, 1985	Mr. P.L. Brander	Thalassic Data's seismic survey capability Department of Environment program in the St. Clair River Organization of government programs for the St. Clair River study Arranged a meeting for technical discussions
November 14, 1985	Mr. P.L. Brander	Technical specifications of Thalassic Data's capability Deferral of discussion with Mr. E. Myers of Thalassic Data until he was available to explain its methods
November 14, 1985	Mr. P.L. Brander	Confirmation of above stated technical meeting Possibility of funding by the Department of Environment Declaration by Thalassic Data that it would proceed with survey at its own expense
November 24, 1985	Mr. P.L. Brander & Mr. T.M. McGee	Presentation of raw original records obtained by Thalassic Data on the St. Clair River Thalassic Data's intention to write up a report Request that Thalassic Data advise the Department of Environment or the Ontario Ministry of Environment on its report
On or about January 17, 1986	Mr. P.L. Brander	Draft report by Thalassic Data Intention of Thalassic Data to apply for exploratory drilling of the river bottom Confirmation of Thalassic Data's consultation with Ontario Ministry of Environment on its report Potential advertisement by Thalassic Data of its results

Income Tax Act

On or about February 14, 1986	Mr. T.M. McGee	Technique being developed by Thalassic Data
March 20, 1986	Mr. T.M. McGee	Details of a meeting that took place between Ontario Ministry of Environment and Thalassic Data

2. No. However, the Department of Environment, with the assistance of the Geological Survey of Canada, is undertaking a professional assessment of the Thalassic Data information.

3. Yes, by telephone. (a) Mr. K. Shikaze, Regional Director, Environmental Protection, Conservation and Protection, Department of Environment. (b) None. (c) N/A. (d) N/A.

[*English*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, May 21, consideration of the motion of Mrs. McDougall that Bill C-109, an Act to amend the Income Tax Act, be read a second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I take this opportunity to say a few words about the great Liberal research scam. In January, 1984 the then Liberal Government made amendments to the Income Tax Act, providing a scientific research and development tax credit program. The program was introduced to make tax incentives of more immediate value to companies performing research and development and to facilitate the financing of research and development. The program was specifically designed in such a way that investors were able to realize quick no risk profits by a procedure known as the "quick flip". This caused a significant overrun in the cost of the program.

I agree the Bill needs to be put in place and it should be supported, and that it should not take too long to pass through the House, but we need to have learned a lesson from the program. This scientific research tax credit program is only part of a $30 billion to $50 billion tax expenditure system being delivered through the tax system. The program is an example of the problems of tax expenditure in general.

The Auditor General in his statement to the Standing Committee on Public Accounts on May 30 suggested that this program was something the Government should be looking at and that there was a great possibility for misuse of taxpayers' money by the particular process of tax expenditures. It is the method by which the corporations in most cases, individuals in some cases, are given tax relief. This is money which is not collected by the Department of National Revenue but left with the taxpayer without a great deal of accountability.

• (1110)

Under these programs you get relief from taxes and can spend money which you never have to account for. This is another way of passing out funds to corporations. Normally if an individual or organiztion receives funds from the Government they are expected to account for how those funds are spent. If they are spent incorrectly, they would be asked to make restitution for the expenditures. Under the tax expenditure program, that is not necessary. When you get a grant from the Government through a tax credit there is no way the Government can check on how that money is expended. In fact, the Income Tax Act protects the spender from being publicly investigated.

In his 1984 report the Auditor General pointed out that the scientific research tax credit program had been implemented without adequate safeguards over public money. I will spend a few minutes explaining the history of this.

In April of 1983 the Hon. Marc Lalonde, then the Minister of Finance, indicated that the cost of this program would be approximately $100 million in the first year and probably an equal amount in the second year. That was to be an expenditure through foregone taxes rather than actual grants paid by the Government. That is what makes this particular type of expenditure so insidious. It does not appear as an item in the Estimates. It does not appear as an expenditure of the Government. It is foregone income which the people of Canada are passing out to corporations and individuals which take advantage of it.

We have been told that foregone taxes to date amount to $2.8 billion. The $100 million program which the Minister of Finance announced in 1983 is already up to $2.8 billion. In addition, there is the cost of administering the program. The Minister of State for Finance (Mrs. McDougall) told the Public Accounts Committee recently that the cost of administering, investigating, and taking the necessary actions to collect some of the $2.8 billion would be at least an additional $12 million.

There are some very interesting facts with regard to this particular grant. For example, 1,810 corporations filed designations for these tax credits. Of these, 1,204 were involved in the "quick flip", a procedure by which they could get the money very quickly without actually expending any funds for research. Those corporations "flipped" more than $5.6 billion. In the process of this "flip" they pocketed $2.2 billion. In other words, of that $2.8 billion of funds foregone by the people of Canada, $2.2 billion was retained by the corporations which had committed themselves to do research. That left a shortfall of $3.4 billion. In other words, the

commitment to do $5.6 billion worth of research was entirely lost because $2.2 billion went into pockets and there was a shortage of $3.4 billion which had been committed to do research. A good portion of those corporations took the money and left the country. They sold their commitment to do research and left the country.

I can give you examples of things which have happened. Many Members may have seen *The Fifth Estate* last week. It was about a corporation called Canada's Tomorrow which established itself to do some research. It collected $25 million from the Government to do research in oceanography in Chile. There are now 67 students stranded in Chile because the money is gone and the Chilean Government will not allow them to go home until the costs they incurred there have been paid.

There is also a local research program which is causing a considerable amount of controversy. This is the so-called Dreamstreet program which is supposed to research the difference in productivity between red and white holsteins and black and white holsteins. The provincial Ministry of Agriculture in Ontario and the federal Ministry of Agriculture have indicated that this is absolutely useless research, but it got money through this program.

It seems incredible that any government could be so inept as to allow this kind of legal scam to be perpetrated on the people of Canada. There was no suggestion of the type of research to be done under this three-year program. Although the program was cut off last year, it is still costing us money. There is nothing in place to monitor the quality of the research to be done. The Dreamstreet program and the Canada's Tomorrow program are two examples which are producing nothing.

This also brings into focus the need for information to be given to the Cabinet for it to make its decision. Information should be available to the people of Canada and the Members of this House. In that way, when a decision is made to establish this kind of program, we can question the decision-making.

• (1120)

I questioned the quality of the advice given to the Hon. Marc Lalonde when he made the decision to put this program in place. People should have questioned that and the extent to which the effects of this program had been researched. Someone should have questioned how a so-called $100 million program suddenly costs $2.6 billion. Someone should have questioned how people who took part in this program could make money without any effort at all. The quick flip allowed at least 5 per cent of the money supposed to be used for research to be pocketed by someone who had no intention of doing any research in the first place. If it increased the amount of research done across Canada there might be some justification. However, StatsCan informs us that the amount of research done in Canada over the three years covered by this particular scam did not increase to any justifiable extent.

This program has cost the taxpayers of Canada $2.6 billion plus. It will probably be closer to $3 billion by the time we are through. The present Government, of course, took fairly quick action to eliminate the program but it was also grandfathered so that anyone who had established a program could continue. Neither was a monitoring system put in place which would allow the Government to stop the program if necessary.

It is good that we are finally doing something that will allow the Government to recover some of the money that has been fraudently taken from the pockets of Canadian taxpayers. At present there are some 55 projects under investigation for fraud. Only 172 audits have been completed so we have a very limited understanding of the size of the program and how badly it has been used. We have taken just a small look at it. The approved value of research is over $7 billion and the value of the quick flips was $5.6 billion. That left a real shortage in the amount available to be spent on research.

I can only suggest from that, that when this type of program is established, the information put before Parliament should be adequate for us to judge properly. Obviously we cannot trust the quality of the advice given to the Minister. Therefore, someone or something else should have a look at it, and that should be the House of Commons. We should take a good look at the whole process involving tax credits.

The Auditor General has estimated tax expenditures at somewhere between $30 billion and $50 billion. That is money delivered to corporations and individuals in the form of tax credits. It is not $32 billion or $36 billion, but somewhere between $30 billion and $50 billion. That is a broad gap. It shows the inability of the Government to determine exactly how much is being delivered in the form of tax credits. As the Auditor General has suggested, we should put in place a system of reporting the tax credits being collected by people, not only in this research and development scam but in all other areas as well.

This Government has spent a lot of time, as have other Conservative Governments across the country, talking about the amount of welfare given to people out of work. They have talked about how unemployment insurance should be cut back because people will then try harder to find jobs. However, there is another kind of welfare, corporate welfare. Corporations get taxpayers' money and do not have to account for it. We do not even know if they need it. They get money through the system without having to convince anyone that they need it.

We need to look at the whole structure of tax expenditures through these credits. We need to put in place an evaluation system. During his appearance before the Standing Committee on Public Accounts the Deputy Minister of Finance, Mr. Cohen at the time, suggested they had no real system in place which evaluated the effect of tax credits. He also admitted that they had no real evaluation of the amount of research this particular program was going to provide. In fact, the Government, before it put this program in place, did not have any indication of how effective it was going to be.

As I said before, the program was announced in April of 1983 and passed in January of 1984. However, in the fall of 1983 the accounting profession had already recognized this was going to be a scam and were publishing information on how to take advantage of it. This was already common knowledge across Canada in October and November of 1983, a couple of months before the Bill was passed. When that was brought to the attention of the Hon. Marc Lalonde, he decided to go ahead with it anyway and it was passed in January of 1984.

We support this Bill, Mr. Speaker. It needs to be put in place. However, we hope the Government recognizes the lessons learned here which have cost us something over $2.6 billion with very little return. We hope the Government has some understanding of how the taxpayers of Canada were ripped off by a procedure which was not researched well enough. The Government did not know what the effects were going to be and was unable to stop the ripoff even after they recognized it. I hope the particular subject of this Bill will bring to Canada a better financial structure for these kinds of taxations in the future.

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I welcome this opportunity to take part in this debate, because when the Bill in question was amended by Mr. Lalonde, I was the Minister responsible for Science and Technology.

• (1130)

[*English*]

I have a rather special interest in this Bill. I would caution my friends on all sides of the House in their use of hindsight in terms of criticizing and attacking the provision as it was introduced in 1983.

We all know that the Income Tax Act suffers from a number of serious weaknesses, complexity and inequity. I had hoped that during our period in government we might have made more progress in bringing some coherence to this tax system in this country, but, caught up as we were with the worst recession since the 1930s, inflation, high interest rates, constitutional debate, the Government can only take on so many major issues in the course of its mandate.

We attempted in a number of areas to improve the tax system, but did not have the opportunity of coming to grips with the tax system as a whole. Hence, efforts were made in specific discreet areas, such as scientific research and development, to meet the needs, the challenges of particular sectors.

Now we have a Government with 211 seats that is engaged in tinkering with the system, that has done very little, in fact nothing to improve the system, which has added complexity, and added inequity. I need only refer to the $500,000 lifetime capital gains exemption. I am reminded, when I look at this Government, of the statement of some wag, "You know, if Thomas Paine thought taxation without representation was bad he should see it with representation", because that is what we have today. We have over representation and the tax system continues to deteriorate. The great tinkerer, as he is becoming known, the Minister of Finance (Mr. Wilson) has not helped.

All that being said let us put partisanship aside for a moment and look at Bill C-109 and the background of this provision. The ingredients of economic growth have changed dramatically over the last century. When some of us were young, I suppose even before most of us were young, growth in an agricultural economy—and I grew up on a farm, Mr. Speaker, as perhaps you did—was brought about by the marriage of those three classical elements, land, labour and capital. As we moved into the industrial age the accent moved more to technology and to resources. Labour became as significant, and capital became particularly significant during the smokestack industrial generation of industries.

Now we have moved into the so-called post-industrial period. The accent is on knowledge-based industries. Growth is brought about by the marriage, primarily of capital and technology. Labour has assumed a lesser role. Land and resources, of course, have also assumed lesser roles. Witness the remarkable growth of Japan after World War II, a country effectively without a natural resource base, but money was placed in developing intellectual capital, developing technology and in applying technology. Most of it, in fact, in the case of Japan was foreign technology.

The Government in the early period of the 1980s, as I mentioned earlier, was fighting on many fronts, wrestling with the worst recession since the 1930s. As we began to emerge from that recession there was a recognition that to spur the growth, to build on the economic recovery it would be necessary to take certain steps to, if you like, have an accelerated recovery, to absorb those jobs that had been lost during the recession. That meant, and in recognition of the evolution that I referred to, the accent had to be on technology, and to ride the great wave of the technological revolution that was sweeping through our society.

Mr. Lalonde, in 1983, in consultation with the business community of the day determined that it was important to facilitate that marriage between entrepreneurs, who are the catalysts between technology and capital.

We hear much about the fact that there is a lot of capital available, and that Canadian savings were running at the time around 12 or 13 per cent. The high interest rates, of course, had driven people largely into debt instruments, as you will recall. Of course, while those savings were high and remained high, in this country, unfortunately, they are largely institutionalized, Registered Retirement Savings Plans, for one, in pension plans and so on.

Where does the entrepreneur, that great catalyst that brings about the marriage, if you like, between capital and technology find the mate. If the technology is there and more research and development is required to build on that technology, or to

create technology, where does he find the mate in that marriage, namely, the capital? It was that challenge that Mr. Lalonde faced in 1983, and that is why the scientific research tax credit was introduced. It was to allow individuals and investors to go out to the community at large and attract capital for the purposes of research and development in this country by permitting a flow-through of credits to those individual investors.

Now, we have heard of abuses and, indeed, I would be the first to condemn those abuses. Perhaps the program had not been adequately developed by officials. In fact, again with the benefit of hindsight, it seems clear that it was not. There were benefits derived from that program. We have testimony to that effect. I understand that the Canadian Advanced Technology Association made a pre-budget submission to the Minister of Finance in December of 1985 and stated the following:

—it is clear, therefore, that markets are responsive to government incentives to encourage risk taking.

This can be illustrated by reference to the SRTC program. While this program was seriously abused, and we are not in any way trying to defend those abuses, the ability to flow-through R and D tax benefits to individual investors did result in considerable scientific research spending in Canada that would otherwise not have taken place. The same association recommended that some flowthrough mechanism be developed in order to encourage such research and development, of course in the absence of the abuses to which I have made reference.

[*Translation*]

I may add, Mr. Speaker, that at the time, the Conservatives supported this policy and the amendment proposed by Mr. Lalonde. And as I said before, it is easy to criticize with the benefit of hindsight. Nevertheless, the association acknowledged this measure had a beneficial impact, and now we have eliminated the abuses, and we have also eliminated the beneficial impact. We must find other ways to stimulate research and development in this sector.

• (1140)

[*English*]

I suppose the comment I have made invite the question, where do we go from here? I ask my colleagues on the Conservative benches how we solve the problem of the basement entrepreneur who finds technology, must conduct further research and development but has no capital? Where will we find the risk takers and what incentives will be offered to them? I am talking about companies in their embryonic stage which have the potential of becoming a Mitel or a Gandolf. What kind of mechanisms do our friends on the Government benches suggest would be appropriate to supply capital to those companies? Of course, Members who live in the Ottawa region are especially familiar with the successes that have been brought about by operations which began in a garage or a basement.

I talk about these garage and basement operations to underline the fact that there may not be any one approach to this problem. The capital needs of corporations, businesses and individuals who are involved in research and development vary to a great extent.

The Government must address the issue of grants versus tax credits. For years, arguments have been made that tax credits are more beneficial because they give more play to market forces and enable businesses and entrepreneurs to make their own decisions. It is also argued that tax credits do not discriminate among recipients of the taxpayers' largess, if you like, as do grants if they are delivered in a discretionary fashion.

All of those are legitimate arguments, but it seems to me that the Government must bring forward some rational approach to solve the problems of those research and development enterprises that begin in the garage or basement and move on to become slightly larger firms that can attract money from individual professionals, co-workers or other small entrepreneurs or adventure capital firms. This rational approach is needed to allow those firms to move on to become threshold-sized firms, as they are sometimes called, with established management procedures and relatively good financial connections but which are not yet in the position to tap major Canadian capital markets in the intermediate stage or, as in the case of Northern Telecom, tap world-wide markets.

There are risks in this whole area of research and development. How do those investors hedge against those risks and what kind of incentives should those investors receive? At the same time, how do we eliminate the abuses of the kind we have witnessed in the case of the scientific research tax credit? Those are the challenges facing the Minister of Finance (Mr. Wilson). We on our side of the House will be bringing forward ideas and suggestions both here and in committee as to how these objectives may be accomplished.

Make no mistake, the future of this country lies very much in the marriage of technology and capital. The Government has brought forward some provisions to monitor this process and some provisions to stop it, in the case of the SRTC, but it has yet to bring forward anything to facilitate that marriage. It has not yet shown us how it will play the role of matchmaker in this very important relationship.

Mr. Orlikow: Mr. Speaker, in the more than 20 years I have been here there has not been one year in which the Government of the day has not set forth in its Budget plans the notion that providing another tax break, another concession or another loophole to the private sector will somehow persuade it to put more effort into research and development. Yet, in 1986, we still have the second worst record of any country in the OECD in terms of percentage of our Gross National Product being devoted to scientific research and development.

I have several questions for the Hon. Member for Saint-Henri—Westmount (Mr. Johnston). Mr. Lalonde, who brought this proposal forward, was supposedly one of the best

Finance Ministers we ever had and the Deputy Minister, Mr. Mickey Cohen, rated on a par with our "great" free trade negotiator, Mr. Reisman. When this proposal was brought forward by the Hon. Member's Government in Mr. Lalonde's Budget, they told the people of Canada and Parliament that we would lose $100 million in revenue a year for three years. However, now we are told that it will cost the taxpayers of this country $2.6 billion. Will the Hon. Member explain to the House how the Department headed by Mr. Lalonde and Mr. Cohen could have been so wrong?

Second, why were the tax lawyers and tax accountants of this country able to find so quickly holes in the tax system that were so wide one could drive a tank through them? They were able to advise their clients—those who had money—how to use this tax loophole to save that huge amount of $2.6 billion. Furthermore, not only did they save that money,in the process very little of that $2.6 billion really went to scientific research and development. Surely the Hon. Member's Government and the Department of Finance should have been able to find a system that would ensure that if people received tax advantages by putting money into such a project the money actually went into scientific research and development rather than into their own pockets.

Mr. Johnston: Mr. Speaker, I appreciate the intervention by my hon. friend, the Member for Winnipeg North (Mr. Orlikow). I do not think I detected tongue in cheek when he referred to the qualities of Mr. Lalonde as Minister of Finance, or the quality of Mr. Reisman, interestingly enough. The Hon. Member asked why the estimate was so wrong.

Mr. Blaikie: It is a good question.

Mr. Johnston: It is a very good question and I think we should get to the root of it. Why has the Deparment of Finance and the Econometric projections been so wrong in many instances? Why have we worked on misinformation in many instances? I can assure my hon. friend that Mr. Lalonde was not in a position as Minister of Finance, to sharpen his pencil and go through the Income Tax Act and all the related provisions of other laws related to it to determine what kind of abuses might take place. That is the job of officials. That job requires analysis. With the benefit of hindsight, it is perfectly clear that the projected revenue losses were wrong by a degree which is staggering to behold. I accept that and I am sorry about it.

• (1150)

With respect to why tax practitioners and others find these tax loopholes so quickly, it is an unfortunate consequence of our tax system that we have effectively given birth to a generation—succeeding generations, if you like—of experts who spend their time saving money through the arrangement and rearrangement of assets and taking advantage or provisions of the Income Tax Act. That is totally unproductive time.

Mr. Orlikow: Maybe we should hire some of them.

Mr. Johnston: We have hired some of them. That goes to the point I raised during my comments. Our tax system has to be simplified, rendered less complex and equitable. Until that happens we are going to continue to see the kind of unproductive activity which is brought about by these people, who I do not criticize. I was one myself for many years. It just seems to me when we look at the record of Japan in terms of the ratio of lawyers to engineers and scientists as compared to U.S. and Canada ratios, something is seriously wrong. I accept that as well. Why these people find the tax loopholes so quickly is because they are competent and they get at it immediately. Their job is to basically advise their clients as best they can and devise techniques to take advantage of the provisions of the law, which is a legitimate tax avoidance.

I do think the Hon. Member has been somewhat unfair in his assessment of this situation. First, approximately two thirds of the funds invested, we understand, went to valid research. Second, I would point out to the Hon. Member that during our tenure we tried to move to a research and development figure of 1.5 per cent of GNP. We had moved from 1 per cent almost to 1.5 per cent when the Government changed. If we fall off now, please do not point your finger at Liberal Governments. We have a strong commitment to research and development in our Party—

The Acting Speaker (Mr. Paproski): I am sorry.

Mr. Johnston: Can I finish?

The Acting Speaker (Mr. Paproski): Go ahead and finish. You still have a couple of minutes.

Mr. Johnston: I would just like to make one last point, namely, that we stand on that record. There are a lot arguments we can get into here, such as, wouldn't it be great to be 3 per cent of GNP, but there is the issue of how it is spent. The quality of research and development spending is more important in many respects than the quantity. There is no point in throwing money at things. The issue that the funds, which the Hon. Member argued, have been squandered in fact demonstrates that point. To a degree they have been squandered. But a very substantial portion of the funds did find their way into important research.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member for Prince Albert (Mr. Hovdebo) still has a very short question and I am sure the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) would like to rebut.

Mr. Hovdebo: Mr. Speaker, I would like the Hon. Member to justify the statement he just made, because in 1983, $4.8 billion was spent in research. In 1984, $5.5 billion was spent in research. That is an increase of $700 million. In 1985, $5.8 billion was spent in research, an increase of $.3 million over the year before. If we assume the research stayed the same, there was an increase of $1 billion in research over those two years. That cost the taxpayers $2.6 billion and a good portion of it went down the drain. The kind of research which was

counted was of little value. I think the Hon. Member's suggestion that it increased the flow of money into research is for the birds.

Mr. Johnston: Mr. Speaker, the Hon. Member takes issue with the assocation which testified to the effect—

Mr. Orlikow: It has an interest in protecting itself and its members.

Mr. Johnston: The Canadian Advance Technology Association has numbers which say it was valuable. However, the Hon. Member just underlined the other point I made, on which I thought he was going to comment. In 1983 it was $4.8 billion. In 1984 the Government empowered, I think it was September 18, $5.5 billion, and then under a Conservative Government we moved from $5.5 billion to $5.8 billion in a period of strong economic growth. Measure that as a percentage of GNP, Mr. Speaker, and see where it gets you.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member for Stormont—Dundas (Mr. Warner) had a short question.

Mr. Warner: Mr. Speaker, I have a very brief comment. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) is an acknowledged tax expert and I was surprised at his remarks with respect to the equity of the capital gains tax exemption. He knows this initiative is certainly one which is encouraging people to invest in high risk areas. He has identified scientific research as an area which does involve a higher degree of risk than most investments. I am also surprised that the Hon. Member would suggest that this has a certain amount of inequity when most of the capital gains over the last two or three years have been really inflation and very little has been real income. I would suggest that perhaps this initiative not only serves investment well in high risk areas but also provides a much higher degree of equity to our tax system.

The Acting Speaker (Mr. Paproski): Does the Hon. Member have a rebuttal?

Mr. Johnston: Just a comment, Mr. Speaker. I believe my friend is the victim of his own propaganda. He is an experienced businessman. He knows the capital gains tax exemption is applicable to assets sold anywhere in the world. It is completely unfocused. I know many people who have taken advantage of it. They have sold assets, they have gotten out of the market, and some have sold out of the Canadian market and moved into the United States market. What that does for Canadian research and devlopment is indeed a mystery to me.

I believe it is one of the silliest, most counter-productive measures, and it is complex as one can see from the new bulletins which have been introduced—which we said would be the case—to prevent abuses arising. There are things to do on the capital side, I acknowledge that, but this is certainly not the answer.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

Mr. Simon de Jong (Regina East): Surely Bill C-109 stands as an indictment, first, against the former Liberal Government for the program it introduced, the sloppy way in which it was thought through and its inability to control and stop the hemorrhaging of public funds even though that became known before the act was actually proclaimed. It stands as well as an indictment against the present Government which sought to stem the hemorrhaging of funds shortly after it got elected when it introduced a moratorium on, I believe, October 10, 1984, and yet allowed a grandfathering clause where continuing cases of abuse occurred.

As well, Bill C-109 stands as an indictment against the "free enterprise" notions of this and the former Government. It is the notion that if we just shovel money to the private sector it will know what to do with it, will put it to good use and everyone will benefit. As well, it is an indictment against the Government's attempt to reform the tax regime in Revenue Canada.

What does Bill C-109 allow the Government to do? It allows the Government to perform assessments and collections immediately as they relate to deductions made under the scientific research tax credit scheme. The rights of those involved not to pay the taxes until their return is filed, and the right to have their cases heard are being removed. In other words, the whole question of the taxpayers' bill of rights is disappearing.

• (1200)

Bill C-109 is being introduced in order for the Government to have the full legislative authority to assess and collect immediately taxes owed from those who have made use of the scientific research tax credit program which is Part VIII of the Income Tax Act. The need for this was expressed in the Department's press release of March 26, 1986, which referred to two circumstances which have prompted this legislation.

The first circumstance concerns two Federal Court cases which have resulted in conflicting decisions. The first case involved Bechtold Resources which had objected to the ability of Revenue Canada to assess and collect some $16 million in Part VIII tax prior to the filing by the corporation of its tax return. The court found in favour of Bechtold. The second case involved Western Technologies Inc. On this occasion the Federal Court found that the Department of Revenue was within its rights to both assess and collect Part VIII tax prior to the filing of a return. Both cases are currently under appeal.

The second reason cited in the March 26 press release was the evidence that individuals who controlled corporations utilizing the SRTC program were immigrating with those funds without paying the Part VIII tax owing. Once out of the country it is impossible for Revenue Canada to collect the taxes. In other words, Bill C-109 is an attempt by the Government to capture some of those revenues which have been lost

because of this program. In the process of so doing it is certainly contradicting past-stated Government intentions to reform Revenue Canada and tax collection in Canada.

What is being set aside in Bill C-109 constitutes one of the basic principles which the Conservatives fought to have enshrined in legislation namely, the right of taxpayers prior to the payment of any taxes they may dispute to have access to a fair and impartial hearing and to the courts if necessary. The need to collect as much of the taxes owed from this program has become paramount to the rights those involved would normally enjoy under the Income Tax Act.

What we find here is that the Conservatives in their task force on Revenue Canada prior to the election demanded a different code of conduct. I would now like to quote from the Conservative's task force report which states in part:

> When an assessment is issued a taxpayer should not have to pay taxes which are in dispute until the time for a formal objection has passed. If the taxpayer appeals, no payment of those amounts should be required until the appeal is finally resolved.

The declaration of taxpayers' rights issued by the Government declares: "You are entitled to object to an assessment or re-assessment if you think the law has been applied incorrectly." It goes on to state that the individual has the right to withhold amounts disputed in formal objections until an impartial review by the Department or the courts has been completed.

Bill C-109 clearly violates the letter and spirit of these commitments and is therefore testament to Government inaction which extends back to the time the legislation proclaiming the SRTC program was put in place. The present Government certainly has nothing to be proud of with respect to cleaning up this program, and certainly not for this Bill.

I would now like to deal with some of the history of the Bill. It was introduced in the Lalonde Budget. It was meant as a quick fix in order to obtain an instant infusion of capital funds into research and development projects. In many ways the intent of the legislation is noteworthy. To attempt to encourage research and development through the taxation system certainly created some problems for smaller firms. To give special deductions and encouragement through the taxation system to those doing research and development only helped those corporations which had income on which to pay tax from which they could deduct these tax credits. Thus the Government of the day devised a scheme by which it could sell these tax credits so that small research and development companies could sell their losses to other companies and other business people, therefore gaining some revenue for themselves with which to finance part of their research efforts.

What the business community found was the attractiveness of the "quick flip". Perhaps the best description of how the "quick flip" works was given by the CBC's *Fifth Estate* on January 26, 1986 which provided the following description of the program:

> Let's pretend a scientist has a $100 project but no money. What he can get is a $50 tax credit from Ottawa just for his $100 idea. But our scientist doesn't have any money. So he goes to a rich guy, or a big company. The credit's worth $50 at Revenue Canada when it comes time to pay your tax. The scientist sells the credit for $40. So after the quick flip of the tax credits, the scientist does have $40 for his project—all Ottawa's. And the big guy has saved $10 or maybe $10 million on his taxes without any real investment in the project at all. With alchemy like that, who needs science.

Were the "quick flip" provisions foreseen? The Auditor General stated the following in answer to this question:

> —we were told by the Department of Finance that the 'quick flip' arrangement was clearly envisioned from the outset of the program to make the incentives of immediate benefit to firms.

This was later confirmed by Finance officials who appeared before the Public Accounts Committee. So there was an awareness that the "quick flip" would be in operation.

In fact, first reading of the Bill was given in December of 1983 with Royal Assent being given on January 19, 1984. As of December 31, 1983, the program had become so popular that $542.3 million in tax credits had been claimed even though the original intention of the program was a loss of some $100 million in tax revenues to the Government. By the end of 1983, before the Bill or this provision had received Royal Proclamation, $542.3 million in tax credits had already been claimed.

The concern about the excessive use of the program prompted the Department of National Revenue to issue a statement on January 30, 1984 which stated that along with the Department of Finance "monitoring of the effectiveness of these new SRTC provisions to ensure that the intent of the legislation would be achieved and there would be no abuses."

Yet when the issue was raised again in the House by my Leader on June 4, 1984 the program had now cost the taxpayers 10 times what had been estimated—$1 billion. The Minister of Finance at the time, Marc Lalonde, interpretted this financial loss to the taxpayers as an indication that R and D was being heavily financed. Even at this point there was no way of telling if any R and D was being done.

The next day, June 5, the Department of National Revenue issued yet another press statement indicating that it was going to "establish an appropriate monitoring system". In other words, on January 13, 1984 the Departments of Finance and Revenue had stated that they would begin monitoring the program. We found out on June 5 that they did not even set up a monitoring program.

This brings us to October 10, 1984 the old Government having been defeated and the new one put in place. The Minister of Finance (Mr. Wilson) rose in the House of Commons and introduced a moratorium on the "quick flip" provisions of the program. However, much to the objection of members of my Party he allowed and provided for a convenient loophole; that is, a grandfathering clause for those still interested in the "quick flip". The press statement at the time had this to say:

• (1210)

In order to ensure a fair transition, agreements in writing entered into on or before October 10 or arrangements evidenced in writing and substantially advanced before that date would be allowed to proceed.

In other words, agreements in writing on backs of envelopes would qualify under these terms.

Later on the Calgary *Herald* of October 29, 1985 reported the following:

As a result (of the moratorium) accountants, lawyers and freelance money men worked through the night to substantially progress or work up agreements on millions of dollars worth of issues on the East Coast—where midnight strikes earliest—and working west.

The lack of meaning of the moratorium imposed by the Government on October 10 becomes evident when one examines how many SRTC designations were approved and to whom they were given after the October 10, 1984 moratorium. Before the moratorium, some $4 billion in transactions had been approved. After October 10 an additional $3 billion received approval. Of these, $1.8 billion worth was submitted to Revenue Canada by various corporations to ensure that they met the grandfathering provision of the moratorium. The remaining $1.2 billion were ultimately approved without having been submitted for security.

Even after the program was terminated on May 23, 1985, $600 million of the $3 billion in designations were approved. In other words, after the moratorium of October 10, 1984, $3 billion in transactions were still being approved. The Government claimed that it plugged up the loophole but it plugged it up with a sieve. It still allowed some $3 billion in designations to be approved.

The level of losses compared to recoveries is indeed quite staggering. Of the 1,810 corporations filing 8,872 designation applications, the total taxes foregone are estimated at $2.8 billion to $3 billion. Of the 1,810 corporations filing for SRTC designations, 1,204 were involved in the "quick flips". Only 75 corporations have voluntarily paid their Part VIII taxes, amounting to only $63 million. Another 35 corporations have had taxes collected as the result of legal action, amounting to some $55 million. Another 15 corporations have provided security voluntarily, amounting to $76 million. Fourteen corporations have had their assets attached, amounting to $34 million. The total Part VIII taxes recovered or secured amounts to $228 million.

The Department of National Revenue now estimates that the $900 million owed by 313 corporations will likely have to be written off as being uncollectable. Of the 172 corporations already audited, 55 have been referred to the Department of National Revenue's special investigation unit. Within that group of 55, there is about $500 million worth of tax at risk, included in the uncollectable estimate of $900 million. This is according to the Public Accounts of March 11, 1986.

Which corporations took advantage of the SRTCs and the "quick flips"? Dreamstreet Holsteins of the U.S. received some $10 million in tax credits to compare red and white and black and white Holsteins. The Government gave that company $10 million in tax credits to compare red and white and black and white Holsteins. That is a great piece of research that certainly deserves some $10 million in tax credits.

International Electronics received tax credits of some $34 million for energy projects. Funds were spent on real estate and on a $2-million mansion. Apparently Imperial Oil thought it had a pretty good project going because it made a fast $2 million profit from the quick flipping of the money. In fact, Imperial Oil flipped about $400 million, thus helping the corporation reduce its own taxes.

Fitch Research Corporation received $5 million in tax credits for computer chip development. In fact, real estate was purchased and the company president is now a promoter in Hong Kong. Bechtold Industries received $16 million in tax credits. It made massive real estate purchases with that money. Inex Technologies Inc. received $32.5 million in tax credits and bought condominiums and a $55,000 Lotus sports car along with other real estate purchases.

DWS Naval Research & Design received $2.7 million. I raised this matter earlier in the House of Commons. This corporation was supposed to be making miniature submarines. In fact, it was demonstrated that the chief promoters of that program were drug smugglers and gun-runners and in no way were they capable of producting miniature submarines. Yet DWS Naval Research & Design got its SRTC approval after the moratorium of October 10, 1984. In other words, it was the Conservative Government that thought this company was okay and should get those tax credits to develop miniature submarines. Those are the horror stories. These horror stories were initiated by the Liberals and fumbled by the Conservatives.

Finally today we are being asked to approve a Bill that breaks the Government's own commitment to tax reform and a taxpayers' bill of rights. Now, after the horse has left the barn, the Government is very anxious to get back as much of the money lost to begin with as possible. The Department of National Revenue will now be allocating some $12 million to audit and collect the taxes owing from the SRTC program. By next year, some 115 person-years will be dedicated to achieving this end. This allocation does not include the additional costs resulting from eventual court challenges which will not be resolved for up to four years.

There have been some pretty brazen acts on the part of Revenue Canada. Earlier this year I raised in the House the case of Vancouver revenue collections officers seizing the very bed of a woman who was recovering from surgery. I understand that the bed has now been returned to that woman. So desperate is Revenue Canada that its officials went to the house of a woman who was in bed recovering from major surgery, propped this woman up in a chair against the wall and took the bed away. That is how desperate the Government is now to collect back on what it lost on the SRTCs.

It is with great regret that we will support this motion. We know that there has to be some damage control. The amount of revenue being lost is just staggering. Unfortunately, what is being lost as well is the whole principle of the taxpayers' bill of rights.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. Questions or comments.

Mr. Parry: Mr. Speaker, I wonder if I could ask my learned colleague, the Hon. Member for Regina East (Mr. de Jong), to outline for us the way in which the Government has breached its taxpayers' bill of rights in the case of the scientific research tax credits.

Mr. de Jong: Mr. Speaker, very simply, the essential notion of the taxpayers' bill of rights is that a taxpayer is innocent until proven guilty. In other words, if the Department reassesses the taxpayer, he does not have to pay that reassessment if he is going to appeal it. He will go through the due process until a final decision is made. Of course, Bill C-109 does not provide for that.

Bill C-109 assumes that the taxpayer is guilty until proven innocent. Bill C-109 will have Revenue Canada do the assessment and collection of taxes before the company files its income tax return. It is in fact the very opposite of what the Government had proposed in its taxpayers' bill of rights. It is the opposite of what the Progressive Conservative Party had promised during the election campaign and had outlined in its tax report prepared after Conservative Members went all across the country investigating abuses by Revenue Canada. It goes against everything the Progressive Conservative Party had claimed it stood for before the election and when it was involved in the task force on Revenue Canada. Now we see the heavy hand of Revenue Canada under a Conservative Government throwing taxpayers out of their beds in order to claim those beds. This is as bad as anything the Liberals did in their day.

• (1220)

While I have the opportunity, and I know it is not directly connected to my colleague's question, but I wanted to put on record the comment of the Minister of Finance in response to a question by me in the Finance Committee on April 22, 1986. Remember, Mr. Speaker, that the Minister of Finance and the Government are great champions of the free enterprise system. What an indictment in the sadness of the Minister's tone and voice when he told me:

> I see this whole SRTC episode, particularly after we made the change, as an area where the private sector was its own worst enemy—we tried to make the amendment on the basis that only permanent capital would come into the company—the private sector then proceeded to do things under the guise of it being permanent capital, but in essence a quick flip.

The Minister was really disappointed in the workings of capitalism. He was surprised and hurt that people interested in profit would go out and try to maximize their profits. What a discovery that must have been for the Minister of Finance. In the lessons that we learned from the SRTC, and there are many, I hope that the Minister of Finance has a little less naivety about the workings of the market-place and that the golden rule of maximization of profit still exists, regardless of the Government's best intentions.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I would like to take this opportunity to comment on Bill C-109. First of all, I do not intend to talk about the Bill as such and about the Scientific Research Tax Credit, since my hon. colleague from Saint-Henri—Westmount (Mr. Johnston) has already covered the ground very well. I would like to start by expressing my apprehension about the impact this Bill will have on the tax system in this country. Now, in order to grasp what the ultimate impact of this Bill will be, we must realize that the Canadian tax system is based on the voluntary filing of returns by each taxpayer, and once the returns are filed, the Department of National Revenue issues an assessment, and it may then claim amounts payable or amend the return, while the taxpayer is entitled to appeal procedures at various stages.

Last year, the newly elected Conservative Government—after all its rhetoric, and I think many Canadians still remember the Conservative Party's task force on the tax system and how to collect our taxes—the new Government announced the declaration of taxpayers' rights. At the time, that was a step ahead, involving voluntary returns with assessments, notices of appeal, and so forth. According to the declaration of taxpayers' rights, a taxpayer is innocent until proven guilty. So he could appeal the department's notice of assessment without paying the amount assessed, while previously, the taxpayer had to at least make arrangements for paying the amount or actually pay the full amount, and of course if the taxpayer won his appeal, the department had to refund the amount, with interest.

Mr. Speaker, there is not necessarily unanimous support for the new charter of taxpayers' rights. The fact is, Mr. Speaker, that hardly a year ago, the Conservative Government, claiming that it was faced with this situation—I know there have been a number of problems as a result of this program, there has been some serious abuse, but the Conservative Government is totally ignoring, not just taxpayers' rights but it is going even further, because now it can claim amounts payable and seize assets even before the taxpayer has filed his return. And that is what we must watch out for, Mr. Speaker. We are about to introduce new provisions in our tax system which, through Bill C-109, at least once the Bill is enacted, will give the Government, the Department of National Revenue, the authority to collect taxes and even to seize assets before the taxpayer has filed his return. That is the problem.

Of course during the election campaign, the same party that has now formed the Government made it quite clear. It promised that a taxpayer would always be innocent until proven guilty. And to keep that promise, it announced and

proposed and put into effect a charter of taxpayers' rights, and now, a year later, it has decided to go in the exact opposite direction and has taken a very extreme position, Mr. Speaker, and now we have a situation where the Government, the Department of National Revenue, will actually be able to demand that taxpayers pay these amounts and do so even before they have had a chance to file their returns. So there is an immediate presumption of guilt, and the case is closed. Mr. Speaker, the situation is the exact opposite of what it should have been according to the charter of taxpayers' rights.

Mr. Speaker, as a result of abuses in the case of this particular program, the people at National Revenue have taken a position which I consider to be absurd. Under Canadian legislation and in keeping with our customs and traditions, one is always presumed innocent until proven guilty. True enough this program was seriously abused but now all businessmen, corporations and individuals that have filed applications under the scientific research tax credit program are automatically deemed to be guilty. Mr. Speaker, I think this is a regressive step. Until now every individual case has stood on its own merits. Each case was just that, one case, but now they are going to be lumped together by sector. That is bound to create problems because good and bad apples alike will be thrown into the same basket. That is a warning I would like to sound, Mr. Speaker, and I hope that once this Bill becomes law—unfortunately, we must support it because there have been abuses—the Government will not blindly wield the axe and will continue to examine each individual case.

Mr. Speaker, I should like to refer to the case of a Canadian taxpayer whom I would rather not identify because his family has already had to put up with enough prejudice. I simply read one paragraph from his letter dated April 9, 1986:

[*English*]

I am forwarding information concerning SRTC and as well as conduct of the Department of the Revenue Canada.

It is my intention to pursue both issues to the end. There is no doubt that I have been done wrong and my family has suffered a great deal as a result of the actions of National Revenue. The conduct and personal behaviour of some of the agents of this Department have been abusive and intimidating.

I would also like to report the abuses in the SRTC and the fraud committed by the accountant who put together my contract.

[*Translation*]

Mr. Speaker, my colleague from Saint-Henri—Westmount did point out that such was the very commendable purpose of this program. But as it turned out a few unscrupulous professionals who had immediately spotted the loophole advised a number of people to take advantage of the system, to the extent that we are now grappling with a thorny issue and being forced to amend the Income Tax Act, change our traditional and time-honoured Canadian approach whereby everybody is innocent until proven guilty.

Mr. Speaker, those unscrupulous professionals ended up making more money than the corporations or businessmen that simply wanted to benefit from the program.

And now those professionals are getting away scot-free, not even subject to a department audit. Yet there are people like this man who just wrote a letter to tell me he lost his house and everything he owned, his family is in the street because Revenue Canada officials simply assumed that all cases are identical. The moment a company or individual applied under this program, it, he or she was deemed to be guilty.

Mr. Speaker, I do not want to prolong the debate, for I know the Government wants this Bill passed as soon as possible. But I also know that abuses by certain individuals have created emergency situations, so I hope that once the Government is empowered to act under this legislation it will review each case with understanding and compassion.

• (1230)

[*English*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in addressing ourselves to Bill C-109 today we are esentially participating in the final burial of one of the worst boondoggles which Canada's income tax system has ever seen. I dare say that if we set aside those which are openly and intentionally instituted and which function in a simple and understandable fashion, even though it might be unfair, this probably is the worst boondoggle that the Canadian income tax system has ever faced.

It might be out of order for me to comment, but I find it interesting that we are discussing this measure in the entire absence of any representation from the Liberal Party.

The Acting Speaker (Mr. Paproski): It is improper.

Mr. Parry: Oh, it is. Thank you, Mr. Speaker. I think that is entirely appropriate under these circumstances. The Liberals would have done well had they deliberately absented themselves entirely. Frankly, they should collectively and individually blush with embarrassment at what their measures inflicted on the country and the mischief that was done to Canada's tax system, the compromising of what remnants of integrity that tax system still possessed. Frankly, the institution of this type of system could only be described as rewarding misbehaviour and providing quite modest rewards for correct behaviour.

I think it is a sad comment on what sometimes happens in this country when we see misbehaviour and error so richly rewarded. After all, where today is the Prime Minister under whose regime this boondoggle was introduced? Where today is the Minister of Finance who introduced it? They are both comfortably and happily practising law in Montreal at elevated salaries which we can only suppose are even higher than those they received as Ministers. Meanwhile, the Canadian taxpayer is bearing the brunt of the billions of dollars of foregone taxes which their miscalculations have added to the country's national debt.

I think it is passing shameful that we do not have in front of the bar of this House the real culprits in this measure to examine on what they inflicted upon the Canadian public.

Instead, we now have a former Deputy Minister of Finance in charge of free trade talks, for those who believe that free trade is anything different than a free lunch. He is being paid $1,000 a day. Let us just hope that that unit, with its incredible expense, luxurious office space, chauffeurs and cars, comes up with something better than a vast give-away of the Canadian economy, as was the scientific research tax credit a give-away from the exchequer.

The Government has had the sense to move to eliminate the Scientific Research Tax Credit and the widespread abuse of it by killing off the entire program. The way in which the Government moved was unfortunate and certainly less drastic than we in the New Democratic Party would like to have seen. Bringing in a Bill which has as its basic premise the idea that those who have used the program cannot be trusted to stay in Canada with the funds is probabably sound under the circumstances, but I think it should give the Government cause to consider some of the fulsome rhetoric which the Government employs when addressing itself to innovation in the private sector. I hope it will serve notice on the Government that reasonable care must be exercised and that the private sector, while it is of course the engine of the economy, and while the small business sector is the major creator of jobs in this economy, is not something which we can put on a pedestal on the assumption that everyone operating therein, whether from inside or outside Canada, is functioning in a completely straightforward and honest fashion.

I guess that one of the reasons we have this measure is the conflicting judicial decisions in this matter, both of which are under appeal at the moment. I would like to pick up the question of the moratorium which preceded this legislation. Of course, the moratorium was very necessary. I would like to echo the comments and, indeed, the very trenchant and telling criticisms of my colleague, the Member for Regina East (Mr. de Jong), who mentioned the way in which the so-called grandfathering provision was introduced. That, as we now know, set the stage for an incredible flurry of applications for the scientific research tax credit. It is very clearly arguable that because of the moratorium the purse of the taxpayers of Canada has been burdened with an even higher proportion of questionable, and some fraudulent, applications during the post-moratorium period than was the case even during the pre-moratorium period.

I have noticed that when a member of the Government is under attack during Question Period the Prime Minister (Mr. Mulroney) is very quick to criticize the practice of pretrial hanging. This Bill, of course, does the same thing, although not in a context of which I would be outwardly critical because there is obviously a need for drastic action in this particular case.

I think one of the saddest, most reprehensible and most regrettable aspects of the scientific research tax credit was the "quick flip". Perhaps the worst of the many negative aspects of this practice of quick flipping was the fact that the Government had apparently foreseen the way in which the "quick flip" could be used to provide a quick profit.

I have a little chart which is very enlightening. It provides a telling indictment of the hell for leather sloppiness which the previous Liberal Government practised when it designed this program. According to this chart, and I am sure it is correct, the investment of that $1,000 produced an immediate $50 profit to the investor. As soon as it utilized the $500 tax credit the company ended up receiving $450 with which it was supposed to perform the $1,000 research. That, after all, is a subsidy rate of 45 per cent which is not at all unreasonable. However, there was so much chicanery and so many loopholes built in on top that many companies must have ended up with their research being subsidized on even more favourable terms. That is talking about only the companies which actually did the research. They really had a very good ride at the expense of the taxpayer.

• (1240)

Now we come to the "quick flips". I have a couple of quotations here which I think are exceedingly enlightening. This is the Deputy Minister of Finance in front of the Standing Committee on Public Accounts on May 30, 1985. He said:

> The basic concept of the SRTC program was that it would be "pre-funding" arrangement for R & D. "The policy judgment was—let us put that credit up front so if you went to the bank and borrowed 50 cents and asserted that you were going to do the R & D you would get 50 cents of tax credit and then you had $1 to go out and do the R & D."

He conceded that it was the pre-funding mechanism that really, in some sense, opened up the abuse. Well, it opened up the abuse on a scale totally unprecedented in the history of our country's tax system, on a scale which I think frankly scandalized every thinking Canadian, certainly those who follow the tax system, and called that system into disrepute.

I spoke earlier about the moratorium. I heard my colleague from Regina East mention some of the more fanciful examples of applications under the SRTC. What they really show, is that officials in Revenue Canada who were reviewing the applications really had no power to reject any scheme on the basis that it was illusory or simply a tax avoidance or tax elimination mechanism. They did not have any power to reject any scheme on the basis of it being fanciful, unscientific, duplicating previous research, or simply set up to syphon money out of the country. No, the certificates were docilely signed and we know the results.

I think the Dreamstreet Holstein project was mentioned, that being the comparison of milk production from red and white Holsteins with that of black and white Holsteins. That apparently was little more than an attempt by a fairly large U.S. corporation to penetrate the Canadian market. There might indeed be a difference in the milk productivity of those two kinds of animals, but that of course was not the objective of this particular SRTC boondoggle.

The U.S. Senate is a real, live, elected and democratic Senate, in marked contrast to the institution with which we are encumbered. There is a senator there who has something known as the "Golden Fleece Award". He makes the award to companies or individuals who produce mostly research proposals into things that he feels have very little need of research. While we should always be aware that today's conventional wisdom can be tomorrow's folly and that research done with very little apparent hope of learning anything useful does sometimes turn up something, in the manner of wildcatting for oil and random prospecting for gold, I think if we were to document all the schemes funded under the SRTC we would give that U.S. senator some very telling ammunition to use for weeks and months on end.

Given the Lotus sports car, the Mercedes Benz that were purchased, I think four or five by one company, the real estate that was purchased and the residences of the people who acquired these tax credits and cash bonuses, frankly I think I should contact the Government in order to obtain the film rights. It is too good a story. I hope the NFB will make it into a tragi-comedy, because that is what it is. It is a comedy of errors upon errors by the previous Liberal Government. The amount of money syphoned out of the Canadian Government, and therefore out of the pockets of Canadian taxpayers, by this tax credit scheme is a tragedy. None of us, certainly no Member of the two Parties represented in this House right at this moment, would want to forget this scheme. It is an object lesson on the way in which hastily drafted schemes designed to meet political rather than national policy goals can go astray and result in the people of Canada being held to ransom.

Since I am sitting down anyway, I say shame on that Liberal Government, shame on those Liberals who are not here at the moment. Shame on them. As the Hon. Member for Regina East said, we do not feel the Government handled the shutting down of this scheme properly but we are glad to see it nevertheless.

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

Mr. de Jong: Mr. Speaker, I listened with great interest to the comments by my colleague. I share many of the concerns he raised. Perhaps the hub of the problem here is that the SRTC really sort of exemplified the attempt to institute social and economic policy through the tax system. The Government of the day thought that research and development needed a sort of quick fix, an infusion of capital. It wanted to see private capital doing that. It realized that many of the smaller firms did not have great amounts of taxable income, so giving tax deductions to them did not mean very much. What they needed was new capital. The Government devised this scheme through the tax system so that small firms would be able to pick up, through these tax credits, some instant cash, so to speak.

The problem, perhaps, is one of inflexibility of income tax systems. When you implement social and economic policies through a tax system you are never quite certain that you are going to do what you intend to do. There are all sorts of improbables and unpredictables which come into play. Once you create a certain tax provision, anyone and everyone can apply. All at once you have tax experts and tax lawyers coming at it from all different directions and different companies trying to find ways to use a given new provision. No government bureaucracy can totally foresee all the possiblities once you introduce this kind of tax scheme.

It has been said that there are really only four people in Canada who understand the Income Tax Act. They are two tax lawyers in Toronto who find the loopholes, and they are most probably brothers or sisters to tax experts in the Department of Finance who are always trying to plug up those loopholes. It goes back and forth and we end up with a very complicated tax regime. Part of the problem is in using the tax system to help finance research and development, rather than giving direct grants to companies where it was appropriate, the way the National Research Council does, with a very successful program. In that way you can customize where your support is going to be. You can minimize the types of abuse.

• (1250)

This is the question I wish to address to my colleague. Are his comments and his thoughts in favour of using the tax system for social and economic policies, or policies like the SRTC for encouraging research and development, as opposed to a granting system.

Mr. Parry: Mr. Speaker, I am always tempted when I am addressing any income tax measure to get into the theoretical side of income tax and embark on an examination of the effects and also the principles which either do, or in many cases fail to underlie the measures that are being proposed.

I think what I would say to my colleague from Regine East regarding the applicability of the income tax system for the pursuit of social and economic goals is that in order for any income tax system to function effectively it has to function in a universal manner. It has to function in a manner that is perceived by the vast majority of taxpayers as being fair. It has to function in a manner which is understandable. When we have an income tax system we do need people to apply it, and we do, after all, need the understanding of the taxpayer of the way in which the income tax system functions in order to have some degree, I guess we could call it, of allegiance from the taxpayer to the tax system.

In many ways the Canadian income tax system is a good, such as the self-assessment principle, which is after all absent in many other countries, the manner in which allowances are granted to assist the individual in pursuing those goals, not only individual goals but also societal goals. For example the raising of children and the support of a spouse who is not employed outside the home for that reason are worthy goals and ones which are pursued by individuals, and are of course, endorsed by society. I think the key thing to remember is the

way in which those goals and those measures can be related to very objective criteria.

For example, it is fairly easy to verify whether or not a particular taxpayer is supporting a spouse who is not gainfully employed outside the home, if that particular taxpayer is supporting children or donating to charities, which are goals approved by society.

Where the tax system starts to come apart is when there is no consensus within society, or even within the Government, as to the goals that are being pursued by the tax system. That is where the SRTC surely did come unstuck, because there was no consideration given, when this "quick flip" was introduced, to the degree of acceptance of the so-called research, even to the degree of acceptance within the scientific community of what might be legitimate research and what might not be legitimate research.

The results are obvious. We had a lot of research that really could not, by any stretch of the imagination, be dignified with the appellation of scientific research. It obviously was not, in small, if any tangential way, related to research or scientific research at all.

There are other examples of tax exemptions, tax loopholes in the system, which really are quite flagrant and notorious. A little while back I recall that my colleague from Kamloops—Shuswap (Mr. Riis) was reading portions of Canada's Income Tax Act in this House for the edification of Members, and to illustrate to them the convoluted language, and if I could use the term, gobbledegook, that Act is made up of in many particulars. I recall that by doing so my hon. colleague from Kamloops—Shuswap was driving the poor translators to tears because they did not have the French version in front of them, and it was, therefore, totally impossible for them to translate past the first clause because of the nested, convoluted and reversed nature of the phrases employed.

My colleague from Regina East was very generous in his assessment of how many people understand Canada's Income Tax Act. His estimate was four. I am not sure; but I think perhaps I should be calling upon him to justify why his estimate was that high. So far as I am concerned I could not say with any certainty that I could identify four people in Canada who fully understood the Income Tax Act. It is hard enough, after all, to master the basic principles upon which the Income Tax Act is predicated, and those principles which this scientific research tax credit—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments are now terminated. It is debate. The Hon. Member for Vancouver East (Mrs. Mitchell).

Mr. Parry: No Liberals?

The Acting Speaker (Mr. Paproski): Order, please. There are other Members than those belonging to that Party in this House. The Hon. Member did the very same thing three times during his speech. He knows he should not comment on who is in the House and who is not in the House. I will leave it at that.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I had not intended to speak on this Bill, and I have been so involved in social policy areas that I must confess that I have not really studied it. After hearing the debate this morning I must say that I think there is a very definite relationship between the very negative impacts of the scientific research tax credit, which costs Canadians so much money, and the fact that we have not had adeuate funding for social programs. In the few minutes that are left before lunch I would like to mention two or three things.

Many Members, and you, Mr. Speaker, will know that the child care task force, a special committee, has been travelling across Canada over the last few weeks, and we have several weeks to go. We have heard from hundreds and hundreds of witnesses. I think all of us, regardless of our political biases, have a very deep concern about what is happening to Canada's children. This is happening because our whole family structure has changed. The economy of Canada and the cost of living in many cases is forcing two parents to work. In many other cases there is only a single parent in the home. As a result of there not being adequate affordable child care for these families children are being left in very precarious situations, at considerable risk. I would not be exaggerating to say a very major proportion in the next generation could be damaged by very negative child care arrangements.

The reason I wanted to raise this is that, as I understand it, close to $3 billion have been literally wasted over the past two to three years through the SRTC under which a bonanza was given to entrepreneurs supposedly for research. There was no guarantee that research would be carried out or that this research would be of benefit to Canada. We want to put a stop to that kind of thing. Both the Liberals and Conservatives bear a responsibility for this extremely irresponsible kind of tax policy.

What I want to advocate though is that if we are going to save $3 billion by changing this policy, why could we not take this money and invest it in children, which is a true investment in the future and would begin to provide over the next ten years, the kind of viable child care system Canada needs.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock I would like the Hon. Member to know that she has 17 minutes remaining for debate, plus ten minutes questions and comments. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SEARCH AND RESCUE

LAKE HURON BOATING ACCIDENT—DISCONTINUANCE OF SEARCH

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Associate Minister of National Defence (Mr. Andre) is presently conducting an inquiry into the failure of the search and rescue operation to locate a Kitchener, Ontario couple, Arthur Simmons and Julie Schneider, after their boat capsized on Lake Huron last November.

This investigation will not deal with the real issue in this tragedy, which is the role of the Minister of National Defence (Mr. Nielsen) and the judgment exercised by him. The Minister of National Defence remained passive, unbending, and unmoved in the face of pleas from the family, the Minister of State for Immigration (Mr. McLean), and other Conservative back-benchers that the search be continued. The search was reopened for a brief five hour period two days later and only after a Liberal Member of the Ontario Legislature joined in the outrage.

The judgment call made by the Minister of National Defence is the real issue here. I call upon the Prime Minister (Mr. Mulroney) to initiate a full and complete inquiry into the manner in which the Minister of National Defence handled or mishandled this entire and most unfortunate incident.

* * *

INDIAN AFFAIRS

PROCESSING OF STATUS REINSTATEMENT APPLICATIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, last night in committee the Minister of Indian Affairs and Northern Development (Mr. Crombie) informed Canadians about the progress being made in processing reinstatement applications for those now eligible for Indian status under Bill C-31. If the Minister's figures are correct—and I assume they are—it will mean delays of between four and six years for those who have already applied for reinstatement. With current staffing levels, it means that the Department may even be falling behind further as new applications arrive.

Many native people have waited a long time for their rights to be recognized through Bill C-31 and they do not deserve to be kept in the dark for another half decade due to insufficient staffing in Ottawa. We do not expect pensioners, the disabled, the sick or unemployed in Canada to wait for four or five years for the Government to process forms, and Indian people do not deserve to be subjected to those delays either.

On behalf of the approximately 50,000 native people who are in one of the longest line-ups in the Government's history, I call upon the Government to commit the additional resources necessary to ensure speedy reinstatement for these native Canadians.

* * *

[*Translation*]

WOMEN

PRESENCE OF WOMEN AT ALL POWER LEVELS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, a number of recent articles have pointed out the absence of women on the steering committee of the office of trade negotiations with the United States.

The presence of women at all levels of power is not an exclusive concern of Governments, for it relates to the attitude and behaviour of each individual. Apparently the views of women do not carry much weight. Yet, Mr. Speaker, the feminine outlook does strike a proper balance in any discussion. A committee such as Mr. Reisman's will sorely miss the contribution of women.

In this day and age, Mr. Speaker, women have very few incentives to share power with men. Be it in the family, at school or in their own environment, women are often cast as stereotypes which confine them to traditional roles that the majority finds reassuring. The few women who do manage to achieve power are nothing more than the alibi of a system geared to a man's viewpoint. Women epitomize emotion and sensitivity, values which do not quite go hand in hand with firmness and negotiations.

No, Mr. Speaker, our society still cannot adequately prepare women to assume power. So we should not wonder if some of them would rather not contribute under such conditions, and if a few like Mrs. Sylvia Ostry must bear alone—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*English*]

REFUGEES

INITIATION OF NEW DETERMINATION PROCESS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, throughout our nation's history, millions of men and women have come to Canada from troubled lands to begin a new life in peace and freedom. In the past few years, however, our system of refugee determination has become backlogged, inefficient, and often unfair. Therefore, I congratulate the Minister of State for Immigration (Mr. McLean) for initiating a new refugee determination process that will uphold the principles of justice and compassion that all Canadians share.

S.O. 21

Canadians feel a profound sense of responsibility for genuine international refugees. However, our country has lost patience with the current system that encourages false claims and damages our reputation as an international safehaven. We need a refugee system that is fair, fast, and effective. That is precisely what the Government is proposing.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

APPLICATION TO CHANGE OWNERSHIP OF TORONTO TELEVISION STATION

Mr. Sergio Marchi (York West): Mr. Speaker, MTV, the full-time multicultural and multilingual television station, is the only multicultural and multilingual television station in Canada and operates from Toronto.

Since its inception MTV has successfully offered leadership and given practical and valuable application to our country's multicultural policies. The station is presently applying for a national multicultural network which would be an historical and cultural achievement in the field of television broadcasting. However, the possible acquisiton of MTV by Rogers Cable Television which is presently before the CRTC offers some concern. It is incumbent, therefore, upon the Government, particularly upon the Minister of Communications (Mr. Masse) and the Minister of State for Multiculturalism (Mr. Jelinek), to ensure that multiculturalism programming will not suffer in any transfer of ownership.

• (1405)

It is clear that this assurance must be given strongly so that Canadians from one coast to another will not lose what has taken a great deal of work, effort, and sacrifice to build up over the long years.

* * *

CHILDREN

MISSING CHILDREN—MEASURES TO LOCATE AND SAFEGUARD

Mrs. Mary Collins (Capilano): Mr. Speaker, Sunday, May 25, is Missing Children Day. Voluntary organizations across the country will be undertaking activities to highlight the social tragedy of the thousands of children who go missing each year through kidnapping, parental abduction, or as runaways.

Our Government has undertaken strong initiatives to support these community efforts. On July 15 the RCMP Central Registry will come into operation so that police across the country can get the information they need on missing children. At the First Canadian Forum on Missing Children, sponsored by our Solicitor General (Mr. Beatty) in April, over 200 interested individuals came together to share information and they resolved, with the help of the federal and provincial Governments, to establish a National Missing Children Information Centre.

As a mother I know the fear and tragedy which are felt each time a child goes missing. I, and all Canadians, salute those who are making the commitment to find each missing child and to safeguard our children from becoming victims.

* * *

HEALTH

BIRTH CONTROL PRODUCTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, while Canadian women travel to the United States to obtain abortions, U.S. women come to Canada for IUD contraceptives, which demonstrates the primitive and unconcerned attitude of both Governments toward the need for safe, effective methods of birth control. Our Minister of National Health and Welfare (Mr. Epp) leaves it to multinational corporations to provide evidence that birth control products are safe, while in the U.S. these risky products are withdrawn.

The Minister has shown no concern for reproductive health and the need for sound, safe family planning in Canada. His personal biases overrule sound health policy. He has slashed funding for birth control research and has cut funds to planned parenthood while increasing funding to an organization which teaches only natural birth control methods.

The Government is doing a great disservice to Canadian women and potential families by undermining positive family planning and safe methods of birth control.

* * *

[*Translation*]

TRADE

FREE TRADE NEGOTIATIONS

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, yesterday marked the beginning of negotiations on the most important issue of the '80s, free trade. I have every confidence in the Canadian team whose leader is a very skillful and competent negotiator. You know, Mr. Speaker, free trade detractors will simply have to coin new expressions, for otherwise their negative approach will confine them to repeating themselves. As a rule, their judgments are not very constructive and will not promote Canada as a viable competitor on international markets.

[*English*]

Completion of a successful new trading agreement with the United States will be an important step for Canada, important not just for protection of where we are, but for where we as a nation must go. Our destiny is to be a peaceful and prosperous country.

[*Translation*]

—a country in a strong enough position economically to ensure the continued evolution of a prosperous society, of a unique and vibrant cultural identity, and of an autonomous and respected national sovereignty.

[*English*]

We are behind you all the way.

* * *

THE ECONOMY

BANK RATE REDUCTION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the Bank of Canada has just announced that the bank rate this week will be 8.43 per cent.

Some Hon. Members: Hear, hear!

Mr. Stackhouse: That is a drop of 16 basis points, despite all forecasts of the opposite. It is recognition of the strong Canadian dollar, which has been constant and firm. It represents a drop of 4 per cent in the bank rate since the Government was elected in September, 1984, and fulfils the commitment of the Government to lower interest rates as one of the four pillars of economic policy.

This drop in interest rates will lead to economic growth and increased employment. Once again it is being shown that economic growth, not government growth, is the way to prosperity.

* * *

[*Translation*]

AGRICULTURE

SITUATION OF MARITIME FARMERS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I would like to inform this House of the contents of a letter I received from the Maritime Farmers' Council.

• (1410)

[*English*]

Please be advised that the following resolution has been unanimously adopted by the 1986 annual meeting of the Maritime Farmers Council—

S.O. 21

WHEREAS during the past year the Federal Government instituted a policy of "cost recovery", and

WHEREAS part of this cost recovery program has resulted in potato producers paying a major portion of inspection services, as well as additional costs to producers for inspection of meat and dairy products, fertilizer and seed inspection, ice-breaking and harbour dredging, etc., and

WHEREAS these additional expenses are very unfair

Be it resolved that the Maritime Farmers Council strongly recommend to our Members of Parliament that steps be taken immediately to remove this additional burden on our farmers' production costs.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, our Government's economic renewal program has led to a drop in interest rates and an increase in business investment. Since the February Budget, interest rates and five-year mortgages dropped 1.5 points. The bank rate has fallen 3.1 points and interest rates on five-year loans from the Farm Credit Corporation 7/8 of a point. For the first time in years, the deficit is going down, and by 1990, the Government's financial requirements will have been reduced by two-thirds. Furthermore, the job creation rate in Canada is higher than in any other major OECD country. During the past year, jobs were created twice as fast in Canada as they were in the United States. In fact, 630,000 jobs have been created since we were elected in 1984, and in April, the unemployment rate was 9.6 per cent, the lowest rate in four years. Finally, our Government intends to pursue its action plan which, need I say it, has brought economic stability and progress back to this country.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF JAPANESE AND KOREAN PLANTS IN CANADA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Prime Minister (Mr. Mulroney) has returned from his vaunted Asian tour involving consultations with the Japanese and South Koreans from which there is little evidence of accomplishment. While the Government has failed to respond to the concerns of the Canadian Motor Vehicle Manufacturers' Association about the unrestrained growth of the offshore auto industry, it flaunts the establishment of Japanese and South Korean assembly plants in Canada. Yet these assembly plants will bring in only 3,500 jobs while taking 30 per cent of domestic sales, which could effectively kill the Canadian auto industry which counts for upward of 200,000 jobs, since estimates indicate that as many as 10 times as many

jobs are provided by domestic manufacturing as are provided by assembly plants.

The Government's behaviour is idiotic and damning when one considers that Government claims of job creation and export growth are almost wholly attributable to domestic auto production under the Auto Pact from which offshore companies are unfairly exempted. When will the Prime Minister come to his senses, put jobs above short-term politics, and implement a level playing field for the entire Canadian automobile industry?

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—APPROVAL OF BILL BY UNITED STATES CONGRESSIONAL SUBCOMMITTEE

Mr. Alan Redway (York East): Mr. Speaker, the Opposition and many members of the press and the public were quick to ridicule the agreement which was reached by President Reagan and our Prime Minister (Mr. Mulroney) last March on the subject of acid rain. Now, two months later, a subcommittee of the United States Congress has approved a Bill to control and reduce acid rain. No other congressional subcommittee has ever approved an acid rain Bill before. "It's history in the making," said one Congressman. "It's a very important hurdle to clear and the size of the vote in favour is cause for optimism," said Michael Perley of the Canadian Coalition on Acid Rain.

No one would suggest that the problem has been solved, but this is another giant step forward. I personally believe that our own Prime Minister deserves an awful lot of credit for it.

* * *

FIREARMS

MEASURES AFFECTING RECREATIONAL FIREARMS COMMUNITY

Mr. Jack Shields (Athabasca): Mr. Speaker, Canada's recreational firearms community has been ignored in decisions affecting firearms control. All measures which have been taken seem to be designed to make it more expensive and more difficult to own or deal in recreational firearms. Even gunsmiths have been refused permits to take restricted firearms to a range for test-firing or sighting-in, or to pick up firearms for repair under warranty.

People who own muzzle-loaders or FN FAL rifles for recreational purposes cannot organize "shoots". Some small advances have been made. For example, late in September of 1985, owners of MG42's held a legal shoot in southern Alberta for the first time in two years. It seems that for every small advance, however, the recreational firearms community must take a step backward.

• (1415)

It is not as if permits for muzzle loaders or FN FAL rifles are going to encourage crimes. Neither of these guns would be used by criminals because of their size and weight. They are of interest for recreational purposes only. I recommend that the House work toward the decontrolling of—

Mr. Speaker: Order, please. Sixty seconds.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF LUXEMBOURG MINISTER OF SOCIAL SECURITY

Mr. Speaker: May I bring to the attention of Hon. Members the presence in our gallery today of Mr. Ben Berg, Minister of Social Security for Luxembourg.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF NORTHWEST TERRITORIES LEGISLATURE'S SPECIAL COMMITTEE

Mr. Speaker: I also wish to recognize the presence in our gallery of members of the Special Committee on Rules, Procedures and Privileges of the Northwest Territories Legislature, led by Mr. Ted Richard, Chairman.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—RELEASE OF BACKGROUND STUDIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State for External Affairs and concerns the release of the Government's so-called background documents on our negotiations with the United States. For one, bright, shining moment, I thought that the Government of Canada was finally going to be open and honest with the Canadian people. However, before publication the background studies were culled, clipped, and cooked.

Canadians cannot have an informed opinion about the free trade negotiations with the United States unless they have the benefit of the full facts. Why did the Government even bother releasing the documents if the documents were not going to be open, clean, and uncensored?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let there be no doubt about what the Right Hon. Leader of the Opposition is proposing. He is

proposing that, as we enter negotiations with the United States, we should publish and hand directly to the Americans all of Canada's confidential information. That would mean that Canada would be bound to lose in these negotiations. Perhaps that is the way he negotiated for the leadership of the Liberal Party of Canada. That is not the way we intend to negotiate a trade arrangement that will bring benefits and job security to Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I can assure the right hon. gentleman that I am not going to negotiate myself out of the leadership of the Party like he did.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Remember Winnipeg, Joe?

Mr. Turner (Vancouver Quadra): Mr. Speaker—

Mr. Speaker: Order, please. Supplementary question.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I know the precedents to follow and the precedents not to follow. We do not want to know the Government's negotiating position. We do not want to know about the cards in the Minister's hand, if he thinks he has any. However, Canadian people are entitled to know the basic underlying facts. They are entitled to know about the cost-benefit studies. They are entitled to have the benefit of an enlightened public debate on the advantages and disadvantages of the negotiations. That is all we are asking of the Minister. Will he come clean with the Canadian people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, with regard to the first part of the response of the Right Hon. Leader of the Opposition, I will wait to hear it from the Hon. Member for York South—Weston.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): With regard to the second part, serious requests were put forward in the House by the House Leader of the New Democratic Party that we make available, on the same basis as we had to the provinces, information that would inform debate in the House and allow informed consideration in the country of aspects of the trade negotiations. We have done that.

I must say that when the Minister of International Trade and I first began to look at these questions, there was a relatively small group of documents which the Public Service, in its traditional way, was prepared to put forward. We went through them paragraph by paragraph, word by word, and we made available to the House of Commons everything we could that would not be prejudicial to the interests of Canada in the negotiations. We have respected Parliament and we have respected Canada.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have looked at these documents—perhaps we ought to table them—but they are just a series of blank pages. This is what the Canadian people have been given by the Hon. Minister.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): They are blank pages from an empty Government.

[*Translation*]

INQUIRY WHY GOVERNMENT CENSORS CERTAIN DOCUMENTS RELATING TO FREE TRADE NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): In any case, the trade documents released by the Government are worthless. I want to ask the Minister: Why the censorship? Why the paranoia? Why are Canadians being denied the right to know the cost and the benefits of free trade talks with the United States? I shall wait until the Prime Minister has had time to advise the Minister on his reply.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I presume the blank pages are part of the continuing saga by the now Member of Vancouver Quadra on how he kept Canada out of the G-7.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Clark (Yellowhead): Mr. Speaker, today we released a major part of the studies carried out by the Canadian Government, in order to provide Canadian citizens and the Members of this House with a broader knowledge of all the details and implications of a truly historic and important undertaking. We have not released documents that might help the United States in these negotiations because, to us, the country to be helped with these negotiations is Canada.

Some Hon. Members: Hear, hear!

[*English*]

PROJECTED JOB LOSSES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Prime Minister. A little fact that was stuck in between the blank pages highlights that between now and the year 2000, 112,000 net jobs will be lost in the manufacturing sector.

Has the Government prepared a strategy to offset those job losses? Is it looking at the proposal made by the Macdonald Commission for a foregoing dollar transitional adjustment

program, something that would help workers in those communities which will be drastically and devastatingly affected by his proposed free trade negotiation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, already 630,000 new jobs have been created since this Government came to office.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This very afternoon the bank rate was down again. It is now at its lowest level since April, 1978.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The trade initiative is designed to create a climate within which new wealth and new jobs can be created. Obviously there is going to be some dislocation as you examine something this complex. There will be safeguards built into the process, but this is designed and will bring about new wealth and new economic opportunities for Canadians to enhance the growing strength of the Canadian economy.

FIRST MINISTERS' CONFERENCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as a supplementary question to the Prime Minister, his own studies by his own Government indicate over 112,000 jobs will be lost to manufacturing alone. In view of the call made publicly today by Premier Getty on behalf of the provincial Premiers that there be a First Ministers' Conference within the next two weeks, can the Prime Minister tell us whether he has agreed to that conference, and will he ensure this question of major job loss in every part of Canada will be the number one item on the agenda for that meeting?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the hon. gentleman has his facts wrong. I suggested the conference in a call to Premier Getty. We are arranging now to get together in a meeting. There is your policy adviser, up there in the gallery.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, that had to be one of the more informed answers we have had from that side of the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That was very helpful.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Will he confirm that even the heavily censored studies which have been released today show that between now and 1995 we will have a net loss of 131,000 jobs in Canada, the powers of the Wheat Board will be gutted, that we will lose millions in tax revenue and, to top it all off, the power of the United States to take countervailing action against Canadian exports is almost certain to remain? When the Minister confirms all this, will he also explain to the House of Commons and Canada why he is getting us into this incredible mess?

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know if this is allowed under the rules of the Canadian Labour Congress, but I would hope that the Leader of the New Democratic Party would read and cite all of the information that was released today rather than trying to mislead people—

Mr. Broadbent: What was misleading?

Mr. Clark (Yellowhead): —by references which are out of context. We have published the information. We hope it will be used broadly across the country to inform Canadians about the debate.

Mr. Fulton: You're the one who is misleading, Joe.

Mr. Clark (Yellowhead): We believe that is a substantial step toward ensuring that there is informed public debate in the country. I hope the Leader of the New Democratic Party will also do what he can to contribute to informed debate and not misstate facts.

Mr. Broadbent: If the Minister is saying that I have misled the House, he should get up and say that. Everything I quoted to the Minister was out of the reports.

Mr. Fennell: And out of context.

[*Translation*]

POSSIBLE LOSS OF 130,000 JOBS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question.

Everybody knows that economic forecasts, particularly the long-term variety, are practically always risky.

Is the Government telling Canadians that it is prepared to live with the loss of these 130,000 jobs, naively hoping that more jobs will be created in the long run?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the New Democratic leader . . . Should one say New Democratic or Neo-Democratic?

An Hon. Member: Old Democratic—

Mr. Clark: Yes, Old Democratic, they are indeed of the last.

Mr. Speaker, what he has just done was to quote figures out of context, and I regret that. As far as the objective of the Canadian Government is concerned, we are here to create jobs

in Canada. Since this Government was elected we have already created over 600,000 jobs in Canada.

I can tell the Leader of the New Democratic Party that this Government is prepared to sign an agreement with the United States, on the one condition that the agreement will create employment in this country.

Mr. Broadbent: Mr. Speaker, this is rather bad for the former leader of the Conservative Party.

[*English*]

U.S. POWER TO IMPOSE COUNTERVAILING DUTIES

Hon. Edward Broadbent (Oshawa): The Government has rested virtually its whole case, whether with regard to softwood exports, pork exports, or fish exports, on removing the U.S. power to take countervailing action against Canada. The documents which the Government released said that almost certainly the U.S. will never give up that power, which is exactly what we have been saying for months. Therefore, will the Minister guarantee Canadians across the land who are concerned about their future that the Government will not accept any deal with the U.S. on free trade unless that countervailing power is gotten rid of by the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on the question of the predictions of the New Democratic Party, on November 8, 1984, the Member for Oshawa—

Mr. Broadbent: Answer the question.

Mr. Clark (Yellowhead): —suggested that the economic program brought in at that time would result—

Mr. Orlikow: Answer the question.

Mr. Clark (Yellowhead): —"in a net loss during the next fiscal year from this program of between 50,000 and 100,000 jobs". In fact—

Some Hon. Members: Answer the question.

Mr. Clark (Yellowhead): —we have created more than 600,000 new jobs.

Some Hon. Members: Hear, hear!

Mr. Axworthy: That's disgraceful.

Mr. Broadbent: Deal with the question. Get out of here.

Mr. Clark (Yellowhead): That indicates how unreliable the projections of the New Democratic Party are. What we have done here—

Mr. Speaker: Order, please.

Mr. Broadbent: What about countervail?

Mr. Clark (Yellowhead): —as well as taking an historic—

Mr. Speaker: Order, please. Order!

[*Translation*]

CONSEQUENCES FOR CANADA OF FREE TRADE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, according to a study by the University of Maryland that was released yesterday, Canada may lose as many as 131,000 jobs as a result of free trade, and owing to its industrial structure, Quebec will be the biggest loser among the provinces. Furthermore, the President of the *Union des producteurs agricoles* in Quebec pointed out a few days ago that accepting free trade would, to all intents and purposes, spell the doom of Quebec agriculture. Do you have to—

Mr. Speaker: Order, please! A question.

An Hon. Member: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): I could understand the Member from *la Mauricie*, but I am afraid I did not quite get the Hon. Member's question.

POSSIBLE LOSS OF 131,000 JOBS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): It was my first question. What action does the Government intend to take to prevent this impending loss of 131,000 jobs, most of which will be in Quebec as indicated in the studies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there will be no such loss. And if the Hon. Member wants to read part of the document . . . He has an obligation to the House and the people of Canada to read the whole document. Because it is quite clear.

Mr. Turner (Vancouver Quadra): It's censored.

Mr. Clark (Yellowhead): I understand why the Right Hon. Leader of the Official Opposition is nervous, but it is still quite clear. Yes, the Leader—

• (1430)

[*English*]

Mr. Speaker: Order, please. I think it would be better if we stuck with questions and answers. The Hon. Member for Skeena.

Mr. Garneau: Mr. Speaker—

Mr. Speaker: Order, please. The Hon. Member had two questions.

Some Hon. Members: Sit down.

Mr. Speaker: The Hon. Member for Skeena.

Oral Questions

LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. In committee this morning the Department of External Affairs Director for U.S. Trade agreed with the conclusions reached by Dr. Michael Percy for the Economic Council of Canada that the effects of countervailing duties on softwood lumber will be devastating for British Columbia. Mr. Waddell confirmed that the U.S. duty could be in place by July 4. Knowing that, and knowing that only one-half of the duty applied for would cost 130,000 British Columbians their jobs, what steps will he be taking in getting in touch with the President of the United States to stop this action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all the Hon. Member knows, and we all know he knows, that this action has not been launched by the U.S. Government but by the U.S. lumber industry. Secondly, he knows that our case is strong. Thirdly, he knows this Government has indicated that it intends to defend Canadian interests in every way available to us.

REQUEST THAT PRIME MINISTER CONTACT UNITED STATES PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is directed to the Prime Minister because only he can do something about it. The only political window open to stopping this action is the one between now and June 2. The duty could be in place by July 4. Will he be contacting the President of the U.S. before June 2, or does the B.C. softwood industry not matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is one thing that is absolutely certain. No one in Canada, the Government or anyone, needs any direction at all from a bunch of socialists on how to protect jobs in this country.

[*Translation*]

PRICE OF DRUGS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my, the Prime Minister is corny! My question is directed to the Secretary of State for External Affairs.

[*English*]

Can the Secretary of State for External Affairs explain how, two months ago, he told this House there was no relationship between free trade talks and a possible Canadian move to hike drug prices in Canada when documents released yesterday show that one year ago his own Department had commissioned a study to examine the relationship between, among other things, drug prices and free trade?

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker—

Mr. McCurdy: Just say "They are a bunch of Liberals" and sit down.

Mr. Clark (Yellowhead): No, I will try to make a serious question out of it and answer it. The Hon. Member, I believe, is confusing—

Mr. Parry: Try and give a serious answer, you patronizing—

Mr. Clark (Yellowhead): Mr. Speaker, if I—

An Hon. Member: A patronizing what?

Mr. Speaker: Order, please. I am prepared to let the Minister answer, but it would be helpful if I could hear it, too.

Mr. Clark (Yellowhead): Perhaps I would be better off just publishing my answers, Mr. Speaker.

The Hon. Member for Hamilton East is, I believe, confusing a relation between two matters in a trade negotiation which I said does not exist, and a study into a relation which she is quoting.

UNITED STATES POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, is it not true that another document in this same package showed that the U.S. has refused to sign a bilateral agreement with Mexico until drug profits for American multinationals are improved? Is it not also true that another price for the so-called Canada-U.S. free trade agreement is going to be the gouging of Canadian consumers to pay off American multinationals, as indicated by the Minister's own study?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is not true and it is irresponsible in the extreme for the Hon. Member to use her position to create false fears among the people of Canada.

Some Hon. Members: Hear, hear!

FORECAST OF JOB LOSSES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to quote to the Secretary of State for External Affairs directly from his own report which indicates: "Thus, the net employment loss attributable to the complete removal of the post-Tokyo round tariff rates by both Canada and the U.S. amounts to 131,000 jobs by 1995." Is the Minister even aware of that conclusion in his own report? If so, why is he prepared to take us on this course of ridiculous, risky, potential job loss for thousands of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not only aware of those reports, I am aware of where the figure came from and how it was qualified in the report. It was qualified by the report making very clear that that might be the result if there were no adjustment policies, and if there were no phase-in policies. I think the Hon. Member, knowing there are going to be

adjustment policies, knowing there is going to be a phase-in program, owes in simple honesty to the House of Commons to quote the whole document, not parts of it.

Mr. Langdon: Mr. Speaker, the Minister might well have won the respect of this side of the House if he had released the paper on adjustment which was part of that package. It was not released.

UNITED STATES COUNTERVAILING POWER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, is the Minister also aware of the conclusions of his Department's study concerning countervailing action which said it is very unlikely that the U.S. would accept a blanket exemption for Canada from its countervailing duty and anti-dumping processes?

Mr. Speaker: Order, please.

Mr. Langdon: If he is aware of it, why—

Mr. Speaker: Order, please.

Some Hon. Members: Sit down.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the part of that question I heard was: Was I aware of it? Yes, I am aware of what was in the documents we released. The Hon. Member will know that the question of countervailing action is one of the matters which will be at issue during the negotiations with the U.S. I hope he will also agree that it is very much in the interests of informed public debate that we not only publish information but that it be quoted accurately and not in a way designed to mislead.

SOCIAL PROGRAMS INQUIRY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, presumably by now Mr. Reisman and Mr. Murphy have determined the shape of the table. They have suggested some of the things on the table, but what Canadians are worrying about is what is under the table.

Some Hon. Members: Liberals!

Mr. Baker: So I ask the Secretary of State for External Affairs what these negotiators mean when they say "Only social programs that affect trade will be on the table"? What social programs are they talking about? Surely it is not Mr. Reisman's Canada pension?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the other day in committee we had a Member of the Liberal Party leaping over the table.

Some Hon. Members: Hear, hear!

• (1440)

Mr. Clark (Yellowhead): Now we have a Liberal Member of Parliament who wants us to conduct negotiations under the table. All I can tell him is that, as he knows, he is misquoting the statement by Mr. Reisman.

CONTENT OF NEGOTIATIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, we have to accept the word of the Secretary of State for External Affairs. We conclude the gentleman who was on television on Sunday night was, in fact, an imposter who called himself Simon Reisman, looked like him, and spoke like him. The Minister of Justice should find out who that imposter was.

Are any of the income support programs that are given to Canadian fishermen, which formed the basis of the duties imposed by the United States over the past year on fish, are any of these income support programs, like unemployment insurance, on the table, under the table—probably we need a glass table?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member lives in a glass house. The answer is no.

* * *

[*Translation*]

CANADIAN CULTURE

FREE TRADE—CANADIAN POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns studies prepared by the C.D. Howe Institute on the subject of culture and free trade. Why did the Government order these partisan studies on free trade and culture if it does not intend to conduct negotiations in this area? And why does the Government agree to consider the broadcasting and publishing industries only when the industries or the Americans want to take a bigger share of our market?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the studies published today were written for partisan purposes, I fail to understand why the anti-democratic party is raising these questions about the documents. As far as culture and cultural industries are concerned, we have said many times that cultural issues are not on the table in our negotiations with the United States.

[*English*]

REQUEST THAT STUDY'S CONCLUSIONS BE REJECTED

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister declare a total rejection of the conclusions and the premises of this study, including the position that Canada cannot ask for a blanket exemption of culture from free trade discussions but would have to negotiate each item separately, items such as advertising for our magazines, Canadian content in television, advertising content,

Telefilm Canada, and the possibility that there would be an exemption for French films but not for English films?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of the Government of Canada is clear with regard to cultural industries. The question of culture is not at issue in the negotiations. We have had some studies conducted. We believe in making available to the Parliament and people of Canada as much information as we can that will not prejudice the negotiations with the United States. The point is quite clear. Those studies represent the opinions and the advice of consultants with whom contracts have been entered into by the Government of Canada. They do not reflect the position of the Government of Canada. What they reflect is a determination to try to contribute to an informed debate. I would hope that Hon. Members, when looking at this, would cite the whole report and not just the parts they prefer.

Mr. Speaker: Order, please. This is long.

* * *

INDIAN AFFAIRS

WEST BANK INDIAN BAND, B.C.—REQUEST FOR PAPERS

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, my question concerns my three-and-a-half-year-old quest for papers relating to the operation of the West Bank Indian Band in British Columbia. In view of the fact that an extremely reliable source in the Department has informed me that these papers were translated and ready for me in January of 1985, and in view of the fact that the Minister, on six separate occasions, has promised me these papers, why have I not received them?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad to receive the question. It gives me an opportunity to answer it. I want to assure the Hon. Member that the information is available. Some information has already been sent to the Hon. Member, and more is coming. I will see to it that it is sent to him as soon as I receive it.

PROVISION OF INFORMATION

Mr. Lorne Greenaway (Cariboo—Chilcotin): In the words of the Minister of Justice, I have not received one jot or one tittle from the Minister. When can I expect to receive some information on this very critical issue?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I had been advised that some information had already arrived. I think that I can assure the Hon. Member that the information will be there, jot, tittle, and all.

REFUGEES

NEW DETERMINATION PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. The consultative process on a new refugee policy was virtually unanimous in proposing that claimants have a right to legal counsel, unrestricted access, and a fair and specialized appeal process.

Given that yesterday he announced a system that fails miserably on all three counts, I would like to ask him why he betrayed the volumes of unanimous submissions from church and community groups on these three grounds? Will he not agree to reconsider the proposals in these three areas so that Canada can have a refugee determination process that is fair, effective, and humane for refugees?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to assure the Hon. Member that with the policy which I announced yesterday we are fulfilling the fundamental principles as outlined by Rabbi Gunther Plaut in his report, and the fundamental principles of the Standing Committee.

There is at the present time, as the Hon. Member will know, counsel available which is subsidized by the federal and provincial governments. Second, there will be provision in the new guidelines for counsel to be available. The Hon. Member's fears in this regard are not founded.

PORTUGUESE VISAS INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister is talking through the top of his hat and he knows it. He should give answers that reflect reality.

Yesterday he claimed that slapping visas on Portugal was only an extreme and last resort. I would like to ask the Minister how he can explain that in his original text at eleven o'clock in the morning he and his Government were prepared to put visas on Portugal effective May 26, and why did they risk an international and political embarrassing position *vis-à-vis* a NATO ally and a western European country?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would have thought that the Hon. Member would have been joining others across the nation in saying this Government is dealing with 20 years of Liberal neglect.

Some Hon. Members: Hear, hear!

Mr. McLean: We have inherited a backlog. We have inherited a system which was not overhauled and was open to abuse by the previous Government. Let the Hon. Member ask his colleagues why did they not, when they were in Government, act on these matters. Let him ask his colleagues where were their plans in this regard.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member for York West, order, please.

* * *

AGRICULTURE

UNITED STATES GRAIN PRICES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I was able to confirm this morning through the Washington office of Senator Robert Dole of Kansas that the United States is seriously considering lowering, once again, its loan rate under the U.S. Farm Bill, which, in effect, is the world price for grain. It is considering lowering it from $2.40 a bushel to $2.10 a bushel. Is the Minister aware of this, and has he made representations to Senator Robert Dole and Agriculture Secretary Lyng of the United States, saying that this will be devastating for the farmers of western Canada if it is dropped by another 12.5 per cent?

• (1450)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we were aware of many of the provisions in this U.S. Farm Bill long before it became law in December of last year. The Member should know that those provisions will not come into effect unless the administration decides. There are some parameters and percentage considerations under which the Secretary of Agriculture in the United States can act. We are aware of those concerns and are addressing them by staying in constant touch with the U.S. administration, letting them know our views in this matter.

Mr. Nystrom: We cannot afford another drop of 12.5 per cent in the price of grain.

EFFECT ON CANADA'S TRADITIONAL MARKETS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, is the Minister also aware of the talk in grain circles in the United States that they may also use their export enhancement program of export subsidies to cut into two of our traditional markets, namely, feed grain in Mexico and feed wheat in South Korea? Is he raising that issue with the United States by telling them to keep their hands off our traditional markets?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are aware of and have been raising those issues for a long time. If the Hon. Member has those concerns, I would have thought he would be congratulating the Prime Minister for raising those issues at the Tokyo Summit.

Some Hon. Members: Hear, hear!

Mr. Mayer: I would have thought he would be congratulating Canada for calling together the five major grain exporting countries and hosting a meeting in Vancouver in June. He should be congratulating us for doing some of those things, instead of getting up and complaining all of the time.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

DAMAGE CAUSED IN RIVIÈRE-DES-PRAIRIES NEIGHBOURHOOD OF MONTREAL—GOVERNMENT POSITION

Ms. Carole Jacques (Montreal—Mercier): Mr. Speaker, this week, the neighbourhood of Rivière-des-Prairies in my riding has been seriously affected by the discovery of a large tar spill covering an area of 40,000 square meters, which has caused considerable damage to property and to the fauna and flora. Mr. Speaker, my question is as follows:

Does the Department of the Environment intend to get together in some way with the provincial government in order to clean up the spill?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has a right to be concerned. The Municipality of Montreal is the jurisdiction that has the primary responsibility for this particular pollution matter. I have had an indication from the Province of Quebec that, for its part, the province will invoke the relevant environmental quality law to take any necessary action against the polluters. As a result of the Hon. Member's early expression of concern about the problem, I, for my part, have given all the relevant jurisdictions an indication of my Department's full technical and scientific support.

* * *

CHALLENGE '86

EMPLOYMENT FUNDING FOR COMMUNITY PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister responsible for summer employment. Yesterday, after the Minister said there were no quotas limiting community service projects, she went on to say that 36 per cent of the budget would be allocated to the private business sector. If that 36 per cent is not a quota, how would she describe it?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I said that among the projects which have been accepted so far only 36 per cent were submitted by private interests and 64 per cent were projects related to other sectors, meaning municipalities and non-profit organizations.

[*English*]

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I will restrain myself, but how can the Minister justify that this set percentage, whatever she wants to call it, must go to the private business sector when it is being used to deny essential community services while business activity, which would have gone ahead anyway, is being funded? How can she justify that?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I was referring to things that have been done, not objectives that have been achieved. I find it rather deplorable that the Hon. Member for Notre-Dame-de-Grâce—Lachine East should be against jobs for ergotherapy students, for Concordia University physiotherapy students, among others, for Henri Bradet Centre gerontology students in his own riding. He is against that? I fail to understand.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

INTEREST RATES CHARGED BY BANKS TO CREDIT CARD HOLDERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Although the Bank of Canada interest rate is the lowest since 1978—

Some Hon. Members: Hear, hear!

Mr. Orlikow: I am happy to hear that applause because it leads right into my question. The holders of bank credit cards continue to pay 18 per cent to 21 per cent for Visa and Master Card charges. If interest rates on bank cards dropped 3 per cent as other interest rates have dropped, these consumers would have saved $200 million on their cards. When will the Minister take steps to ensure that this $200 million rip-off of bank card holders will stop?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I answered the question before, and I said that the interest charges billed by these financial institutions also included service charges, and that more than half of Canadian credit card users pay the charges on these cards on a monthly basis. Consequently, this becomes an area where there can be more competition among these financial institutions. The department's monitoring of the situation is quite adequate.

[*English*]

INCREASE IN VISA CARD INTEREST RATE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, of course middle-income and upper-income Canadians can afford to pay their bills every month. It is the lower-income people who cannot afford it. Will the Minister tell the House why the Royal Bank has increased its Visa card rate by 1.2 per cent to 18.6 per cent when interest rates are coming down? Will he tell the House why bank card rates are so market insensitive, or does the Minister not care about these kinds of credit costs that are hurting so many Canadians?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I could add to this that credit card fees have also dropped somewhat in recent months, thanks of course to the economic policies introduced by this Government which have had an impact on our financial institutions as a whole.

* * *

[*English*]

EXTERNAL AID

ETHIOPIA—CANADIAN DEVELOPMENT POLICIES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The head of Ethiopia's relief and rehabilitation commission has defected to the United States. In a telephone conversation he claimed that Ethiopian government policies, as much as drought, were responsible for the food crisis last year. In view of that, what action can the Minister take to be sure that future Canadian development policies in Ethiopia will listen to the voice of dissent as well as to the Marxist government line?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I wish to thank the Hon. Member for his continued concern for Ethiopia and the difficult situation confronting the people of that country. We know for a fact that the present famine is due to drought and weather conditions generally. I agree that a number of governments have not helped to improve the situation. That is why two weeks ago, I launched the Africa 2000 operation, because we want to help find a solution to these problems. I am ready and willing to hear from any agencies that can advise me on the subject. We will listen, and we will try to find the right solutions.

[*English*]

AGRICULTURE

SALE OF UNITED STATES BARLEY TO SAUDI ARABIA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns our trade relations with the United States. Members of the western wheat pools have expressed extreme concern about the action by the United States Government to sell 500,000 tonnes of barley to Saudi Arabia, a quarter of which is provided free by the U.S. bonus program. Is the Minister prepared to meet with Secretary Shultz on this matter in order to have the U.S. withdraw this subsidized sale of grain to Saudi Arabia, Canada's traditional market for grain?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member should know that the reason why Saudi Arabia was targeted by the BICEP program in the United States is not because of Canadian sales but because of a very recent sale there by the European Community. That issue will be raised when our Secretary of State for External Affairs meets with his American counterpart.

Mr. Foster: It seems to me that that will be a little late.

CANADA-UNITED STATES TRADE NEGOTIATIONS—MARKETING BOARDS

Mr. Maurice Foster (Algoma): Mr. Speaker, in January the Secretary of State for External Affairs said that marketing boards like the Canadian Wheat Board would not be on the free trade negotiating table. In light of the documents which were released yesterday, will the Minister assure our farmers that the Canadian Wheat Board and other marketing boards in Canada will not be included in the free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to alleviate any concern about lateness, I will be meeting Secretary Shultz and other foreign ministers when they come to the NATO meeting we are holding in Halifax next week. I will certainly raise that matter with him, and not for the first time. We have raised it on a number of occasions.

The Hon. Member will know that the Minister of State for the Canadian Wheat Board has convened a meeting of major grain producing countries precisely to begin dealing with these questions. Our assurances with regard to marketing boards stand.

• (1500)

POINT OF ORDER

ALLEGED MISQUOTATION

Mr. Speaker: I am in receipt of a notice of a point of order from the Hon. Member for Essex—Windsor (Mr. Langdon) for three o'clock.

Mr. Langdon: Mr. Speaker, during Question Period, I believe the Minister of State for External Affairs stated that the quotation I used in my question was misquoted and designed to deliberately mislead the House. I can give you the quotation, exact as it is, Mr. Speaker. If my hearing was correct, I believe the Minister should withdraw those words.

Mr. Clark (Yellowhead): Mr. Speaker, I will check *Hansard*, but certainly I can assure the House and the Hon. Member that if I did inadvertently suggest he was deliberately misleading the House, I would withdraw that. It is an unparliamentary term.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader, or in his absence the Parliamentary Secretary, about the business the Government intends to call. If he is not ready, I am sure we can ask the question later in the afternoon.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there were discussions yesterday during the House Leaders' meeting, and tomorrow, as the House knows, has been designated as an Opposition Day. We will be back to the House Leaders of the two other Parties to advise them as to the business to be called on Monday and Tuesday.

Mr. Deans: Mr. Speaker, I want to put on the record a problem which is starting to develop for which I earnestly seek a solution. This is now the second Opposition Day which has required the cancellation of Private Members' Business. On two of those days the Private Members' Business to be considered were motions by Members of the New Democratic Party which were votable motions. To this point there does not appear to be any satisfactory way of getting that Private Members' Business back before the House of Commons expeditiously. As we know, this is now the end of May and the House rises at the end of June. We will not, therefore, be able to deal with what was drawn as votable motions in the draw for Private Members' Business.

I am not laying the blame at anyone's feet. However, I am asking quite earnestly that an accommodation be found to allow Hon. Members, who had the good fortune of having

their private business drawn for debate and vote, to be given the opportunity to have that done.

Mr. Lewis: Mr. Speaker, the House Leader for the New Democratic Party is absolutely right. There have been certain kinks, one might say, in Private Members' Business which have caused problems such as referred to by my hon. friend. There is no question that Hon. Members on all sides want to see some adjustments to the rules which will take care of that problem. I can assure the House Leader that we are drafting some suggestions which will be made available to the House Leaders of both Parties so that this inconvenience will be overcome. We will definitely make sure that the problems to which he refers are looked after. There is no question about that.

Mr. Speaker: May I simply say to the House, because the House should know it, that the Chair is hoping, as the Parliamentary Secretary has indicated, that this matter can be worked out through consultation. That seems clearly the preferable route.

Mr. Deans: Mr. Speaker, it is indeed the preferable route. I am willing at any time to sit down in order to find a way to deal with the problem. You can appreciate, Sir, that it would be possible for Private Members who went into the draw in good faith, and who were fortunate enough to have the business they were promoting called as a votable item, to lose that opportunity in any session of Parliament by virtue of the way Opposition Days happen to fall. I do consider that that would not be consistent with the new reform or with the will of Parliament.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-109, an Act to amend the Income Tax Act, be read a second time and referred to a legislative committee.

Mr. Speaker: The Hon. Member who had the floor when the House rose at one o'clock is not here. Resuming debate?

Is the House ready for the question?

Mr. Lewis: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried. Accordingly, the Bill stands referred to a legislative committee.

Bill read the second time and referred to a legislative committee.

* * *

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House resumed from Wednesday, April 30 consideration of the motion of Mr. Beatty that Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, be read a second time and referred to a legislative committee.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am pleased to have the opportunity of leading off the debate on a very important Bill. A number of Hon. Members are very interested in this Bill and a lot of questions have been asked by the Hon. Member for York East (Mr. Redway), the Hon. Member for Mississauga North (Mr. Horner) and the Hon. Member for Don Valley East (Mr. Attewell). It is the Minister's hope and trust that the Bill itself will be handled very quickly in the House of Commons as well as in committee.

The Acting Speaker (Mr. Paproski): Order, please. If there are conversations, I would appreciate they take place behind the curtain or in the lobby, where they should be at this time. I am trying to listen to our colleague, the Hon. Member for Red Deer (Mr. Towers), the Parliamentary Secretary to the Solicitor General. I would appreciate if Hon. Members would listen to him.

Mr. Towers: Thank you, Mr. Speaker.

The Young Offenders Act is the product of a lengthy and detailed examination of juvenile justice. When proclaimed in force some two years ago it saw the repeal of the 75 year old Juvenile Delinquents Act and the introduction of wide ranging reforms in juvenile justice. The principles on which this new legislation is founded reflect our contemporary social values and aspirations rather than those of the Canadian society at the turn of the century.

At the turn of the century it was recognized that children and adults who committed crimes could not be handled in the same manner. It was believed that the young required special treatment consistent with those values. Accordingly, Parliament adopted legislation in 1908 which required the court system to deal with juvenile delinquents as children in need of society's protection, not as criminals requiring punishment. Today we recognize that young people, although they may not be fully adult, are not innocent of their illegal behaviour.

In 1982, Parliament in passing the Young Offenders Act declared as a matter of principle that adolescents are responsible for their behaviour and accordingly should be held accountable for those acts in a manner appropriate to their age, maturity and independence.

Not only does the Act give recognition to the principles of responsibility and accountability, it has clearly acknowledged the irrefutable right of society to protection from illegal behaviour. The interests of irresponsible individuals cannot supersede the fundamental rights of society. Society must ensure its integrity and security.

In recognizing the rights of the community and the responsibility of young people, the Act has maintained the balance which is vital to our concept of justice, the commitment to fairness and justice which serves as a hallmark of free and democratic societies. In protecting itself, society must also protect the rights of those individuals who are suspected of crimes and deal sensitively with the special needs and circumstances of youth, youth who are in the process of transition from childhood to full maturity.

• (1510)

When the Hon. Member for Wellington—Dufferin—Simcoe (Mr. Beatty) assumed the responsibilities of Solicitor General of Canada he was already aware that this new legislation had been widely criticized. To examine those criticisms in detail the Minister consulted with Canadians who daily face the challenge of dealing with young people who have offended our laws, as well as with representatives of the communities that are affected by both crime and the criminal justice system. These consultations, and others which he had with his provincial colleagues, confirmed that the principles upon which the Young Offenders Act had been founded are widely supported. In fact, the Solicitor General found that the most adamant critics of this legislation were often equally as firm in their commitment to its basic principles. It is apparent that police, correctional authorities, citizen groups, youth service agencies, and many others, are not opposed to the Act. Rather, they are anxious to ensure that it functions in the way that Parliament intended.

Concerned professionals and citizens have identified a variety of problems and offered suggestions for change. The Solicitor General has been impressed that these actions have been taken with the hope that changes will aid us in achieving the goals of the Act's declaration of principles. It is in this same spirit that the Minister has tabled for the consideration of Hon. Members a series of proposals for amendments, amendments which will serve to enhance the ability of the juvenile justice system to meet demands for public safety and reinforce the values that are fundamental to the high standards for which we strive, including the full recognition of the special needs and circumstances of youth in contemporary communities.

The Solicitor General urges the House to support these amendments. They will modify existing provisions that limit the ability of law enforcement and justice agencies to achieve the principles of the Act. They will not alter the principles but rather ensure their proper administration.

Among others, the amendments which have been proposed, if adopted, will accomplish the following. The Juvenile Delinquents Act, the predecessor of the Young Offenders Act, established principles which resulted in the juvenile justice system being treated as private and confidential, with no publicity of any aspect of the process permitted. Two provisions in the old Act accomplished this. The first required that all juvenile court hearings be held *in camera* with no public participation. The second banned the publication of the name or identity of any child who was accused of a crime.

By comparison, the Young Offenders Act has brought the juvenile justice system into public view, opening the courts to public attendance and broad media coverage. However, the Act has continued to prohibit the identification of young people in published reports. In the past year many people have urged that the absolute ban on publication be modified to permit police authorities to seek public assistance in the apprehension of dangerous young people who are at large and a threat to community safety.

In response to this concern the Bill which the Solicitor General has tabled makes provision to permit the police, with the prior authorization of a youth court judge, to release for publication the name of or the identity of a young person who is at large and dangerous to public safety. The amendment also provides young people who are offenders, victims or witnesses appearing in youth court, with an opportunity to request that the court remove the ban on publication in their own cases if they wish to make themselves known publicly.

The amendments will also introduce changes which will enable authorities to deal effectively with young offenders who violate probation orders or other non-custodial dispositions. Currently, the Act relies on a review process to deal with breaches of such court orders, a process which has been found to be generally inadequate. The amendments will streamline the process and allow quick police and correctional intervention by way of arrest and detention where there has been a breach of a non-custodial disposition. The modifications will mean that the juvenile justice system and the adult system will deal with probation breaches in the same way. When young people are involved in street crimes, drug abuse, prostitution and the like, the ability of police to arrest may be a crucial factor in preventing crime and in ultimately helping a young person to achieve a different lifestyle.

The amendments will address concerns that the Act's records provisions are excessively cumbersome and restrictive, thus impeding the adminstration of justice. Specifically, they will ensure that the management of young offenders who are acquitted by reason of insanity will not be hampered by the lack of records. The new records provision will also ensure that police are not prevented from discharging their responsibilities for law enforcement and investigations.

There has been a fear that the so-called "Fagins" will be able to commit crimes and avoid prosecution by using children. An amendment to the Criminal Code will ensure that individuals who counsel or aid children under the age of 12 to commit crimes will be liable to criminal prosecution. While there is no evidence that there has been any increase in the incidence of crimes in which children are abused in this way by adults, the Solicitor General wants to ensure that it will not happen. Similarly, proposals to enhance the protection of children who are victims of pornography and prostitution are being examined by the Government.

There is no doubt that the commission of serious crime by young persons, indeed, by people of any age, is a cause of concern to Canadians. In responding to concerns and criticisms of the Young Offenders Act, however, we should note that the majority of young persons dealt with by the Act are not involved in the type of serious criminal activity which has dominated juvenile justice headlines from time to time. There are a number of options open to courts faced with youth who have been charged with such offences.

For the most serious of cases the Act permits the court to transfer charges to the adult court. Where a transfer is ordered, the accused will be subject to all of the penalties that an adult would face, up to and including life imprisonment. This provision, when applied for, has proven to be an effective means of dealing with serious, violent criminal acts, without requiring that we abandon the hope that should motivate juvenile justice.

Generally, the sentencing options available to the youth court appear more than adequate. In the past, 16 and 17-year-olds rarely received sentences of imprisonment longer than two years; and the average sentence was less than five months. Most important, the youth court can exercise considerable flexibility in imposing sentences which reflect the necessity of protecting society. The significant difference is that those sentences will be served in a correctional system which is separate from the adult system and composed of programs designed to respond to the particular needs of young people.

However, in one set of circumstances the provisions of the Act were found to be inappropriate and ineffective. An Ontario court found that a young man who had escaped from prison and committed a series of offences could not be given a proper sentence for the escape and new crimes. The reason was that the Young Offenders Act imposed an upper limit of three years on any aggregate sentence. Obviously, this is contrary to public interest and the Solicitor General is proposing an amendment which would allow courts to impose consecutive sentences for new crimes committed prior to the end of a disposition for an earlier offence. This new measure will result in an aggregate sentence of more than three years in some cases, thereby ensuring that the youth court is able to order appropriate sanctions under certain circumstances. In other cases, the new crimes may justify the transfer of individuals to the ordinary court.

• (1520)

The changes introduced by the Minister will help resolve difficulties in the custody provisions and emphasize that custody is a disposition of last resort intended to enhance the protection of society. Similarly, a general restructuring of the pre-trial detention Sections will resolve procedural problems that have imposed unnecessary burdens on police and in some cases have caused difficulties for young people.

These changes will continue to adhere to the principle that young people and adults should be kept separate and apart from one another in detention and custody. However, the amendments will provide for extended periods of time during which an accused may be kept in the hands of police authorities and will provide for other procedural improvements.

While the Young Offenders Act is sound legislation which enjoys broad support, it is, unfortunately, a law that has been found wanting in several ways. The problems are sufficiently large that a failure to respond to them quickly and seriously will impede the flow and effect of implementation of otherwise praiseworthy concepts. These amendments speak directly to the legislative weaknesses and limitations that have caused frustration among Justice officials and deep concern among citizens across Canada. The Solicitor General hopes that these necessary changes will enjoy speedy passage so that the benefits of the Young Offenders Act can be quickly and more fully enjoyed by Canadian communities.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am glad that the Government has finally chosen to call this Bill for second reading. I wish it had done so weeks ago, particularly since the Government is asking us to proceed with it quickly. It is hard to understand why this legislation was not brought forward a month or even longer ago, and I will illustrate that in points I wish to make. Bringing the legislation forward sooner would have allowed for the kind of hearings at committee stage which would assist us in dealing with all of the problems that have been raised during the course of the rather short life of this very important piece of legislation.

I take a particular interest in this legislation and the amendments that are now before the House because, as Hon. Members are aware, I was the Solicitor General who introduced this legislation and defended it on second reading, although I had an excellent Parliamentary Secretary like the Parliamentary Secretary to the present Solicitor General (Mr. Beatty). I came to the House to present the Bill myself and I regret that the Minister is not here himself to do so. However, his place has certainly been very well filled by his Parliamentary Secretary.

I thought that the legislation had a very healthy birth. It was one of the few pieces of legislation that had the unanimous approval on third reading of all Hon. Members of the House of Commons. I considered that to be an excellent launch for an important piece of legislation that represented a major reform of the juvenile justice system. However, very soon that piece of legislation nearly became an orphan. Its difficult period lasted

until very recently. I put a certain amount of the blame, though not all of it, for the lack of support the law had at the time it needed it on the present Government.

The former Solicitor General who is now the Minister of National Revenue (Mr. MacKay) signalled in one way or another that the Bill was back on the table and that its fundamental philosophy, the age limits, the various dispositions provided and virtually every aspect of the Bill were under consideration and that in fact it might be repealed. This had a very troubling effect on the application of this law throughout the country.

For one reason or other a few provinces were urging the Government to take precisely the step indicated, and in the hope the Government would do so they were failing to make some very fundamental decisions that were required so that the Bill would have a healthy introduction into the Canadian criminal justice system. Complementary provincial legislation was needed and some provinces did not pass it because of the signals they received from the first Solicitor General of the Conservative Government. The decisions about which Departments inside the provincial Governments were to take responsibility for the various features of the legislation were not made, again because of the signals that were being received indicating that the legislation might be repealed. Forms that needed to be printed were not being printed. Educational programs that were largely paid for by federal taxpayers were not being delivered, again because of the uncertainty the Government created by indicating that the Bill might be completely abandoned.

I do not want to harp on that. I am glad at the result, that the Government decided that the Bill is essentially a sound one, that its philosophy is correct, that the age limits are proper and that it should be uniform across the country. In other words, after a period of mixed signals and wrong signals the Government is now back on track and wants to make the Young Offenders Act work. I am very happy about that because we in our Party supported the Bill as did the present Government and we want it to work as well.

We turn now to the next chapter in the life of this legislation. What has happened since the Government made the decision that the Bill was basically sound but that some fine tuning was required? No one recognizes more than I that fine tuning of this legislation is required. In fact, when some early decisions were made that put the effectiveness of the Bill in jeopardy, I was perhaps the first person who rose to ask the Solicitor General to quickly bring in amendments to the very legislation that I had taken through the House. I wanted to see the Bill corrected so that the problems that were appearing would be solved, and so that those problems would not continue unduly and thus damage the effectiveness of the legislation. The Government refused to respond in that way. I received a good, smart-alecky put down. I was asked why I was complaining when I was the one who brought the Bill forward. However, that was not my point. My point was that the legislation existed and the courts and officials were interpreting it in a way that limited its effectiveness. I felt that we should correct it and get on with it.

The Government said it wanted to have a period of consultation so that it could hear from all of the sectors of Canadian society affected by the legislation, and then it would bring in a package of amendments which corrected the Bill and set it on a proper course for the future. If that had been done, I would be agreeing to the Government's timetable. I would be saying, "The Government has consulted, it has put forward amendments, let us get them into law and let us get on with it".

However, I have learned that those consultations have not really taken place and that the amendment package which the Government has brought forward is only a very small part of the story that needs to be told in the House of Commons and in the parliamentary committee before we can really do the job of fine tuning that is required to make this legislation work for the future of the criminal justice system. In saying this, I am recognizing something that I was always prepared to recognize, and that is that the legislation is not perfect and that in the two years it has been working we have learned a lot about its problems.

Why would I challenge the Minister on his claim that full consultations were held? I have been invited to speak on the Young Offenders Act at many conferences around the country. I have spoken to more than 10 groups from one coast to the other and I have done so at the invitation of a great variety of groups. I have spoken to Family Court judges and to assessment officers, the ones who write the assessments that are submitted to a judge when there is the issue of a young person having psychological problems. I have spoken to gatherings of police across the country about how the legislation is going and what the police think should be done to make it work more effectively. I have talked to youth groups about this legislation. For example, I spoke to a very interested group of Boy Scouts in my constituency. They made it a project to study the Act and how it would affect them, their classmates and friends. Like the claim of the Minister, I have tried to get to the grass roots and to all levels of the community affected by this legislation.

• (1530)

As far as the Minister's so-called consultation is concerned he has only talked to the provincial Governments and to the police to a certain extent. Beyond that there has been very little consultation which has been confirmed by some of the groups to whom I have spoken. I asked groups the Minister should not have missed whether they had been given any opportunity to send in an account of their experiences to the Solicitor General, whether they had heard from them and did they know an amendment package was being prepared. It came as news to quite a lot of people. I fault the Minister for limiting his consultation to the provincial Governments, as important as they are, and to some of the leading spokesmen for the police across the country. Those consulations have been

pretty good. The amendments that have come forward, which the Parliamentary Secretary described very adequately, covering their concerns are good amendments. By and large we on this side intend to support them.

I am not saying we are going to support all of them or that we do not have some further amendments to make to try to make them more effective. I am sure the Government will accept our amendments in the spirit in which they are intended to improve the legislation, as the Government said, to make sure that the philosophy with which the Government agrees, as we do, is reflected in the way in which the Act is going to work.

Many more aspects of the legislation need to be looked at. I shall not give a long list of them. I will cite just one. Then I will propose a formulation to the Government as to how we might proceed in committee. I hope there will be some favourable response so we can get on with doing what is necessary to the Bill so that it will work.

The one example to which I thought I would refer in some detail is the problem that has arisen with the requirement of Section 22(1) of the Act, namely, the requirement that before treatment is ordered by the court, the young offender having been convicted, has to give his consent to that treatment.

A group of family court judges took me aside, not to discuss a particular case but to discuss the way in which this requirement was going. They told me that it is a very poor idea to ask the young person for his consent. Contrary to the system under the old Act where treatment could be ordered by the judge and a fair number of young people were ordered to have treatment, this is not so under this legislation. The consultation I had was in London, Ontario. The judges said that in some courts the number of cases for which treatment is ordered is down to less than one-tenth of what it was under the old Act.

I know the Parliamentary Secretary and the Solicitor General (Mr. Beatty) would agree that treatment is a highly desirable disposition for young people in conflict with the law. If there is a recommendation that there be treatment and a capacity of the provincial Government and the court officials to deliver that treatment, surely we ought to do everything we can to encourage the young person to submit to that treatment.

What kind of a handicap or bar does consent present? Young offenders tend to come in groups. They know the court is open. In a lot of cases friends are present. I am told by the judges in the family and the youth courts who deal with these cases that young people do not want to acknowledge in front of their friends that treatment is an appropriate solution. When I was preparing this legislation and the policy issue arose, it seemed to me like a good idea to require the consent of a young person. I thought, and this was the argument of my officials at the time, that if the young person does not consent to the treatment, it is a waste of money and effort. Without a person's consent to being treated, it is obvious that treatment will not work. I agreed with that line of argument, but in light of the experience with the Act I would like to see a change. I would like to see that provision removed.

I know some argument will be raised about the rights of the individual in connection with this issue of treatment. Should a person not have the right to refuse to have treatment if they do not want it? I think that is a misapplication of the issue of the rights and wrongs or the legal rights of a young person in court. After all, if the judge is going to sentence a young person to be incarcerated for a year or sentence a young person to pay a fine of $1,000, the judge does not ask the young person whether he consents to that disposition. The young person is obliged to accept the disposition whether he likes it or not. It is the judgment and the order of the court. We have, however, built into the law a requirement of consent for treatment. I think that consent should be eliminated. I do not have any hang-up that eliminating it removes some freedom or right a young person has. A young person should not be able to pick and choose among the dispositions that the court, for the person's good, imposes. With the two years of experience we have had to the effect that treatment is being neglected because young people do not agree to it or are unwilling to agree to it in front of their friends, and given the kind of values that gangs of young people in conflict with the law have, I think it is time for us to look at this requirement again.

You may ask how the treatment will work, Mr. Speaker. This is what I asked the judges. How can a treatment work on a young person if that person does not consent to it? Incarceration works because there the person is. A fine works because the bailiff or the sheriff is there to collect the money. The argument is that the treatment will not work if a young person does not consent. Here is where the wisdom of the people working in the field is very useful. They say that eventually young people will want to contribute to the treatment, that young people will want to make the therapy and treatment work. If only you can get them started on it, in most cases or in enough cases they will quickly come to recognize that this is something with which they should play ball, that it is something of which they should try to make a success so as to get themselves into a better value system and into a better lifestyle.

I feel that a mistake was made and experience has shown it. The Minister did not look into this aspect in the course of his consultations, from what I can see, and I think we should not let pass this opportunity to look into measures like this. Perhaps as many as a dozen others might be brought forward, looked at by the committee, witnesses called and the measures included in the amending package. I want to put it to the Government that there was a limited nature to the consulations in which it engaged, and let us as a committee hear from all of those who work with the Act, not just provincial Governments, and of course the police but not just the police, to try to iron out a lot of little difficulties, such as the one I have just described.

I have limited myself to one example, but if I did speak about another one, I would talk about the review of dispositions problem under Section 33. I talked to people about that in Alberta, Ontario and Quebec. I found a different application in all three provinces, which is normal in a country like Canada, but in some of the provinces it is not working. Provinces are urging us to make an amendment so that an alteration or review of dispositions will not be, as it is becoming in some places in Alberta, for example, a whole new trial of a young person when you are really just seeking a review of dispositions.

I could go on at great length about the kinds of areas not addressed by the Bill that should be addressed by the Bill, but I won't. I wanted to mention the one I have because I am anxious to demonstrate to the Government that there are serious non-partisan reasons for us to slow down in the committee. We should look at a number of concerns and make the amendment package into a really good and useful one.

• (1540)

As an expert on the rules, Mr. Speaker, you know better than any of us that the Opposition will require the Government's support to deal with issues that are not addressed in the series of amendments which we have been given. The chairman of the committee is responsible for ensuring that the committee deals with the measures presented by the Government, and not with measures around it. Therefore, I must ask for the support of the Government for all members of the committee to allow us to widen the scope of our consideration to include all the other questions which I know are important. I think I can convince the Government Members of that if we are given the opportunity to allow these witnesses to speak. Many of these witnesses have not come forward because they did not know that the committee would be holding hearings right now.

That is my position and plea on the Bill. I want to add only one other point. I am not the spokesman for our Party on this legislation. My colleague, the Member for York South—Weston (Mr. Nunziata), is the spokesman but, like the Minister, is not able to be present in the House for this important stage of the legislation. He has some specific concerns about some of the amendments which are actually in the Bill before the House. I do not want to create the impression that the amendments which are there are perfect. I want to hear from the Minister about the provision which can result in a youth court giving sentences of longer than three years. I realize that the background for concern is that in a certain Ontario case a young person drew only a three-year sentence for the crime of murder which was the maximum a youth court could impose.

I do not think that that regrettable result is a bad reflection on the legislation. It was a result of the way the case was handled. The Minister knows about the case and has talked about it. To try to remedy the non-problem by giving the youth court the power, in certain circumstances, to impose longer sentences violates a fundamental principle of the legislation, that cases of serious criminal activity which require long sentences should not be dealt with in youth court at all. I am afraid that if we put the accused in front of youth courts into the jeopardy of receiving a very long sentence, the youth courts will lose some of the informality and therapeutic dimension which now distinguishes them from adult courts.

After all, if you are a lawyer appearing for a young person who could receive a sentence of seven, eight, or nine years, which is pretty serious, even though you may feel that the young person could benefit from some of the treatment which he would receive in a disposition like that, you would handle the case differently than if you knew that the maximum possible sentence was much less. I think that every aspect of the court procedure would be affected by this measure of providing for very long sentences.

As I said, I am not unwilling to listen to the arguments. I thought the Parliamentary Secretary gave a very good reason for handing down a sentence of longer than three years in the circumstances which he gave. If an individual who is serving a three-year sentence escapes and is brought back to the youth court, he cannot be given any additional time because he is already serving the maximum sentence. Obviously some amendment ought to be introduced to deal with that particular case. However, I would worry about a change in the law which would give a youth court the power to impose such a terrible sentence on a young person. As I said, it might change the way in which the court operates.

I think there are many young people who should receive long sentences for the things that they have done. There are a lot of hardened criminals in the 15 to 17 year old age category. However, the solution within the law, which is quite a good solution, is to transfer that case to adult court. That is almost invariably what happens. It did not happen, although it should have, in the case which the Solicitor General put on the record. I would rather have a solution to that problem than change the whole basis of informality and therapy, which is such a strong, important, and useful characteristic of the youth court as we have continued it under the Young Offenders Act.

I can tell you the good news, Mr. Speaker, that we are only going to have one speaker on second reading of this Bill. I have spoken for my colleague as well as myself. We are anxious to have these amendments passed. We regret that the Bill has been held up like this for no good reason until the last minute. We have been given a short deadline. We do not accept the deadline, but we certainly do accept a limited second reading debate in the hope that the Government and the members of the committee which is to be struck will agree to inviting witnesses to come and tell us how they feel about the whole law rather than just about the particular amendments which the Minister has been persuaded to bring forward at this time.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in this very important debate on the Young Offenders Act and the amendments which have been proposed to it by the Government. I had the privilege of

participating in the debate at both second and third reading stages of the Young Offenders Act when it was originally proposed as Bill C-61 in 1981 and 1982. I also took part in the proceedings and deliberations of the Standing Committee on Justice and Legal Affairs before which the then Solicitor General, the Member for York Centre (Mr. Kaplan), appeared to defend the legislation. We had a very thorough opportunity in the course of those hearings to make improvements to the legislation.

I would remind Members of the House that the legislation, as originally presented to the committee, did not make provision for a uniform upper age in the definition of a young offender. I give credit to the Member for York Centre for having brought forward an amendment at an early stage in the committee proceedings to provide for a uniform maximum age of 18. I think that was an important concept and we supported it. I am pleased that the Government has resisted pressures from some provinces to lower that uniform age to 17 or even to 16. That is particularly important when one considers that in the Provinces of Quebec and Manitoba the maximum age has been 18 for a number of years. Were that maximum age to be lowered, the attempts of those provinces to deal with young people within their jurisdictions under that special regime would have been subverted.

I want to indicate my concern that second reading of this legislation has been delayed until this late date when there is less than a month until the House rises for the summer recess. At the time that the Minister introduced this Bill for first reading in the House I and my colleagues in the Official Opposition indicated that we were prepared to give the Bill careful study but certainly not to delay in any way committee study of the legislation. Having left second reading of the legislation until this late date, it is quite clear that the chances of the Bill being dealt with before the summer recess are very, very slim indeed. It will certainly take some time to give the opportunity which we must give to groups which are active in the field of juvenile justice and should be consulted. We will have to make the time in order to carry out those consultations properly. As I said, Mr. Speaker, that does not mean undue delay. It means doing our job properly as Members of Parliament to give an opportunity and a forum to those groups which are interested in and concerned about this legislation.

I say that partly because it is quite clear that there are a number of concerns which have been raised by these groups and by individuals who are active in the field of juvenile justice which have not been reflected in the amendments which were tabled by the Minister. My colleague, the Member for York Centre, has raised a couple of these concerns. I would like to touch on two or three other areas of concern as well. For example, the Young Offenders Act does not allow for the disposition of a conditional discharge with a probation order. That is a denial of equality to young people because it is available to adults charged under federal statutes, including the Criminal Code. I suggest that in the course of our deliberations we remedy that oversight. As well, we have to look very seriously at Section 22, the treatment section. Members of the Standing Committee on Justice and the Solicitor General have received representations from the London family court clinic. They indicated that the provision with respect to consent of a young person before treatment can be ordered is one which has not worked out in practice. We are going to want to hear very careful evidence, not just from that London group but from others who are knowledgeable in this field, particularly those who made submissions to the committee three years ago urging that there be a requirement for consent. My recollection is that the Canadian Psychological Association urged that treatment not be imposed but ordered with the consent of the young person. This provision has not worked in practice. In Ontario, for example, during the first two years of implementation of the Young Offenders Act, only six young people consented to their own treatment needs, which allowed the court to provide them with the most appropriate court intervention. There were only six people. Clearly it was not the intent of the legislation to reduce the number of people who receive treatment. I say "treatment" because that can apply to a whole range of concerns, whether it be learning disabilities or psychological or psychiatric disorders. Those are areas in which proper resources should be devoted, and clearly we are going to have to examine with care the representations made on that particular point.

• (1550)

As well, there have been some court decisions which have brought into question certain provisions of the legislation. For example, in Manitoba a court held that a young person was not able to instruct counsel independently of his or her parents. That decision has been criticized by many people involved in juvenile justice as being unreasonable. An example might be that of a 17-year old charged with impaired driving. To suggest that that individual is not free and able to instruct counsel is not reasonable. Yet there is no provision in this amending legislation to deal with that concern.

Those are some of the areas faced by individuals in the field which have not been addressed by this legislation. Certainly there are others which have been addressed. In some cases we are going to oppose provisions in this Bill vigorously. They are a step backward. For example, while the adoption of the Act in 1982 represented a significant step forward, and it was unanimously approved by all Parties in the House, there were a couple of areas in which we actually moved backward from the days of the old Juvenile Delinquents Act. I want to give a couple of examples because it is precisely in those areas where the Government is suggesting that we further weaken the protection for young people. Under the provisions of the Juvenile Delinquents Act, enacted in 1908, it was impossible and illegal for young people aged 12 or 13 to be locked up with adult prisoners. It was recognized that it would be fundamentally wrong to mix young people at that age with adults in adult prisons. The Young Offenders Act, in Section 7, allowed that to take place. Many witnesses spoke against it. I proposed an amendment to the earlier legislation, but it was defeated. In

the Bill now before the House the Government would go even further to dilute the protection available to young people and allow even more of them to come into contact with young adults. We believe that is a regressive step.

As well, the Juvenile Delinquents Act made no provision for transferring young people over the age of 18 from youth correctional facilities to adult jails. The former Minister, in his wisdom, decided to erode those provisions of that Act, so in 1982 he allowed young people originally sentenced as young offenders to be incarcerated in adult jails. That again was a step backward. What the Government is now proposing in this amending Bill is to allow young people to be incarcerated not just in provincial jails but in federal penitentaries. Surely that is not a move we can accept as being a step forward for young people and juvenile justice in this country.

Many of us were relieved when we saw that the Government did not attack the fundamental principle of the legislation. The underlying philosophy of the Young Offenders Act was an enlightened and progressive one. However, as the head of the Criminal Lawyers Association in Toronto, Earl Levy, said, it has its warts. All of us recognize that there is room for improvement. One of the major areas of concern, one which has been of greatest concern to those involved in the field, is the extent to which custodial sentences have greatly increased under the Act. Instead of this Act resulting in a reduction in the number of young people sentenced to custody, whether it be secure or open, we have seen a quite dramatic increase in young people subjected to custodial sentences. In Ontario there was an increase of some 200 per cent.

Another disturbing trend in this legislation is that 16 and 17-year old offenders are getting longer sentences now as young offenders than they would have received in an adult court for the same offence prior to the adoption of the Young Offenders Act. Ironically, legislation intended to reduce the jailing of young people and encourage the provision of alternatives has resulted in a dramatic increase in the number subjected to custodial sentences. One of the amendments proposed by the Government attempts to address this problem, but there is a more serious and fundamental reason for the imposition of these custodial sentences which I would like to address at this point. The scheme of this Act relies very much on provincial co-operation to provide alternatives to incarceration. Those alternatives have simply not been provided. The resources so essential to ensuring that imprisonment is only used as a last resort, in order to ensure that it is effective, have not been made available to the juvenile justice system. When a judge is faced with a young person charged with an offence under the Act, in many cases he has the alternative of either sentencing the person to custodial care or releasing him on probation. That subverts the underlying philosophy and intent of this legislation. That is a very, very serious condemnation of the legislation, one which cannot be addressed directly by this House or the federal Government. Certainly I hope the Government would recognize this problem and work in concert with the provinces and territories in putting additional resources into alternatives. In too many cases lip service is paid to the rule of custody as a last resort.

Another concern is the very heavy workload of probation officers. This really precludes effective intervention in economic, social and family problems. The underlying concern, however, is that the provinces are not yet offering a range of alternatives aimed at the rehabilitation of young people.

• (1600)

I would note as well that it is essential in this whole area of juvenile justice that we not deal just with the front end of the system, as it were, but that we recognize the essential objective in the area of young people and the law, and young people in conflict with the law, which is to prevent them from coming into conflict with the law. We recognize, as a society, many of the reasons for which young people break the law. Yet we refuse to take action and to deal with those concerns. We refuse to take the preventive steps, which have been identified time and time again, to prevent crime among young people.

There have been many studies done. I would point to one, the study of the Senate Committee on Health, Welfare and Science, which produced a report called *Child At Risk*. It identified a whole series of steps which we could be taking to prevent crime among young people. It notes, for example, that we have to look right back to the prenatal stage. We have to look at malnutrition of the pregnant mother, the question of intrauterine abuse, the fetal alcohol syndrome, the effect of smoking, the effects of prenatal emotional stress and, of course, diet and possible metabolic disorders.

It is also essential that we examine carefully the resources that are available to deal with learning disabilities. How many young people who are incarcerated in youth custodial facilities are there because no one has detected a learning disability which has driven them, in many cases, to the point of frustration and despair, and finally lashing out and breaking the law?

The Senate study documented very clearly the effects of emotional deprivation. Study after study of adult offenders has shown that, almost without exception, violent offenders have been shuffled between foster homes, have come from broken homes and simply have not had adequate resources when they were young. They were unwanted at birth in many cases, they had frequent placements in infancy, and in almost all cases they graduated from minor offences to major crimes.

There is the whole question of child abuse and how we as a society deal with the sexual and physical abuse of young people. We put totally inadequate resources into identifying child abuse and, having identified it, into treating it. Our resources in the area of child care are grossly inadequate. I know my colleague from Vancouver East, who is in the House today, has been doing an outstanding job in urging the Government to move forward to recognize the implications of a lack of resources in the area of child care for our young people, and ultimately for our juvenile justice system.

What about the whole question of violence in the media, violence on television, and violence in video games? I am sure that the Speaker has been into these video parlours where young people stand in front of machines and mindlessly shoot away like young Rambos at other human beings. What kind of example does that set? Surely to goodness we have to recognize that these machines, which award bonus points for bonus deaths, should not be encouraged in our society, but rather should be discouraged.

It has been estimated that an average child, during his or her childhood, will see on television some 13,000 or 14,000 deaths, whether it be on cartoons or other television shows. I was shocked recently to see the so-called professional wrestling on television in which big hulks take great pleasure in jumping up and down on one another and battering their heads into submission and beating one another up. What kind of example is that kind of mindless violence to our young people? Is it any wonder that there is a great deal of violence in our society when that is promoted on prime time television?

Finally, we have to look at the underlying economic causes of crime, particularly crime among young people. There is no doubt whatsoever of the link between poverty and juvenile delinquency. I could give many illustrations of this, but I would like to quote from a report called *Poor Kids*. I cited from this in my speech at second reading of the original Bill on April 15, 1981, as reported on page 9319 of *Hansard*. It states the following:

> To be born poor is to face a greater likelihood of ill health—in infancy, in childhood and throughout your adult life. To be born poor is to face a lesser likelihood that you will finish high school; lesser still that you will attend university.
>
> To be born poor is to face a greater likelihood that you will be judged a delinquent in adolescence and, if so, a greater likelihood that you will be sent to a 'correctional institution'. To be born poor is to have the deck stacked against you at birth, to find life an uphill struggle ever after. To be born poor is unfair to kids.

Truer words have never been spoken. We talk about reducing the level of violent crime among young people, and yet we refuse to attack the causes of that crime. We refuse to recognize that poverty itself is a crime which is being inflicted on the poor of this country.

I want to make particular note of the appalling conditions facing native young people in this country. Members of the Standing Committee on Justice and the Solicitor General received a letter from Chief Edward Anderson who is the Chief of the Anishinaabe Child and Family Services Inc. in Manitoba. Chief Anderson points out that native young people are disproportionately represented among the ranks of the accused and the incarcerated, both within the juvenile justice system and, of course, in the adult correctional system. Youth correctional facilities, jails and penitentiaries are filled with Indian people. As Chief Anderson points out, very few people relate these disproportionate levels of incarceration to the history of Indian peoples.

The chief notes that during the last four generations Indian children in large numbers have been placed in residential schools, medical foster homes, group homes, child care institutions and detention centres. It is time that we dealt with realistic alternatives for native young people. Native people, when they come into contact with the justice system have to deal with non-Indian prosecutors, non-Indian lawyers, non-Indian judges, and non-Indian probation officers. Then they are sent away to non-Indian open custody and closed custody institutions.

As Chief Anderson points out, too often these institutions, instead of instilling a sense of respect for law and order in native young people, engender bitterness and hostility. Over the years native people have made numerous requests for more culturally appropriate agencies and services, but so far those requests have been ignored. I believe it is essential that we hear from Chief Anderson and other representatives of native people in Canada to express their concerns about the failure of the justice system towards native people in this country.

There are other areas of concern that have been raised by some of the major groups that are active in the field of juvenile justice. The Canadian Council on Children and Youth, while it has expressed qualified support for the amendments to the Young Offenders Act, has recognized a number of serious concerns. They suggest, for example, that we have to look very seriously at this question of the right of a young person to retain counsel without the intervention of an adult. They have voiced concerns as well about the lack of adequate programming for young people, particularly to deal with the special problems of female offenders.

The John Howard Society has noted a couple of areas of concern with respect to this legislation, while once again supporting, in principle, the over-all thrust of the Bill. They have raised concerns about the provisions that allow consecutive sentences totalling more than three years to accumulate for a young person who commits subsequent offences while still subject to an earlier sentence. The John Howard has expressed concern about the direction to determine more formally which young offender cases should be reviewed to assess the need to try the young person in adult court.

One of the other concerns which I would like to raise, which does not flow directly from the legislation but, rather, from the administration of the legislation, is the practice of at least two provinces, the Province of Ontario and the Province of Nova Scotia, to separate the treatment of young people aged 16 and 17 from the treatment of young people below the age of 16. That has given rise to two standards of justice for young people. Once again, that subverts the principle and the objectives of the legislation.

There are other specific concerns with this legislation that certainly the committee will be dealing with in greater depth once we hold hearings. I want to put the Government on notice very clearly that it must get rid of the very offensive provision in the legislation that would do away with the requirement that a young person must waive in writing his or her right to counsel. According to the present wording of the amending legislation, that basic protection of the rights of young people

is being eroded. Certainly that is a provision that we will strenuously resist.

• (1610)

I want to note as well that we are pleased that the Government has brought forward an amendment that would remove the requirement for corroboration of the evidence of a child under the age of 12. Of course, that requirement is not one which applies in the case of adult offenders under the provisions of the Canada Evidence Act. This can and indeed has given rise to problems in the case of a young person who may be charged with an offence against a person under the age of 12. In the absence of any medical or other evidence to corroborate the child's story, the case had to be thrown out of court. For example, if a young child 10 or 11 years old is sexually molested by a teenager, in the absence of any corroborating evidence there is absolutely no opportunity for a conviction in those circumstances. Therefore, I am pleased that the Government has moved forward with an amendment in that area.

Finally, our Party calls on the Government to make adequate resources available to the provinces to ensure that there are real alternatives to incarceration. As I have said, the underlying philosophy of the legislation, which would effectively reduce the number of young people who are incarcerated, has been subverted by provinces that are not prepared to put funds into resources. I reiterate the concern that we must deal with prevention and must not take steps that effectively would undermine the over-all principles of the legislation, which is basically progressive legislation.

There is provision to deal with young offenders who have committed very serious offences, who are not appropriately dealt with under the Young Offenders Act, for transfer to an adult court. In effect, that is the safety valve of the system, and it has not been suggested that this safety valve in any way be removed. Certainly for those young people who are being dealt with under the provisions of the legislation, we do not want to erode the protections.

Another concern about the legislation is that the record keeping provisions, which already were heavily criticized in the previous legislation, are being eroded even further, such as in the area of fingerprints and photographs. We will want to hear evidence on that point as well.

I cannot think of many pieces of legislation that are more important or have a more significant impact on the people of this country than the Young Offenders Act. For decades, indeed hundreds of years, there has been concern about crime among young people. I note that as long ago as 2,000 years, Socrates wrote:

> Our youths now love luxury, they have no manners, they have disrespect for authority, disrespect for older people. Children generally are tyrants. They no longer rise when adults enter the room . . . They gobble food and tyrannize their teachers.

These concerns have been expressed for a long time. I hope that as Parliament and as a country we recognize that there can be no task more important than dealing with the priorities of our young people. We in this Party will do everything we can, in the review of these amendments now before the House, to bear that objective in mind. Certainly, we will be proposing amendments in order that that objective can be realized.

The Acting Speaker (Mr. Paproski): Before I call the question—

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Kenora—Rainy River (Mr. Parry)—Mines and mining—Griffith Mine closure—(*a*) Invitation to Minister to visit Ear Falls (*b*) Employment prospects in area; the Hon. Member for Bow River (Mr. Taylor)—Road safety—School bus equipment and standards; the Hon. Member for Algoma (Mr. Foster)—National Revenue—(*a*) Holstein research project expenditures (*b*) Approval of project.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISON REFORMATORIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Beatty that Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties with respect to the balance of the day. All those interested have been notified. I suggest that if you were to seek unanimous consent to call it

five o'clock, we could move to Private Members' Business and proceed thereon.

Mr. Kaplan: Mr. Speaker, it appears that the Government is giving a higher priority to Private Members' Business than has been done in the past. Here we are at 4.15 p.m. proceeding to Private Members' Business.

It is interesting that the reason we are proceeding to Private Members' Business is that we have run out of government business. With all of the things—

Some Hon. Members: Order.

Mr. Kaplan: —that the Government said it would do when it came to power, here we are in the middle of a good working day with no matters on the legislative paper that the Government is prepared to bring forward. I provide my unanimous consent, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order.

Mr. Lewis: Mr. Speaker, with respect, we have dealt with two items of business today; the Income Tax Act and the amendments to the Young Offenders Act. We could have debated it at length, but we felt it was important to get that legislation to committee.

We were prepared and are still prepared to proceed with Bill C-98, the duties relief Bill. However, we thought it was fair to consider the two Bills today and not call that legislation because it requires someone with a knowledge of that area of the law. We did not want to abuse our privilege by doing so. That is why we are moving to Private Members' Business.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

FARM CREDIT CORPORATION

ADVISABILITY OF RESTRUCTURING DEBT LOAD

Mr. Albert Cooper (Peace River) moved:

That, in the opinion of this House, the Government should consider the advisability of amending the Farm Credit Act to allow the Farm Credit Corporation to restructure the debt load of those Canadian farmers, that can be shown to be good managers, and who are facing difficult times because of acts of God or because of extreme economic conditions beyond their control, by:

1. Allowing the Farm Credit Corporation to set aside a portion of the debt held by the Corporation, of proven farm managers, for a set period of time without interest or charges; and

2. Allowing the Farm Credit Corporation to issue loan guarantees to private lenders, provided the private lender writes off a certain minimum amount of the debt it holds and can show the farmer's cash flow is sufficient to meet the new lower payments that result from the lowered principal.

He said: Mr. Speaker, I am pleased to have the opportunity to participate in this debate on my motion, which primarily is designed to deal with one element of the agricultural problem, namely, the whole area of farm debt. I brought this motion forward because the agricultural sector, certainly in the Peace country and, I know, in much of Canada, is facing very serious difficulties. These difficulties can be roughly divided into four causes. First, we recently had a drought in the Peace country and parts of western Canada. The farmers in that region had very poor crops. Their cash flow and income was down, leaving them in a rather naked position.

The federal Government has taken steps in this area and has provided assistance on an acreage basis to many of our farmers in the Peace country. While that aid has been of great assistance, it could have been more. Personally, I would have favoured more assistance, as would the farmers. I know that the Government would have liked to give more assistance. The fact is that the farm community recognizes that the Government has been concerned about these problems and has been taking steps to address them.

The second problem facing farmers in my area and elsewhere is somewhat more difficult because it involves the whole question of international prices. The problem essentially involves the current battle taking place between the European Economic Community and the United States Government over subsidies for agricultural producers. The net result has been that the prices of agricultural commodities have plummeted and, once again, our farmers are faced with a very serious situation. Last year they had the drought. This year they have a problem with prices. Obviously, that paints a picture of a very serious situation for many of our farmers.

• (1620)

The third element which comes to mind is in the area of input costs. Farmers have been faced with rising costs for fertilizers, chemicals and various pieces of equipment and machinery. If we take the whole series of input costs, add it to the international prices and then add it to the drought conditions we experienced last year, the bottom line is a very difficult situation for many of our farmers. In the Peace country, in particular, we find that indeed to be the case.

The fourth element I want to touch on is the issue with which my Private Members' motion really deals, that is, the whole problem of the debt load of many of our farmers. Just a few years ago, in the late 1970s, in my region we found prices were going up quickly. The picture looked very good. As a net result, many of my farmers were asked to expand their operations. There was no shortage of money. The banks and the Farm Credit Corporation were there with funds available. As a result, many of our farmers proceeded to expand their operations, get themselves into a pretty heavy leverage situation with a very high proportion of debt, which I suppose

would have been fine if inflation had continued and prices of farmland had continued to grow. The farmers could have continued on with life as it had been with probably not too many serious difficulties. But shortly after 1980, prices took a dramatic downturn. Instead of the prices continuing to climb, as many of our farmers had gambled they would do, prices began to drop. So there were dropping farm prices, high input costs, which were continuing to rise, and international prices which have dropped recently. What we end up with is a very serious situation which threatens many of our farmers.

There is no doubt that the Government has attempted to address the problems we are facing. It has talked about drought assistance. In addition to that, the Prime Minister (Mr. Mulroney) recently raised the matter of international prices as his topic at the summit meeting, which, of course, was the first time, to my knowledge, that this has ever been done. As a result, we are seeing the whole profile of agriculture raised in this House and in the minds and hearts of Members of Parliament and the Government of Canada. That is encouraging. It is the kind of thing I certainly want to see continue.

The Government as well has tried to deal with the whole matter of input costs. It announced as recently as last month the elimination of the federal sales tax and the excise tax on fuels. That is a buffer for the farmers. Essentially what we have is a Government which is attempting to address a serious problem. It is moving in a number of directions. It is trying to address input costs and international prices. It is trying to deal with acts of God, as it did recently with the drought program. In addition to that, the Government is now looking at the whole business of crop insurance and trying to make adjustments there. We know that those discussions are going on with federal and provincial Governments as well as with the farm community.

That leaves one area about which I am concerned, and that is the whole area of farm debt. That is the reason I came forward with this particular motion. We can address some of the causes and some of the problems, and we can move in different directions with solutions, but, unfortunately, what we are faced with is a large number of farmers who still will be saddled with tremendous debt and in the present circumstances will continue to look at a very bleak future. They will take advantage of some of these programs which will help them to a certain degree. However, as long as they have these massive debts, they will continue to be locked into a very difficult situation and many of them will likely face bankruptcy, receivership or, in some way, be forced off the farm.

What I have presented to the House today is a motion which really has two elements. The first element is essentially a system of set-asides which would kick in in certain cases. I specified those cases. The reason I did so is that I do not think any Government should be involved in looking after a farmer who is not managing his operation properly, who is not doing what he should do or that which is necessary to accomplish a turn-around. But that kind of individual is in the minority. The truth is that the vast majority of our farmers are good managers. They are hard-working people who are doing the best they can to get their operations going in spite of difficult circumstances. Essentially what I propose is that the Farm Credit Corporation be allowed to set aside a portion of the debt it holds for a particular farmer for a period of time with no interest and without any carrying charges until the farmer's situation improves. That set-aside amount of money then comes back into the formula and the farmer begins again to pay interest and charges and so on which are incurred on his debt.

My motion reads in part that the Government allow the Farm Credit Corporation to restructure the debt load of those Canadian farmers who can be shown to be good managers and who are facing difficult times because of acts of God or because of extreme economic conditions beyond their control. So it is a fairly limited exposure. The reason for that is that it is not the Government's business to get involved with farmers who are not managing their own affairs.

The second element is that many of our farmers do not deal exclusively with the Farm Credit Corporation or do not have knowledge of farm credit but are still faced with the same debt situation. What I have proposed that the House should consider is that the Farm Credit Corporation come up with a form of loan guarantee to allow private lenders to enter into the same sort of arrangement. The reason for this motion is very simple. We face a difficult situation. Farmers are being hit on all fronts. I know the Government is addressing as many of these fronts as it can and it is doing a good job. However, there are still a couple of areas which I would like us to give a hard look, and one of those fundamental areas has to be the whole area of farm debt.

I see my time has expired. I want to make sure that other Hon. Members have a chance to participate in this debate. I am pleased to have had the opportunity to put forward a proposal which I think will provide some help and assistance to many of the farmers in our area and, in fact, across western Canada.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to participate in the debate this afternoon on the motion before us as proposed by the Hon. Member for Peace River (Mr. Cooper). There are two items in the motion, first, to allow the Farm Credit Corporation to set aside a portion of the debt held by the Corporation. I am sure you will recall, Mr. Speaker, that the Hon. Member for Algoma (Mr. Foster) brought a very similar motion to the attention of the House some time ago. Unfortunately, it was talked out by the Conservative Party. We hope the motion before us today indicates a change of heart on the part of the Government and that, indeed, the Hon. Member's Conservative colleagues will not do what they did then and will allow this very good motion to come to a vote so that we will be able to pursue this matter further.

The second item in the motion is to allow the Farm Credit Corporation to issue loan guarantees to private lenders for private lender write-offs of a certain minimum amount of the debt, and so on. Although this seems favourable as well, there are a few problems I would like to place before the House. First, we should all remember that the Minister of Finance (Mr. Wilson) not that long ago brought in a Budget in which he introduced what he considered to be a revolutionary measure known as "the commodity-based mortgage". We can all recall that during the budget debate, when the Minister of Finance announced that there would be a measure known as the commodity-based loan program and that it would solve a whole number of agricultural problems, all the Tory Members applauded. I am sure that Your Honour must recall that day. As it turned out, the commodity-based loan program was a flop. I think I am being complimentary when I say that. Because of the rules concerning parliamentary language I cannot use the term it appropriately deserves.

• (1630)

The Canadian Federation of Agriculture published a backgrounder with respect to the commodity-based loan program. It is a very complete document. I would like to tell Hon. Members that the federation does not deal favourably with this measure. I would like to read a few sentences of the backgrounder to Hon. Members. It states:

—the Commodity Based Loans program is not really a form of debt relief to the least privileged farmers.

That is funny since that is what the Minister of Finance said it was. Finally, the backgrounder states:

The funds provided in the February 26, 1986 budget for the FCC program, in reality, hardly provide farm financial assistance. The system contains a loan program within a loan program, where in all other but the worst scenarios, the debts are called in at the FCC rate plus 2 per cent.

I have reached the conclusion this afternoon that the Hon. Member for Peace River is totally repudiating the commodity-based loan program since it was supposed to solve all the problems outlined in the Hon. Member's motion. I am glad to see that it was not only members of the Opposition who had the foresight to call this commodity-based loan program what it really was—a whole bunch of hot air and not much else—but that the Hon. Member for Peace River agrees that the measure is totally unsatisfactory. I am glad he shares that view with my colleagues and me.

Mr. Speaker, you will probably recall that the Leader of the Opposition—

Mr. Cooper: Mr. Speaker, I rise on a point of order. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and I work together on a regular basis. He is a very capable individual. My concern is that what he is now doing is adding to my words much more than what I have put into them. I wish to bring that to the attention of the Chair and to the attention of the Hon. Member. He is really taking the words I have used and adding just a little bit of distortion to them.

Mr. Clark (Brandon—Souris): A very liberal interpretation.

The Acting Speaker (Mr. Paproski): I will leave the matter at that.

Mr. Boudria: I am sure Your Honour recognizes that the point the Hon. Member raises is not a point of order, although it is an interesting point. I gather he is saying that he is not totally dissatisfied with the commodity-based loan program. I contend that he is not totally supportive of it since he thinks we need all these new measures which he has brought to our attention today in the form of his motion. I agree with him; we need the measures which he suggests. The reason we need them is that the Minister of Finance failed so miserably in his Budget to address those selfsame problems.

Hon. Members will probably recall that last year the Leader of the Opposition formed the National Liberal Caucus Task Force on Agriculture. The task force, under the very able leadership of the Hon. Member for Algoma (Mr. Foster), toured the country and made some reports. I would like to share with Hon. Members the report of the Ontario section of the task force wherein it states:

The majority, or 16 farm groups, recommend low and/or stable long term farm loans as the solution to the large farm debt problem. County Federations of Agriculture comprise the majority of the groups that specifically recommend low and stable rates. Another three farm groups recommend that the term of farm loans be required to match the time and length of the associated production period.

So in spite of the fact that the Minister of Finance has brought in two Budgets and has patted himself on the back, with a little help from Tory back-benchers, the measures he introduced did not solve the financial problems of the farm sector. Members of the Opposition are not the only ones who think that much more needs to be done, since what the Government has done is clearly insufficient. We are glad to see that the Hon. Member for Peace River is on our side in stating that the Government's actions have been insufficient thus far. We really hope that he will have better luck than we have had at convincing the Government to do what it should have done a long time ago.

Hon. Members will probably remember that in January of 1985 the Department of Finance published a document entitled *Tax Issues in Agriculture*. In that document the Minister of Finance stated that farmers were receiving a lot of breaks, that they were not really in much more difficulty than anyone else and that they were doing quite well, thank you very much. This is a policy paper with which many of my colleagues and I strongly disagree. From what I know, many Conservative back-benchers also disagree with it.

The Standing Committee on Finance, Trade and Economic Affairs presented a report to the House in which we responded to the Department of Finance document. In the report of the committee, of which I was a member as were many other distinguished Members of the House, some of them Conservative, we unanimously recommended that some farm debt relief measures be introduced. Several pages in the report are devoted to the measures which we feel are necessary to deal

with the situation. For instance, we suggested that we need an agri-bond program to solve the farm debt crisis and to assist farmers in difficulty. The Government did not listen to that recommendation. It did not listen to the members of the committee. We see that some very distinguished Members of the House, some of them Conservative, and others, were not listened to by the Government. We certainly hope that the Hon. Member for Peace River will have better luck than did his colleagues who tried to convince the Government that we need help for agriculture. Unfortunately, our report was not listened to by the Minister of Finance. I wish better luck to the Hon. Member for Peace River. I certainly hope that he will be successful in convincing the Government to do the things which it has so badly neglected thus far.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, first, I must congratulate the Hon. Member for Peace River (Mr. Cooper) for recognizing that there is a problem. In the process of recognizing that there is one, he has put his name on record to suggest that the Government do something about it. However, I must also suggest that his is not a serious motion. What he states in his motion is mere rhetoric. He places before the House and before the people of Canada a motion stating in effect that he recognizes the fact that the Government is not doing enough about financing in agriculture. It is not a serious motion in any way at all.

The first part of his motion requires a set-aside provision, which is already part of the Act. This is something which the Farm Credit Corporation already has the right to do. The legislation allows the Farm Credit Corporation to set aside a portion of the debt of proven farm managers held by the corporation for a period of time without interest or charges.

The second part of the Hon. Member's motion is with respect to a write-down provision, which is not a guarantee to farmers and which is something which may not even help them. It is a guarantee to private investors. I must suggest that although the Hon. Member recognizes the problem, he does not recognize that the solution he is putting forward is not a serious one at all and cannot be of value to the farmers of the country.

• (1640)

There are solutions that would help. The Hon. Member's suggestion deals with only one of the causes of the disaster in the farming community and does not really deal with one of the causes at which we must look the hardest. There is no good solution to the problem of farmers other than the establishment of commodity prices which pay the farmer for the cost of production, the land, labour and machinery. Such a parity price structure would make it possible for any farmer with management skills to survive and prosper. The Hon. Member very carefully worded his resolution to mention farmers who have shown themselves to be good managers.

A parity price structure does, of course, ignore some of the situations which have developed in Canada and the world over the last few years. There is the problem of the world market and of other countries subsidizing products and dumping them on the world market at prices too low to enable a farmer to raise grain. The fact that there is intermittent over-production in the world drives the prices down. These are situations with which we are faced today and with which we should deal.

I wish the Hon. Member luck in sensitizing his caucus colleagues to the problems of the farm structure. As well, I wish him luck in his attempt to stabilize farm input so that farmers will know that we are looking at the structure of farm financing.

If the Government were to guarantee all of those loans, it would cost the Government something like $28 billion, and to some extent, that is what the Hon. Member is suggesting if he is suggesting that all private loans be backed and guaranteed by the Government. With wheat on the Prairies going for $3.50, there is not a bank in the market that will back a loan but will not accept the backing which is suggested here.

The Hon. Member makes good management a condition of the resolution. I wonder if he would want to be the judge of good management. If a farmer who has been farming for five years has not had a crop for five years and consequently goes out of business, does that mean he is a good manager if his neighbour went out of business one year earlier? If he has survived at all, does that mean he is a good manager? How exactly do we decide which farmers are going under because of bad management and which are going under because of other factors over which they have no control?

The Hon. Member is challenging the financial structure of the country. That needs to be done, and I congratulate the Hon. Member for doing so. The financial system skims off the top of the fruits of labour and productivity. The financial system does not contribute to the process of farming. Financial institutions put nothing into farming, no labour, no sweat, no seed, no machinery. They just skim off the top through interest rates. One of the greatest reasons for the elimination of producers in the farming industry right now is the financial structure and the fact that financial institutions are skimming off the top when no one else is getting any profit from farms.

It has always been a mystery to me that we in Canada have allowed a situation to develop which would make money the most important input in the production of grain and food. It is more important than fertilizer, chemicals, seeds, machinery or labour. The most important factor seems to be the money that is lent and the interest on that money. That is the only thing that is guaranteed. The financial structure ensures that the person who lends money will collect his interest on it.

The Hon. Member is shaking up the financial structure by suggesting that there be write-downs, even if the write-downs are to protect the investor and not the farmer, and that there

be set-asides as far as interest rates are concerned. Both of these are foreign to the financial structure which this Government and the previous Government have gone to great lengths to protect. Consequently, I hope that he is sensitizing his caucus colleagues to this particular problem.

On March 6, 1986, I asked a question of the Minister of Agriculture (Mr. Wise) about the need for establishing a debt review which would allow for write-downs and eliminations. He promised, as he did before Christmas, after Christmas and at Easter, that he would do so. However, when I suggested that the Bill he was to bring before the legislative committee would have no teeth, he said, "There will be teeth in it, just wait and see. We are doing just that." It seems inadequate to suggest that a motion put before the House at this time will replace the legislation we have been promised four times in the last year.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased to take part in the debate on the motion introduced by my colleague from Peace River (Mr. Cooper) who advocates more flexible financial structures to help farmers.

It is easier to appreciate the gist of this issue if we consider the role played by the Farm Credit Corporation, namely to provide funds and financial advice to farmers to help them build up economically sound businesses. Such has been its role since it was created in 1959. Never in 27 years did the Farm Credit Corporation have to face the kind of challenge now confronting it. Never before have its human and financial resources had to cope with so many help requests from the farming community.

Low prices paid for agricultural products, declining land values, drought conditions, and the impact of American policy and high interest rates all represent as many obstacles to be overcome. The Government is fully aware of the daily struggle of cash-starved Canadian farmers trying to stay in business.

Through the Farm Credit Corporation the Government has approved interest deductions for 5,600 FCC borrowers who were paying between 14 and 16.75 per cent interest on long-term loans. These borrowers were saddled with loans maturing in 25 years or more at unprecedented interest levels. Their interest rates have been lowered to 12.75 per cent over five-year terms.

We have also widened the mandate of the FCC appeal boards so they might review the cases of farmers against whom the FCC was about to initiate liquidation proceedings.

[*English*]

Last September, the Minister of Agriculture (Mr. Wise) announced a moratorium on farm foreclosures by the Farm Credit Corporation. That moratorium remains in effect today until programs are in place to assist these financially distressed farmers. One of the programs is already in operation. The commodity-based loan program which was first announced in the February Budget was launched two weeks ago. This is a new approach to farm financing which could help between 4,000 and 5,000 Farm Credit Corporation borrowers who are unable to meet their financial obligations. It will give those in low equity positions another chance to rebuild their businesses. Under the program, loan payments are tied to the farmer's ability to pay and borrowers can pay as little as 6 per cent interest.

• (1650)

The unique feature of these loans is that payments will vary according to what happens to commodity prices. If commodity prices decrease, the principal owed by the farmer will also decrease, as will the payment. If prices increase, greater revenues will be generated and the farmer will be in a better position to handle increased payments. If a borrower stays in this program for the full 10 year term and commodity prices do not improve substantially, the total amount he or she pays will be less than under a conventional mortgage.

If a borrower decides to opt out of the program, the difference between what has been paid under the commodity-based payments and what would have been paid under a conventional mortgage will have to be repaid. However, there is a cap which limits the amount borrowers would have to pay if they choose to opt out of the program or if commodity prices increases sharply during the term of the loan. The cap is 2 per cent above the 10 year rate, which means that at current rates a farmer would never pay more than would be required under a 13 per cent mortgage. In effect, commodity prices would have to increase 7.5 per cent every year for 10 years to reach this cap over the 10 year period of the loan.

[*Translation*]

It is a program that is not easy to explain, but the Corporation has organized information sessions across the country for groups of producers and representatives of the media. As more people understand how the program works, they will be in a better position to appreciate its merits.

We have received some very encouraging and very positive comments from farmers who initially had some reservations. We think that at least 5,000 borrowers from the Farm Credit Corporation should be able to benefit under this program.

[*English*]

Commodity-based loans will help farmers deal with the risks involved in commodity price fluctuations.

A year ago the corporation introduced another program which was intended to help farmers deal with the risk of interest rate fluctuations. That was the shared risk mortgage program, and it has proven to be very popular with FCC clients. In fact, 20 per cent of the FCC loan approvals during the 1985-86 fiscal year were under this program. Interest rates for the shared risk mortgage are adjusted annually. Increases or decreases are shared equally with the corporation, but clients would never have to pay more than a 2.5 per cent increase during the six year term of the loan. These two programs are indications of the efforts the Farm Credit Corporation is making to provide lending programs that help

farmers deal with risk. Two fronts have been addressed: commodity prices and interest rate fluctuations. On other fronts, the questions of crop insurance and stabilization programs have also been addressed.

The Farm Credit Corporation is also monitoring its loans closely so that problems can be identified and solved before they become serious. As well, close to 3,000 borrowers are taking advantage of the advisory services program under which they receive regular financial counselling to help them establish viable farm businesses.

[*Translation*]

The purpose of these measures is to help FCC borrowers succeed. The effort being made by the FCC is considerable: it is currently carrying more than 17 per cent of these accounts in arrears. Meanwhile, the FCC grants loans for debt consolidation and reschedules others when this can help farmers.

We are aware that the farming community is going through a very difficult period, and the time has come to take a different approach to the problem. That is what we have done, and that is what we intend to go on doing, as long as the situation has not improved. Simplistic answers, such as subsidized interest rates and indiscriminate partial write-offs, would provide only temporary relief for those who really need help and might worsen their position in the longer term.

What we need are long term solutions that will strengthen Canadian agriculture.

[*English*]

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, apart from the question of debt set-asides, which the Hon. Member for Peace River (Mr. Cooper) has introduced today, the FCC has served farmers well. FCC was created to help all farmers, not only those in extreme financial difficulty. I believe the Farm Credit Corporation has done its share to help most of its borrowers to succeed, and FCC pays special attention to the needs of its borrowers in financial difficulty. I know farmers in London—Middlesex on FCC borrowing will be pleased to see the reduction in the interest rate this week for the second time in two months.

As we are speaking today, I have no difficulty in believing that FCC is doing all it can under the circumstances. Over 17 per cent of FCC accounts are in arrears at this moment. It means that those farmers are facing real difficulties. The private lending institutions are reporting that the number of their non-performing loans has increased 100 per cent to 6 per cent.

I think FCC shows a lot of flexibility when it carries a farmer in arrears for a long period of time. When the debt structure of a borrower is not adequate, FCC does not hesitate to help out and reamortize what needs to be and can be reamortized.

There is more than one way to help farmers facing financial difficulty. Not being in a position to allow debt set-asides, FCC had to rely on its ability to manage in a very innovative and empathetic way. When a farmer has some equity left and when he or she works out a repayment program that is realistic, FCC tries to accommodate that borrower. This approach is successful in many cases. Unfortunately, when it is not, the corporation has to take a greater loss. That is a chance FCC is willing to take to help a farmer on an individual basis.

The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) should know, and he did not say it today, that since last year FCC has come up with very innovative ways to work as a lender in the agricultural field. I am thinking here about the shared risk mortgage that was introduced in April 1985. The objective of this type of loan is to lessen the impact of volatile interest rates on a farming business. It was designed to share the risk equally between the farmer and FCC. It was new, it was different, and it was innovative.

There is a market for this kind of program. It was well targeted and it paid some dividends for farmers. During the 1985-86 fiscal year, more than 20 per cent of all FCC loans were shared risk mortgages. The farm community responded very well.

This month, FCC introduced its commodity-based loan. Here again is an attempt to serve the farm community better by offering a program that meets the specific demands of a well defined group. There was a lot of criticism of this program due to misunderstandings about its real value. It is now on the market. It seems that many farmers think that this program can help them.

FCC employees came up with innovative programs and they are still testing new ideas. Equity financing is one of them. Many groups in the farming community had a chance to offer their opinions in this area. As I said earlier, the Government will make some funds available to FCC so it can work with the debt review boards. This decision is the result of many discussions and consultations with farm organization. In my home province of Ontario, the Grey-Bruce county had debt review board experience.

On December 10, 1984, the Minister of Agriculture (Mr. Wise) supported the debt review board pilot project that was established in Bruce-Grey counties in Ontario. He fully supported the participation of FCC on this project. In May of last year, the debt review board presented its report. While the experience provided us with a very interesting insight on how such a process could work, it failed to establish a consensus among its participants. The concern of the board was to help farmers stay in business if they thought there was a chance for survival and financial recovery. This exercise was not done in vain. In fact, the report of this pilot project and the discussions the Minister had with FCC's appeal board chairman served as a basis for the introduction of what was announced by the Minister of Finance (Mr. Wilson) in his February 26 Budget.

• (1700)

The Budget included $65 million this year and $130 million next year for a total of $195 million over two years to help

Canadian farmers. We think that this is quite an allocation. It included provisions to allow FCC to launch its innovative commodity-based loan program that will help up to 5,000 Canadian farmers. It also addressed the question of those having to phase out of agriculture to seek alternative employment. This program has been very useful in the farming of tobacco in London—Middlesex.

The Government is committed to introducing legislation to establish farm debt review panels to provide advice and assistance in restructuring farmers' debt. We also think that this will have an effect on private lenders. So far the complaint has been that nothing could be done because FCC would not move and would not accept any compromise. Now it will be different.

FCC has a lot of experience in working with independent groups like the debt review boards. FCC has its own network of appeal boards. Those boards are composed of farmers and they can make recommendations to FCC about specific cases which are presented to them. Working with debt review boards will put FCC on the same footing as other lenders. I think its influence will be positive on the over-all process of debt revision. FCC will be able to accommodate all sorts of recommendations from these boards and set-asides are only part of what can be suggested to lenders. I am sure that the Hon. Member for Peace River will be happy to hear that.

There are also write-offs, debt forgiveness, interest reductions and anything positive that is acceptable to both lenders and borrowers. Debt review boards will greatly help farmers facing insolvency. If there is a realistic and feasible solution, they will try to use it. This is very important because the farmers of the country know that the Government is developing plans and wants to listen to them. They will be looking for voluntary arrangements between farmers and their creditors. The Farm Credit Corporation will lend its full support and expertise to this new process to ensure its success.

I thank you very much, Mr. Speaker, for this opportunity to speak today on behalf of the farmers of Canada who know that the Government is providing leadership for them.

[*Translation*]

Mr. Rossi: Mr. Speaker, I would like to draw the attention of the House to the fact that the Hon. Member for London—Middlesex (Mr. Clifford) probably, but not intentionally, misinformed the House when he stated, while reading his text word for word, that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria)—

[*English*]

—whom he hasn't seen in the House today—

[*Translation*]

—was present—

An Hon. Member: He isn't in the House.

Mr. Rossi: This is a point of order, Mr. Speaker. It's in the blues.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Rossi: Just ask the Member if he said it. Ask the Member.

The Acting Speaker (Mr. Paproski): Order, please!

Mr. Rossi: The Member for Glengarry—Prescott—Russell (Mr. Boudria) was here and he spoke during Private Members' Hour, too. He was not absent all day. The Member said that he had not seen him all day.

The Acting Speaker (Mr. Paproski): Order, please. Order!

Mr. Rossi: Check the "blues".

The Acting Speaker (Mr. Paproski): If the Hon. Member for London—Middlesex (Mr. Clifford) did say that, it is improper. However, I will check the "blues" and I am sure that we can resolve this.

Mr. Clifford: I did not say that.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) on debate.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Private Members' Hour is a time when private Members bring forward ideas on which they hope the Government will pick up. That is what the Member for Peace River (Mr. Cooper) has done today through the motion which we are debating. The motion has two parts and I would like to review them. The first part is asking that amendments be made to the Farm Credit Act to allow the Farm Credit Corporation to set aside a portion of the debt held by the corporation, of proven farm managers, for a set period of time without interest or charges.

The Acting Speaker (Mr. Paproski): Order, please. The day was wonderful until just a few minutes ago. I do not know what has happened. I hope that the House will listen to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) who, I know, has a few choice words to contribute to the debate.

Mr. Althouse: Thank you, Mr. Speaker. This is a two-part motion, as I was saying. The first part calls for an amendment to the Farm Credit Act to allow the FCC to set aside a portion of the debt held by the corporation, of proven farm managers, for a set period of time without interest or charges.

I have some doubt that this kind of amendment is necessary. Section 11.(1)(e) of the Farm Credit Act provides that the Farm Credit Corporation may:

—make compositions or schemes of arrangement, grant extensions of time, accept other security in substitution for any security held by the Corporation and revise, amend or re-negotiate any mortgage or other agreement;

I think that in those broadly stated objectives, purposes, and powers, the corporation already has the power to do the kind of

thing which the Hon. Member for Peace River indicates in his motion he wishes it to be enabled to do. However, the Minister of Agriculture (Mr. Wise) and the Cabinet have not seen fit to provide, by regulation, the power to carry out that part of the corporation's mandate. That is really what is at issue. In fact, that is what has become the issue throughout the farm financial crisis in Canada for those farmers who are borrowing money from the Farm Credit Corporation. The fact is that the Government has not lived up to promises as expected. It has not provided the services which it promised during the election. It has not put real action behind its words.

We were promised that there would be debt review boards. There was a debt review process in Bruce County and, as a result of that, we discovered that lending institutions could not agree on what sort of debt review process should be followed. As a consequence, nothing has happened. According to the Act, the Minister could provide regulations to enable the corporation to make compositions or schemes of arrangement, grant extensions of time, accept other security in substitution, etc. The Minister prefers, instead, to do nothing.

A very good job has been done of making politics out of the issue. Some 40,000 farmers in Canada are under the gun, being faced with foreclosure or being pushed off the farm. FCC has been instructed by the Minister to put a moratorium on those foreclosures pending the action of the Minister and the Government. In several speeches the Minister promised action on the debt review process. He promised that the legislation would be before the House and dealt with before Christmas. That was in the now famous speech in which he said that it would be good legislation, that it would address the problem, and that it would be legislation with teeth.

The Minister of Finance (Mr. Wilson) took up the clarion call when he brought down the Budget. He said that it is the intention of the Government, under the Budget, to put before the House a system of debt review panels to handle the problem of farmers facing bankruptcy and to provide for composition of debt, etc. That was part of the budget statement. So we had the Minister of Agriculture and the Minister of Finance both reiterating a campaign promise. At the end of April we had the Prime Minister (Mr. Mulroney) jumping into the act with his now famous agricultural statement which included a promise that the legislation would be in place not before Christmas but before June. Today we are debating a motion presented by an equally frustrated Member of Parliament, another private Member of this House, a Member from Peace River who is, as we are, getting a little tired of waiting. I think he hopes that with his motion he might twist the tails of the three very reliable gentlemen I have just mentioned so that we will have legislation in time to act before the end of June.

• (1710)

It is not that the House is overburdened these days. We are going to be running out of business some three-quarters of an hour before the normal time today. However, it is very difficult to deal with a piece of business that has not yet been drafted and placed before the House. If the Bill is going to be drafted properly to deal with the whole range of financial problems farmers face, it will have to deal with much more than just farmers who have loans from the Farm Credit Corporation. It is going to have to deal with farm loans from all kinds of credit institutions. It is going to have to treat farmers in a manner not too much different from the way it treats the rest of society so that we do not have unnecessary conflict between sectors. It has to be fair and presented in time for a thoughtful response, not only from Parties in the House but from the farmers affected and the lending institutions as well.

This issue has been before the House for the last six or seven years. A couple of Ministers responsible for consumer and corporate affairs were going to include a system of handling debt review for farmers and fishermen as part of the new revised bankruptcy law. An agreement was reached just before the last Parliament ended which seemed to have the acceptance of the financial community and others concerned. However, that legislation has not been reintroduced and I think we would be better served, even though I understand the frustration of the Hon. Member for Peace River, by some real draft legislation presented to the House in time for us to give it the thoughtful consideration it needs so we can act instead of continuing to talk about this particular issue.

Mr. Roger Clinch (Gloucester): Mr. Speaker, the motion put forward by the Hon. Member for Peace River (Mr. Cooper) reflects his great interest in the farming community, not only in Peace River but across the country. His motion calls for amendments to the Farm Credit Act to allow the FCC to set aside a portion of the debt owed to it by farmers. Farm finance, as you know, has been a priority for the Minister of Agriculture (Mr. Wise) since he took office. His actions have been a reflection of this concern. The FCC will be given the ability to set aside a portion of debts.

On April 30, the Prime Minister (Mr. Mulroney) himself stated the Government's commitment to the question of farm bankruptcy. He said the Government would introduce legislation on this matter. The same day the Minister of Agriculture emphasized that commitment and added that he was determined to get Royal Assent for this legislation before the end of June.

This legislation, which has been worked out in co-operation with the Minister of Consumer and Corporate Affairs (Mr. Côté), will allow for the creation of debt review panels across Canada. Those panels will be composed of financial and agricultural experts. They will advise farmers on the reduction of their debt and help them make alternative arrangements with their creditors. Estimates are that between 4,000 and 8,000 farmers will benefit from the establishment of such farm debt review boards.

There are many other things I would like to add in this debate but my time is very limited. In closing I will add that the FCC will not only be able to set aside a portion of these

debts, but it will also be able to accommodate most of the recommendations made by the debt review boards. The FCC will not act alone, but its ability to meet the recommendations may be an incentive for private lenders to be more flexible.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), this item is dropped from the *Order Paper*.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

MINES AND MINING—GRIFFITH MINE CLOSURE—INVITATION TO MINISTER TO VISIT EAR FALLS. (*B*) EMPLOYMENT PROSPECTS IN AREA

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my submission in the adjournment debate today arises from a response by the Minister of Finance (Mr. Wilson) to a question I posed to him on April 28. Before I go into the specific points of dissatisfaction with this response, I think it will be valuable to place on the record the background and subject matter of my question.

Briefly, it concerns the denial of a tax remission to the laid-off workers of the Griffith Mine, particularly those living in the Ear Falls area. The fundamental dissatisfaction those people have lies with what the Government had promised, quite unsolicited, and which is now being left undelivered in this particular case. I would like to quote a couple of statements by the Minister of Finance because I think they are germane to the matter and relevant to a full understanding of it. In the November 8, 1984 Economic Statement, at page 101 of *Hansard*, the Minister of Finance stated:

> The consequences of closures are particularly severe for workers in communities where alternative employment opportunities are limited or simply do not exist.
>
> We intend to offer tax relief for termination benefits in these circumstances and will consult with those affected before determining the precise form of assistance.

Further to that, on November 16, 1984, I directed this question to the Minister of State for Mines (Mr. Layton):

> If in fact the mine does close, will the Government ensure that assistance similar to that given to the mines recently closed in Quebec will be given to this area?

The reply by the Minister:

> Without question, Mr. Speaker!

Quoting now from the Budget Speech of May 23, 1985, the Minister of Finance reiterates the basis for granting tax remissions in closure situations of isolated communities. At page 5017 of *Hansard* he said:

> Tax relief for severance compensation will be offered on a case-by-case basis, to employees affected by a company closure in isolated communities.

• (1720)

This was essentially a reiteration in a slightly different form of the Minister's previous commitment. Late in March of this year, when in Hamilton in the middle of a media scrum, the Minister was asked by a CBC reporter as to whether the Government was granting the tax remission to the laid-off Griffith Mine workers. The Minister stated, in that most inappropriate forum, that no, the Government had no plan to grant such a remission.

Following that surprising revelation, which went completely contrary to everything that the Minister's officials had communicated to myself and to my office up to that time, I attempted on, I believe, three occasions to get a commitment from the Minister to reconsider that decision, as it apparently was, in light of the facts. I had great difficulty securing that commitment, and, in fact, only yesterday did I secure the commitment from the Minister in a meeting.

The reply of the Minister to a question by my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez) contained some enlightening statements. The Minister cited Campbell Red Lake Mines as being an employer in the area that could be expected to employ people being laid off at the Griffith Mine. The fact was that, having done a survey of the major employers in the area, we found that Campbell Red Lake Mine was planning to employ, at most, two people in the next year or so.

That indicated to us that the Minister had been misinformed as to the facts. After a question in the House, and after questioning the Minister at committee, he finally did put down the criteria under which he rejected a remission for the housing compensation at Ear Falls. It was in the form of a letter to me, and not in the form of a copy of any policy or regulation formally adopted by his Ministry.

Understandably, people do, in good faith, rely on statements made by Ministers. The people at Red Lake and Ear Falls were very angry about the refusal to grant this submission. They sent an invitation to the Minister to come and see their area and to point out to them where the employment opportunities were. I think they have been as irritated, as I have, by the Minister's refusal on two occasions to answer the particular question as to whether he would accept an invitation, and also by the feeling that misleading information was given concerning employment prospects in the area. That is what we would like an answer to.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in response to the Hon. Member for Kenora—Rainy River (Mr. Parry), perhaps we should look at the situation from a different angle. First of all I would point out that earlier this week the Minister, along with the Hon. Member, spoke to some of the employee representatives about tax remission for severance benefits.

Mr. Speaker, let there be no misunderstanding about the situation of the Griffith Mine as compared with what happened in the town of Gagnon, and about what the Hon. Member said a moment ago. We indicated in various documents and publications that a community widely affected by economic woes might be eligible for tax relief for severance benefits. And the town of Gagnon, as the Hon. Member for Kenora—Rainy River certainly knows, was destroyed not by fire, but by bulldozers. In my opinion, this is completely different from the situation, which is nevertheless unfortunate, of the workers of the Griffith Mine.

In December 1985, 66 employees of this mine had already found work either in Ear Falls or in neighboring communities. The economy of those municipalities is healthy. The situation of the Griffith Mine workers is therefore completely different from what was expected and described in certain documents in November 1984 or at other times.

Mr. Speaker, I think that we have to differentiate between the two situations. The Income Tax Act already contains specific provisions for severance benefits.

You are indicating that my allotted time is over, Mr. Speaker, and I thank you.

[*English*]

ROAD SAFETY—SCHOOL BUS EQUIPMENT AND STANDARDS

Mr. Gordon Taylor (Bow River): Last April 8 I asked the Hon. Minister of Transport (Mr. Mazankowski):

What part does the federal Government play with regard to the safety of equipment on school buses which carry Canada's greatest treasure, namely, our girls and boys? Is any co-ordination being carried out leading to uniformity in equipment and operations in the provinces?

The Hon. Minister of Transport replied:

—Transport Canada provides the design, manufacturing and functioning standards for school buses in Canada. There are some 35 standards. They are monitored and inspected on a regular basis by the Transport Canada Road Safety Directorate. As far as provincial safety equipment is concerned, that is co-ordinated under the CCMTA—

I commend Transport Canada on the standards for design and manufacturing of school buses in Canada. The Canadian system of federal standards for bus construction is the envy of our neighbours in the U.S.A. where standards are set state by state. As a matter of fact, accident data indicates that school buses are the safest means of transporting students to and from school. The latest available Canadian analysis entitled "School Bus Accident Study" concluded that a student is eight times more likely to be injured while travelling to and from school in a vehicle other than a school bus.

The 35 federal safety standards referred to by the Minister include the assurance that the school buses are constructed with increased body joint strength, improved window retention, better fuel system integrity and improved occupant protection.

Today, however, I would like to deal with the other aspect of school buses, namely, their operation and what happens outside of the school bus: things like the best known method of loading and unloading school children, school bus driver training and optional safety lighting systems that would enhance the safety of school children and the drivers who drive in front of or behind school buses. Every province has its own method of protecting the boys and girls who ride in school buses. In Alberta, school jurisdictions have autonomy in public transportation. Some other provinces have a central authority with a mandate to address school bus safety. Consequently, there is a lack of uniform operating procedures within the provinces. This is in contrast to the United States where there have been several federal initiatives to standardize bus operations and to institute driver training programs.

Standardizing bus operations is at least as important as standardizing bus construction. U.S. accident statistics show that for every child killed as a bus occupant, three children are killed outside of the bus, either by the bus itself or by a passing motorist. Canadian accident data collected by an organization known as "Bus Us Safely" show that on a percentage per capita basis, Canadian school children have twice the fatality rate of their American counterparts.

Our provincial Governments are doing something about this; for instance, in Alberta the Hon. Marvin Moore, Minister of Highways, gave notice in 1985 that while the school bus driver improvement program was voluntary, it would be made mandatory if sufficient numbers of drivers do not receive the training. It is already mandatory in Ontario, Manitoba and Saskatchewan, and perhaps in other provinces. The Department is examining the proposal of a film to increase the awareness of the student's responsibility while a passenger on a school bus and when leaving a bus.

The penalty for offences relating to school buses varies in Alberta and in other provinces. It is the Government's intention to ensure that the penalties for infractions are realistic. There is also a requirement that a school bus operator, wherever the bus stops to load or unload passengers, must activate the flashing lights, and the only exception to this is in large cities where the matter is under the jurisdiction of the city council. A number of provinces only have the four light system.

• (1730)

While the Canadian Conference of Motor Transport Administrators endeavour to co-ordinate matters, there is a limit to their authority. There is a place for the federal Government to provide leadership by co-ordinating the areas of operations as has been done in the area of construction.

As I said at the beginning, our school buses carry the most valuable cargo in Canada—our boys and girls—and we should go the second mile to make sure that not one of these children is killed or injured unnecessarily.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the expression of concern about this important area of safety is appreciated. The opportunity to report on the status of school bus safety is most timely in view of current public interest in this subject.

Accident data indicates that school buses are the safest means of transporting students to and from school. The 1978 Transport Canada report entitled "School Bus Accident Study", concluded that a student is eight times more likely to be injured while travelling to or from school in a vehicle other than a school bus.

There are, at present, a total of 35 federal safety standards which are applicable to school buses. New safety standards for school buses were introduced in 1980. These ensure that school buses will be constructed with increased body joint strength, improved window retention, better fuel system integrity and improved occupant protection. Because of the special nature of the passengers, that is the physical size range, the protection of children in an accident is accomplished by passive means and depends on high, padded, energy absorbing seats to provide a safe compartment for the child. It should be noted that the safety standards apply to new school buses at the time of their original manufacture.

The on-road use of the buses comes under provincial jurisdiction and usually encompasses items such as driver training, bus maintenance and loading and unloading procedures. Federal and provincial school bus regulations are co-ordinated through the Canadian Conference of Motor Transport Administrators. This organization formulates policy recommendations for adoption by the Council of Federal and Provincial Ministers responsible for Transportation and Highway Safety.

The safety of school children while riding a school bus is of the utmost importance. Transport Canada continually reviews and revises, when necessary, any regulations that could improve this safety. The Department is also conducting research programs, including full scale crash tests, to investigate potential means of upgrading the safety of school bus occupants.

NATIONAL REVENUE—HOLSTEIN RESEARCH PROJECT EXPENDITURES. (*B*) APPROVAL OF PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 16 I put a question to the Minister of National Revenue (Mr. MacKay), asking why the Government of Canada continues spending $10 million through the Scientific Research Tax Credit to Dreamstreet Limited, a group of wealthy Wall Street investors.

This research project has been soundly condemned by the Holstein Friesian Association of Canada which says that it is not acceptable. The University of Guelph has turned it down. I have a letter signed by Dr. Kenneth E. Leslie, the Ontario Ministry of Agriculture Food Dairy Co-ordinator. He reviewed the Dreamstreet Redgen project for determining the physiological differences and profitability of the red and white Holstein 1986. He said:

> Generally, the protocol has poorly defined objectives, superficial background documentation, inadequate experimental methods and an ambiguous approach to analysis.

He goes on to say:

> The motives of this project clearly extend beyond the objectives of the study and the methods are very suspect.

• (1735)

Beyond that, the Co-ordinator of Research for the Government of Canada has condemned the project as being something from which people would only walk away. The Ontario Minister of Agriculture and Food has also condemned the project as useless. The question is who has put the pressure on the Minister of National Revenue and the Minister of Agriculture (Mr. Wise) to cause the Government to continue the spending of $10 million? By some reports it may be as high as $50 million over the next 10 years for this project, which seems to have no scientific benefit. People in the dairy industry are offended. They just cannot believe that at the same time the Government is making cut-backs on scientific research by the Agriculture Canada Research Establishment, it is doling out at least $10 million to a group of wealthy investors, supposedly for some purpose, perhaps to raise operating funds for Dreamstreet International, which seems to be having some financial cash flow problems.

I tried to find out from the Minister of National Revenue who is putting the pressure on the Government to keep this thing going and who put the pressure on the Government to get the project approved in the first place. The information we have is that the project was turned down by the Department at least three or four times before it was finally approved by the Minister last November. There seems to be a great deal of political pressure either from the Minister's Office, or from some place, but the Minister essentially just stonewalled. He said he could not give me the information because of the confidentiality of the Income Tax Act. We are not asking about the financial details. We are asking about the scientific value of this project.

The Canadian dairy industry, especially in southwestern Ontario, is really getting fed up with the way in which the Government is handling this affair. It is doling out millions of dollars for a research project which is of no scientific value, yet it is cutting back on Government-sponsored research. The Standing Committee on Agriculture has decided to proceed with hearings. We hope to subpoena Frank Wood, the head of Dreamstreet, who is obviously running this project, as well as other Government officials. I hope in responding tonight the Parliamentary Secretary will be able to clarify these points.

Why does the Government support this project? Why is it spending millions of dollars to establish the largest dairy herd in Canada, which will be paid for by the taxpayers of Canada and ultimately owned by a group of wealthy investors in New York City? It just does not make sense for our Government to do this. The farmers in southwestern Ontario are very upset when they see these moneys being spent for some purpose, we know not what, other than scientific research and the production of dairy cattle.

It is up to the Parliamentary Secretary to lay it all out, to explain exactly who put the pressure on the Minister to get this

project approved originally and who keeps the thing going. Obviously the scientific community and the dairy industry are very unapproving of this project, yet the Government continues to spend taxpayers' money on it.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it takes some gall for a Member of the Liberal Party to rise in this House today and criticize the Government for having to apply the SRTCs which have ripped off Canadian taxpayers of hundreds of thousands of dollars. If the farmers of southwestern Ontario are upset about this research, perhaps the Hon. Member for Algoma (Mr. Foster) could tell those people that it was his Party, while in Government, which introduced those SRTCs. That is the short answer to the Hon. Member's question.

• (1740)

The long answer is this. There is no one placing pressure on the Minister. The point is that when we took office, we had to deal with this terrible and incomprehensible device of the Liberal Government.

With respect to research being conducted under the SRTC program, it was not possible to cut off that research and grandfather the program for those conducting legitimate research. The way the Hon. Member speaks, it is as if he wishes to undermine this program. That is what he seems to be saying. The Hon. Member knows full well that provisions of the Income Tax Act preclude the Minister, or anyone in his Department, from talking about individual taxpayers. Therefore I cannot say that what the Hon. Member suggests is in fact happening. It is not a matter in the public domain.

What I can tell the Hon. Member is that under this program which the Liberals devised, and which we had to stop, it was not necessary for taxpayers to seek approval for projects, although they could request an opinion or a binding advance income tax ruling based upon plans prescribed by them. Such requests would be dealt with on an impartial basis between the taxpayer, or his representatives, and the Department. I must stress that the program was structured to encourage research without pre-approval by any ministry.

In the great wisdom of the Liberal Party, it should have foreseen this when we established such a law. To ask today that we put an end to it completely and thereby punish legitimate researchers is something we cannot do.

When the Deputy Minister, Mr. Rogers, appeared before the committee, he explained what had been done in terms of the measures taken to protect Canadians. That includes placing funds in escrow, since these matters will keep cropping up in years to come because research is still being carried out.

The short answer to the question is that there is no one putting pressure on the Minister. We just have to live with this Liberal strategem which has ripped millions of dollars off Canadian taxpayers.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5:43 p.m.

HOUSE OF COMMONS

Friday, May 23, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

TRADE

NECESSITY FOR GOVERNMENT TO PUBLISH ALL DOCUMENTS CONCERNING FREE TRADE NEGOTIATIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): The day before yesterday, Mr. Speaker, the Government released part of the studies on the negative and positive consequences of the free trade negotiations.

Mr. Speaker, the document reveals that one of the consequences would be the loss of 131,000 jobs over the next ten years.

The consequences would be negative over the next ten years, particularly in Quebec, owing to the province's industrial structure and the fact that the Government would stand to lose $3.5 billion in revenue which it would have to offset through higher income taxes.

But what is most scandalous about these documents is that the Government has chosen to suppress and hide some of the significant information which Canadians have the right to know.

Mr. Speaker, all Members of the House of Commons ought to demand that the Government table these documents and let Canadians know exactly what the positive and negative consequences might be.

Mr. Speaker, it is nonsense to claim that the Government, anxious to withhold information on the negotiations—

Mr. Speaker: Order, please. The sixty seconds have expired.

* * *

[*English*]

APARTHEID

SOUTH AFRICA—CALL FOR ACTION BY COMMONWEALTH

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the softly-softly, quietly-quietly, and completely inappropriately named constructive engagement approach has not worked with South Africa. There can no longer be any doubt that Mr. Botha intends to defend the racist system of apartheid at all costs. The Commonwealth could receive no clearer message than was provided this week with the attacks on Zimbabwe, Zambia, and Botswana, and the promise of further action.

Canada and all Commonwealth countries must act now with strong measures that will leave Mr. Botha with little doubt that freedom-loving people will no longer tolerate his racist regime. If the Prime Minister's (Mr. Mulroney) fine words of last October are to mean anything, in the face of Britain's obstinate refusal to act Canada must provide the leadership necessary for the Commonwealth to develop a timely and forceful response, even if without Great Britain.

* * *

• (1105)

INSURANCE

DIFFICULTIES IN SECURING LIABILITY COVERAGE

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, the difficulty some companies and public sector organizations are having in obtaining liability insurance is by no means unique to Fraser Valley East. Many organizations throughout the country appear to be having similar problems. Possible solutions most frequently mentioned to alleviate these problems are Government actions to limit court awards, to control premium rates, and to enter into the reinsurance or insurance business directly.

Many people look to the federal Government to take action on this serious problem. However, due to constitutional decisions, the role of the federal Government in the regulation of insurance is limited to establishing financial and solvency standards for federally incorporated or registered companies. Matters such as contract provisions, their interpretation, and regulation of premium rates fall under provincial jurisdiction. I urge the federal Government to continue its co-ordinating role in bringing together the provincial Governments in order to deal with this important issue.

S.O. 21

[*Translation*]

AGRICULTURE

GOVERNMENT PERFORMANCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, our farmers have been faced with major problems for many years. However, since the election of our Government, they have regained confidence in the future and they are looking forward to the coming crop year with unprecedented optimism.

They are right to be optimistic as our Government continues to take action to put back the farm sector back on a solid base. This week, the Farm Credit Corporation announced the second reduction of its interest rates in two months.

Farmers in Canada and the Beauce can now benefit from five-year fixed term loans at a rate of 10.75 per cent. For ten-year fixed term loans, the rate has been reduced from 11.5 to 11 per cent. Finally, shared risk mortgage rates have also been reduced.

Mr. Speaker, many Beauce farmers have told me that this Government has done more to help farmers in 20 months than the previous Liberal Government had done in 20 years. We shall continue to work tirelessly for our farmers. The Conservatives view agriculture as a priority in Canada.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

JAIL SENTENCE IMPOSED ON COMPANY PRESIDENT FOR DUMPING TOXIC CHEMICALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is important to put on record the fact that two days ago the president of a plating firm in North York was sentenced to a year in jail for dumping toxic chemicals and warned he will face a penitentiary term unless he moves immediately to stop polluting the Metropolitan Toronto sewer system. In convicting Jetco and its President, Keith Alexander, Mr. Justice Montgomery said he was issuing a clear message to this and other polluters—clean up or close up. Judge Montgomery fined Jetco $200,000 and said that, in addition to the one-year term, Mr. Alexander will face an additional month of imprisonment for every day he delays a decision to undertake a major works program to comply with the law and the order of the court, to a maximum of 15 months.

Noting evidence that Jetco had already been fined $97,950 for 69 convictions of breaking Metro's anti-pollution by-law, Judge—

Mr. Speaker: Order, please. Sixty seconds.

FARM CREDIT CORPORATION

REDUCTIONS IN INTEREST RATES

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, the Farm Credit Corporation just announced a further reduction in its mortgage rate. For the second time in less than two months these rates have been cut back as a direct result of the Government's economic policies. Under the Commodity-Based Loan Program, the rate on partially indexed loans will be reduced from 8 3/4 per cent to 8 1/2 per cent. On fully indexed loans the rate will remain at 6 per cent. Farm syndicate loans are available at 10.75 per cent instead of 11 per cent.

Earlier this month the Prime Minister (Mr. Mulroney) again confirmed the Government's commitment to agriculture with his announcement on immediate aid to farmers. At the same time we are world leaders in working toward long-term solutions to the international farm crisis. This Government has done more for farmers in 20 months than the previous Government did in 20 years, and we will continue to work for our farmers for many years to come.

* * *

• (1110)

STATUS OF WOMEN

ANNIVERSARY OF SECURING FRANCHISE

Mr. Rod Murphy (Churchill): Mr. Speaker, tomorrow marks the sixty-eighth anniversary of Canadian women winning the federal vote. This anniversary of women's suffrage is a time to celebrate women's achievements, it is also a time to reflect on the progress our society has made toward the goal of equality between men and women.

There have been some improvements in the status of women and Canadian women are proud of their accomplishments. Women fought for and won the equality provisions in the Charter of Rights. Women have emerged as a driving force in the creation of jobs in the small business sector. Women now occupy positions of influence in the professions and politics.

However, these gains will remain symbolic as long as average Canadian women continue to face inequality in their daily lives. Parliament must pursue the principle and the promise of equality vigorously. There can be no further delay, there must be action for equality now. One challenge that all three Parties must meet is to elect more women to Canadian Legislatures.

[*Translation*]

ENVIRONMENTAL AFFAIRS

STRUGGLE AGAINST ACID RAIN

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last Wednesday, the Special Committee on Acid Rain heard the evidence of Mr. Paul Hansen, Environment Canada acid rain advisor who also works for the Isaak Walton League, one of the most respected environmental groups in the United States.

Before the Members of the Committee, Mr. Hansen stated that the Prime Minister (Mr. Mulroney) had done a lot to make the issue of acid rain progress politically in the United States. He also added that the battle against acid rain will be won only when American public opinion realizes the seriousness of the problem.

This is why, Mr. Speaker, I ask that, during the coming summer season all Canadians who visit the United States or who receive American tourists tell our southern neighbors about our concerns in this regard and point out that their intervention is essential if we want to win this fight and improve the quality of life for the citizens of both countries.

* * *

[*English*]

THE ECONOMY

BANK RATE REDUCTION

Mr. Alex Kindy (Calgary East): Mr. Speaker, yesterday the Bank of Canada announced another reduction in its bank rate. Today the rate fell by 16 basis points and is now fixed at 8.43 per cent. This represents a drop of nearly 4 per cent since the election of our Government roughly 20 months ago.

Events are now unfolding as the Minister of Finance (Mr. Wilson) said they would. Interest rates are down, unemployment is down, the dollar is strengthening, and the economic outlook for Canada has not been this good in years. Yesterday's further drop in interest rates will be welcomed by the business community, by consumers, and by Governments, all of whom have seen their borrowing costs reduced dramatically since the election of our Government in September, 1984.

The Opposition doomsters and gloomsters can holler and criticize to their hearts' content. The Canadian public has shown more sense and has chosen to participate in this recovery rather than wallow in criticism and faultfinding, as do the Liberals and the NDP.

S.O. 21

EXTERNAL AID

AFRICAN RELIEF—SPONSORSHIP OF RACE RUNNERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, in Ottawa this Sunday, under the aegis of UNICEF, a special run will take place. A Race Against Time/Sport Aid will raise money which will go to organizations involved in African relief. One-shot deals to relieve African famine are not enough. We need to have long-term plans which we can work out with the people concerned in Africa.

I hope Members of this House will agree to sponsor one of the many runners and will pledge some money here on the Hill. The organizers of the race will select a young student for Members who will carry their pledges through the course. If Members are on the Hill this Sunday morning at 11 a.m., they can then pick a winner and run the race. If not they can join the Minister for External Relations (Mrs. Vezina) and sponsor her racer. Members may join her on Monday at three o'clock after Question Period, with that student.

* * *

[*Translation*]

HEALTH

PHARMACISTS QUIT SELLING TOBACCO AND CIGARETTES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, we have witnessed one more example of co-operation between the private sector and our Government. In line with the concern expressed by the Hon. Minister of National Health and Welfare (Mr. Epp), some well-advised business people from the Quebec city area, more specifically one of our oldest pharmaceutical supply distribution companies, have decided to stop selling cigarettes and tobacco.

Our Government has stated emphatically everywhere, supported by many Canadians, that tobacco use is detrimental to health. Our initiative will benefit the Canadian public generally, Mr. Speaker. It will reduce the costs incurred for hospitalization later on and help us reduce the deficit we have inherited from the Liberals.

We are a multifaceted Government: no area escapes our scrutiny. This is the way we are planning to overcome the Liberals' stagnation. I say thank you to the corporations which trust and support us. Our congratulations to the Brunet pharmacies in the Quebec city area.

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

PROMOTION OF SLOWPOKE NUCLEAR REACTORS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, at a time when public consciousness around the world has been dramatically alerted to the hazards of nuclear power generation Atomic Eneregy of Canada has been promoting the use, particularly in small northern communities, of its Slowpoke reactor energy system.

John Hilborn, designer of the original Slowpoke, speaking at a 1981 meeting of the Canadian Nuclear Society, said the following:

It is now well known that people will accept frequent, small disasters more readily than rare catastrophes.

• (1115)

In line with this twisted reasoning, AECL is now attempting to flog the Slowpoke energy system, with reactors some 100 to 1,000 times the size of the prototype model, as able to operate for weeks at a time without human supervision.

The sheer idiocy of even considering the commercial operation of such generating reactors, with fallible pumps, valves, and plumbing, without constant human monitoring and attendance, shows how far AECL officials have divorced themselves from reality in their desperate scramble to market their wares without concern for public safety.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. PIERRE LORRAIN, SPEAKER OF QUEBEC NATIONAL ASSEMBLY

Mr. Speaker: I wish to recognize the presence in our gallery today of Hon. Pierre Lorrain, Speaker of the Quebec National Assembly.

[*English*]

PRESENCE IN GALLERY OF ZIMBABWEAN MINISTER OF EDUCATION

Mr. Speaker: I also wish to draw to the attention of Members the presence in our gallery of the Hon. Comrade Dr. Dzingai Mutumbuka, Minister of Education for Zimbabwe.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

IMPOSITION OF U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, this situation is utterly ridiculous. At the very beginning of trade talks with the United States, the Prime Minister's friend, President Reagan, by his own act and his own hand, imposes a 35 per cent tariff on cedar shakes and shingles from Canada. This is putting $250 million worth of exports and perhaps thousands of jobs in British Columbia in jeopardy. Will the Prime Minister tell us, in view of his relationship, whether he had advance notice of this action by the President and, if so, what steps were taken to head it off? If he did not, how can that be explained?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the action announced by the U.S. administration is, in our judgment, unfair and unjustified. The action taken by the administration is at variance with all the undertakings provided by President Reagan at Quebec City and in Washington. As my hon. friend knows, I have tried to place Canadian-American relations on a friendly footing and I will tell my hon. friend that actions like this make it extremely difficult for anyone, including Canadians, to be friends with the Americans from time to time.

REQUEST THAT FREE TRADE NEGOTIATIONS BE SUSPENDED

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am pleased to hear the Prime Minister's response. Now I suggest that that rhetoric has to be backed up by some action. Surely the immediate retaliatory action would be to suspend the bilateral negotiations until this tariff is removed. Would the Prime Minister not agree that that would be the appropriate remedy?

Right Hon. Brian Mulroney (Prime Minister): No, I do not, Mr. Speaker. That would be an action inspired by petulance. This is too serious a matter to respond in that way. I have conveyed to the President of the United States the view of our Government, and I am sure of all Canadians, that the action he has taken is pure protectionism, exactly the thing that he undertook to fight against in Washington and Quebec City, and in all his statements affecting Canada.

It is bizarre that this action should have been taken as we are honestly and openly trying to initiate what could possibly be the elimination of tariff barriers between our countries with a view to bringing about mutual benefits for both our nations. Therefore, this action by the United States of America is very, very inappropriate and totally inconsistent with what the President and the administration have said *vis-à-vis* Canada. We will provide an appropriate response.

Mr. Johnston: It is not pure petulance to take steps to protect the interests of the Province of British Columbia.

EFFECT ON BRITISH COLUMBIA

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, will the Prime Minister not agree that, if this action remains in place, British Columbia will become the artificial lamb on the altar of free trade in these negotiations?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there will be no "lambs", artificial or sacrificial, on the table of any negotiations. In point of fact it is our hope that the broader bilateral table of negotiations will allow both sides to conduct themselves in a non-protectionist mode.

My hon. friend is aware of the grievous pressures which have been building up in Washington, a vote yesterday in the House, debilitating protectionist initiatives by the droves, by the dozens down there, many of them designed to hit other countries but specifically impacting negatively upon Canada and Canadian jobs. It is because this kind of action can have such a damaging effect in British Columbia and elsewhere that we have initiated a broader scope negotiation designed to free both countries from these kinds of incidents which impact so unfavourably on both of us.

I can tell my hon. friend that we are examining very carefully all actions designed to help British Columbia and Canada which can be taken in this area.

[*Translation*]

FREE-TRADE NEGOTIATIONS—PARTICIPATION OF PROVINCES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is also directed to the Prime Minister. Following the conference held in Halifax last November, a press release was issued by the Prime Minister's Office indicating that the Ministers had agreed to implement, within 90 days, the principle of full provincial participation in the process of free-trade talks. It will soon be 180 days since the conference was held. Could the Prime Minister inform the House why the federal-provincial conference, called as a result of pressure by the provincial Premiers, is 90 days late, and why the federal Government has allowed negotiations with the United States to begin, without first deciding on the formula or mechanism for full provincial participation in the negotiating process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member has been following developments with respect to federal-provincial consultations on international trade, he must be aware that there have been five meetings of officials of the various governments, where considerable progress was made and a substantial consensus was reached on the approach to these negotiations and on certain substantive issues. There will be a meeting between the Prime Minister of Canada and the provincial Premiers, because we have now reached the point where we believe that a discussion with the Premiers is likely to result, for the first time in Canada's history, in an effective mechanism for full provincial participation in a negotiating process.

[*English*]

Mr. Speaker: Order. This is becoming long.

[*Translation*]

INQUIRY WHY GOVERNMENT BEGAN NEGOTIATIONS WITHOUT PARTICIPATION OF PROVINCES AND WHETHER CONTRIBUTION OF FRANCOPHONES WILL BE INCREASED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, since, according to the studies that have been tabled, free trade may prove to be a disaster for Quebec as far as jobs are concerned, could the Secretary of State for External Affairs inform the House why, in that case, the Government has started negotiations without having either Quebec or the other provinces at the negotiating table or involving them in the process, and when he is going to meet the commitment he made to increasing francophone participation on the federal negotiating team?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the studies published by the Canadian Government have clearly shown that various results are possible with these negotiations. We have indicated that if there were to be a loss of Canadian jobs, no agreement will be signed by the Canadian Government. We are here to ensure that we will have a situation where, first of all, Canada is protected against actions such as the recent action taken by the President of the United States, and second, where we can provide the basis for a flourishing economy and provide job security for all Canadians, in Quebec and elsewhere.

[*English*]

IMPOSITION OF DUTY BY UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It goes back to the incredible decision made by President Reagan himself to sacrifice some 4,000 jobs in British Columbia as a result of an unfair duty imposed by the President himself. Considering that the duty had nothing to do with unfair trade practices and that it was imposed by the President himself, and having nothing to do with Congress, is the President not sending a clear message to the Prime Minister, namely, where Americans cannot compete with Canadians, then Canadians will not be allowed by the Americans to have access to their market?

• (1125)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would not disagree with that construction.

REQUEST THAT FREE TRADE TALKS BE DISCONTINUED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am pleased that the Prime Minister, perhaps belatedly, now sees that the Americans are tough bargainers and have been

getting away with much too much in the past year in dealing with the present Government of Canada.

Is the Prime Minister now inclined to agree that the position taken by President Reagan is in fact a complete denial of all the promises that he has made to the Prime Minister which will result in the loss of 4,000 jobs, according to industry spokespersons in British Columbia with whom I spoke this morning? Will he not get on the phone today to the President and, in firm but minimal language in terms of rhetoric, say to the President: "We will not continue with free trade talks as long as this kind of hypocritical action remains in place"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not learn belatedly that the Americans are tough bargainers. I have known all my life that the Americans are tough bargainers. We finally have a Government in Canada which is a tough bargainer itself.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: We know that. I have said many times that I expected all kinds of difficulties to emerge during the life of these negotiations. With $150 billion of commerce back and forth every year it could not be otherwise. We will have difficulties from the beginning to the end. The easy thing would have been not to initiate these kinds of negotiations. The difficult thing is to embark upon this kind of challenging negotiation which will have its pitfalls and its disappointments, to be sure. I agree with my hon. friend that this one today is an unfavourable signal.

This morning I sent back a clear, direct signal to the President of the United States in regard to the deep concern and the unacceptability of this action to the Government of Canada, as did the Secretary of State for External Affairs confirm the same in a telephone call which he had with Mr. Shultz a few minutes ago.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S MESSAGE TO UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to get it clearly from the Prime Minister. Is he telling the House that he spoke directly to the President of the United States? Did he make it clear in that conversation that he regarded this decision by the President of the United States himself to be totally inconsistent with what he had promised he would do? Will the Prime Minister tell the House what the President's reply was? Did the President of the United States say, yes, he was mistaken and he would take corrective action consistent with his public commitment to free trade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this morning, after meeting with the Archbishop in regard to the South African initiative, I immediately conveyed our views to President Reagan. The Secretary of State for External Affairs spoke directly with Secretary Shultz. We have conveyed our views, and we will be doing so again. We hope that we will be able to take some actions ourselves.

I wish to point out to my friend that the easy thing—and this is not to diminish in any way my disappointment as a Canadian in regard to how this action affects us as it does—is to ask whether this kind of action would affect a Third World country and whether protectionism itself is designed to debilitate economic progress. Protectionism is the refuge of someone who does not ultimately believe in free and freer trade.

Mr. Deans: Are you surprised?

Mr. Mulroney: We believe that freer trade will bring about greater economic opportunities, which is why we will resist this type of protectionism. We will try to prepare an appropriate response for the American administration which will convince them of the folly of this kind of action directed either against a great friend such as Canada or anyone else. This kind of thing is bad news.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES AUTO PACT

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Secretary of State for External Affairs, bearing in mind that the Government seems to want to persist in carrying out these negotiations in spite of the American President's blow to the B.C. lumber industry.

The Minister has often claimed that the Auto Pact will not be on the free trade negotiating table, yet yesterday he stated: "We have not released documents that might help the United States in these negotiations". If the Auto Pact is not on the negotiating table, then why has the Government blanked out page after page in the findings and conclusions of its study on the Auto Pact?

• (1130)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to find out precisely why those paragraphs were omitted. I cannot recall them precisely. I cannot confirm whether or not they related to the Auto Pact. I can repeat the position of the Government of Canada which is that we have in the Auto Pact an arrangement that works and we see no reason to change it.

REQUEST FOR RELEASE OF FULL STUDY

Hon. Herb Gray (Windsor West): Mr. Speaker, the study in question is entitled "The Automotive Agreement in a Canada-United States Comprehensive Trade Arrangement". Will the Secretary of State undertake to release all the information in those blank pages? The people in the auto industry have a right to know what is on those pages. Will he not agree to this so that we can make sure that those workers will not be sacrificed as the Government seems to be on the verge of

sacrificing workers in the British Columbia forest products industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will give the Hon. Member two assurances. One is that an arrangement will not be entered into between Canada and the United States that will cause Canadians to lose jobs. The second undertaking I will enter into is that I will not be publishing in the House of Commons information which, if it went into the hands of the Americans, would damage the case of Canada.

I read today in *The New York Times* that the colleague of the Hon. Member, the Hon. Member for Winnipeg—Fort Garry, is in active collusion with Members of the United States Congress who are trying to stop the passage of an acid rain Bill.

Some Hon. Members: Shame.

Mr. Clark (Yellowhead): I believe that kind of conduct to be inappropriate to Members of the House—

Mr. Deans: You can't say that.

Mr. Speaker: Order, please.

CANADIAN SOCIAL PROGRAMS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the rhetoric is getting somewhat excessive, I must say. When an Hon. Member is accused of being in active collusion, that is certainly a most unusual way of putting a point of view.

Let me ask the Prime Minister a question about what is now happening. Given yesterday's decision by the President of the United States, is it not now necessary to get a clear, unequivocal, unambiguous statement from the U.S. President with regard to what he stands for, and if Mr. Murphy, his chief negotiator, speaks for him when he refuses to accept Canada's position that our social policies are not on the negotiating table?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Canada's policies are not on the negotiating table. My hon. friend knows that, the House knows that, and the country knows that. We do not have to return to that.

Mr. Orlikow: Mr. Murphy doesn't know that.

Mr. Mulroney: Well, then, I give you the responsibility of educating Mr. Murphy.

Mr. Broadbent: That's your job.

Mr. Mulroney: That is not my job. My job is to state exactly what I have stated on behalf of the people of Canada which is that the social programs of this country are not on the table, Murphy or no Murphy.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it not also the job of the Prime Minister to make sure that, before negotiations start, the people with whom we are negotiating understand and accept that those policies are not on the negotiating table?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, not at all. I am surprised that my hon. friend, who has the same kind of background as I and who is not unfamiliar with negotiating, would make that kind of an assumption.

Mr. Deans: You don't sit down and negotiate with someone who disagrees profoundly with your view.

Mr. Mulroney: That is a school of thought. I am not in any way surprised that the negotiator from the other side would, at the beginning of the negotiations, throw out opinions or—

Mr. Deans: In the context of what he did yesterday.

Mr. Mulroney: —or make statements such as that.

Mr. Speaker: Order.

Mr. Mulroney: I can simply tell my hon. friend—

Mr. Speaker: Order, please. Questions and answers should be questions and answers and not discussion.

Mr. Deans: Given that Reagan has lied, given that Reagan has lied to us all the way through—

Mr. Speaker: Order, please. The Hon. Member for Renfrew—Nipissing—Pembroke

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NORTH ATLANTIC TREATY ORGANIZATION

U.S. PLAN TO RESUME PRODUCTION OF CHEMICAL WEAPONS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Associate Minister of National Defence. On January 27 the Secretary of State for External Affairs wrote a letter stating the following:

> Canada's first priority in relation to chemical weapons continues to be to pursue actively at the Conference on Disarmament (CD) in Geneva the conclusion of a complete and verifiable ban on all chemical weapons.

At a NATO meeting in Europe yesterday the Minister of National Defence went along enthusiastically, we are told, with a U.S. plan to resume production of chemical weapons. How can the Minister of National Defence have taken such a decision with no debate in the House and no discussion in committee, at a time when it flies in the face of the responsible decision taken by the Secretary of State for External Affairs to pursue the chemical weapons issue actively at the Conference on Disarmament in Geneva?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the position of this Government on chemical weapons is exactly the same as the position of the previous Government. We fully endorse the position taken in 1970 that Canada will not have chemical weapons, will not use chemical weapons, will not produce them, and will not keep them in store. That remains our position. We adopted that position after the position adopted in 1969 by the United States unilaterally to stop the production of new chemical weapons. In the meantime the Soviets continued with production and have built up their chemical capabilities.

In order to maintain the deterrence which is what NATO is all about—to avoid war—it is deemed prudent by all NATO countries that the U.S. increase or modernize its chemical capability for the maintenance of that deterrence and peace. There is no inconsistency at all. We are carrying on the policies of the previous Government which were endorsed by the Hon. Member.

REQUEST FOR PARLIAMENTARY DEBATE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Canada is a party to the 1925 Geneva Protocol banning the use of chemical weapons. That was a policy of the previous Government as well. Since the Government has failed to bring forward a White Paper on defence policy, will the Associate Minister of National Defence commit himself and the Government to a debate in the House on such major international issues as this one so that Canadians may learn what is going on?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, there has been some very significant reforms of the rules of the House. There are all kinds of opposition days available, and there are opportunities in committee. I would welcome a debate on defence at any time. If the Hon. Member would approach his House Leader or the members of his Party who deal with these matters, I am sure he would find co-operation on our side. The resistance to which the Hon. Member refers is fictitious.

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TRADE

U.S. DUTY ON CANADIAN CEDAR SHINGLES AND SHAKES—CANADA-UNITED STATES NEGOTIATIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this morning the Prime Minister used very frank and tough words about Mr. Reagan's decisions. I have to ask how we are to continue to negotiate free trade with the United States in good faith based on Mr. Reagan's promises when the U.S. President has reversed himself so fundamentally on those promises in the decision he has made?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is highly regrettable that the U.S. Administration should have decided to take the kind of action that was announced late yesterday by the President, because this action is a complete reversal of the policy announced previously in Quebec City and Washington by President Reagan.

That being considered, we intend to look at all the options available to the Canadian Government in the circumstances, and we shall advise our colleagues at the appropriate time. Quite frankly, I must admit that the isolated action announced yesterday by President Reagan is a reversal of all the commitments and measures announced by the U.S. Administration with respect to the Canada-U.S. bilateral trade talks.

[*English*]

REQUEST FOR DISCONTINUANCE OF NEGOTIATIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is not just an isolated example. In fact it is an example of a constant pattern this week of American aggressiveness with respect to our trade position.

[*Translation*]

And that being considered, I want to ask the Prime Minister: Is it not necessary to do something here in Canada, not just talk but take specific action, such as telling the President: We cannot continue these free trade talks when this kind of decision is being made?

• (1140)

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend knows that in point of fact this is essentially an isolated action *vis-à-vis* Canada undertaken by the administration. I think he is aware of the fact that there is in the neighbourhood of a $150 billion to $175 billion, and growing, trade deficit in the United States. President Reagan is indeed a free trader, a defender of free trade down there. He is under enormous pressure and attack every day. It is particularly disconcerting that protectionism appears to have become an issue on which the Democratic Party, or many members of the Democratic Party, will choose to take a stand. Notwithstanding that set of circumstances, this action taken by the President against Canada, for whatever reason, is unjustified and unacceptable and will not be accepted by the Government of Canada.

Some Hon. Members: Hear, hear!

UNEMPLOYMENT INSURANCE

REQUEST THAT REGULATION CHANGES BE REVOKED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also for the Prime Minister. In view of the hardships suffered across Canada, and in view of the reported suicide of a 32-year army veteran who cited the unemployment insurance changes as one of the reasons for this unfortunate act, would the Prime Minister now agree that the time has come, and the only solution is, to revoke the unfair and cruel changes in respect of unemployment insurance which his Government has brought in?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, this is indeed a very sad story, but is it directly related to a Government policy? This has not been proven. In any case, I will take the question as notice and advise my hon. colleague accordingly.

However, I think everyone is aware that the decision was announced in November 1984 and was not implemented until January 1986, and that the policy was referred to the Forget Commission which will be submitting a report to the Government. We shall see what transpires at that time.

Ms. Copps: Mr. Speaker, my supplementary is also directed to the Prime Minister, because he and his Government changed the legislation in the Budget of the Minister of Finance.

[*English*]

REQUEST THAT CHANGES BE SUSPENDED

Ms. Sheila Copps (Hamilton East): Given that in the suicide note the unfortunate veteran asked his wife to fight like hell to get changes to the Unemployment Insurance Act, I want to ask the Prime Minister the following question in all sincerity. Until the Forget Commission comes out with its final report, will he agree in the interim, over the next number of months, to revoke the unfair changes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course I deeply regret any loss of life for whatever reason and would not care to comment beyond that, as my hon. friend will understand. The Government, in co-operation with the Forget Commission, is doing what it believes is appropriate. With regard to any loss of life, obviously my hon. friend would not want to tie it into any action taken by any Government anywhere.

* * *

CANADA PENSION PLAN

INTRODUCTION OF CONTRIBUTION RATE CHANGES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Finance. When will the Minister introduce changes to the Canada Pension Plan contribution rate, as recommended by the Chief Actuary of Canada and as agreed to by the provinces last December?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the legislation is in the process of being prepared. I would hope that we would be in a position to table it in the House sometime in the middle of June.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

PRODUCTION OF CHEMICAL WEAPONS BY UNITED STATES

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Why has Canada so enthusiastically supported U.S. plans to produce new chemical weapons? Why has Canada not joined the six NATO countries which have expressed serious reservations about these plans to produce new chemical weapons, or the seventh, Italy, which also has reservations about them? Why have we been so enthusiastic?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it would leave an impression that is contrary to the facts if we suggested that Canada was enthusiastic about the failure of the world to come to agreement on a means to control and eliminate the use of chemical weapons. Canada is working very hard in various committees, particularly in the Committee on Disarmament, to try to move forward an agreement which will be binding upon everyone and accepted by everyone. The difficulty we now face is that for more than the last decade the United States has refrained from the production of chemical weapons, but the Soviet Union has not. That leads to a situation which can be very destabilizing. Obviously the preferred solution of Canada would have been an agreement. In order to reach an agreement, we require some reasonableness on the Soviet side with regard to verification. That has not occurred.

Ms. Jewett: I disagree. That is not the problem.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, basically the Minister is saying that the talks are momentarily stalled so let us keep them permanently stalled; that is what he is saying by his enthusiastic support for chemical weapons.

Some Hon. Members: Oh, oh!

Ms. Jewett: Given what the Government has said about its arms control objectives, including a global ban on chemical weapons, how can we believe anything the Government says about its objectives when its actions so belie its words?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course the Hon. Member is entitled to say whatever she believes. I think upon reflection she would find it rather extreme to suggest that I enthusiastically support the use of chemical weapons, and I would hope she might reconsider that statement. She is quite right in one part of what she said. We are looking for a global ban. In order to get a global ban there has to be a system of verification which will work in the Soviet Union. If the events at Chernobyl showed us anything, they showed us how deeply ingrained in the Soviet character is an insistence upon secrecy. That is the problem with verification. We would be fools if we turned a blind eye to that reality.

* * *

[*Translation*]

TRADE

INQUIRY WHETHER PRIME MINISTER TELEPHONED UNITED STATES PRESIDENT ON SUBJECT OF LUMBER INDUSTRY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister. Can the Prime Minister tell us whether he has spoken personally to the American President, his friend Mr. Reagan, about his decision of yesterday to take action to protect the American lumber industry, which will have disastrous effects on the Canadian industry?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already said that I did not talk to the American President this morning, that I immediately sent an urgent message and that the Secretary of State for External Affairs has spoken to Mr. Schultz. I think that this is the second time I mention it.

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I have a supplementary, Mr. Speaker. Does the Prime Minister not believe, in view of the urgency of the situation, that he should speak personally to the American President? Second, can the Prime Minister explain how it is that he has not yet been advised about the changes in the American policy even though he himself has given up everything to negotiate free trade?

Right Hon. Brian Mulroney (Prime Minister): That is ridiculous. It is a vulgar and inaccurate statement which should be withdrawn. The fact is that the negotiation process undertaken for Canada not only protects completely the rights and jurisdiction of Canada, but also puts us in a position of strength compared with our counterparts and that this will enable us to make an agreement which will favour both sides.

I know—

Mr. Malépart: The other side is not keeping its commitment!

Mr. Mulroney: I know. If my colleague asks me whether the statement or action of yesterday . . . and we had apprehended all sorts of initiatives of this type because of the enormous pressures put on the American Congress.

However, if my colleague is asking whether this action contradicts the statements made by the President of the United States, the answer is yes.

Mr. Malépart: He has betrayed you!

* * *

[*English*]

FINANCE

PETROLEUM AND GAS REVENUE TAX

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the burden which small oil companies are required to shoulder by paying the PGRT. Is there any relief in sight for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is aware that there was an announcement on April 30 to the effect that the PGRT credit for small producers would be increased from $500,000 to $2 million. We are proposing to broaden that to include the royalty treatment for people from $10,000 to $40,000, a comparable increase which will be made concurrent with the change in the PGRT credit for small producers.

* * *

• (1150)

TRADE

U.S. DUTY ON CANADIAN CEDAR SHAKES AND SHINGLES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Prime Minister. I will try to be as fair as I can in presenting the question.

Mr. Gormley: The NDP fair? That doesn't fit.

Mr. Waddell: The Prime Minister has given so much to the Americans, from the dropping of the National Energy Program to the changing of FIRA. What can I tell my constituents in British Columbia, many of whom will lose their jobs as a result of this action by President Reagan yesterday? What do I tell them that Canada got in return?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me just deal with the premise that Canada gave so much—the NEP and FIRA. The NEP and FIRA were

debilitating Canada. We got rid of them, not to do a favour to the United States but to do a favour to Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to specific industries, we will take the action which is appropriate and persuade the United States administration that its kind of action, isolated though it has been with regard to the Hon. Member's constituents and perhaps others, is unacceptable. This is at variance with every statement that the President of the United States has made with regard to undertakings given on behalf of his administration to the Government of Canada. This is unacceptable. We hope to persuade and convince the Americans that it is in their interest not to proceed with these kinds of unacceptable measures affecting the interests of Canada directly and unfairly.

Mr. Waddell: I will remind the Prime Minister that it was he who put all his eggs in the American basket.

PRIME MINISTER'S CONTACTS WITH UNITED STATES PRESIDENT

Mr. Ian Waddell (Vancouver—Kingsway): Would the Prime Minister tell the House whether he was in touch with President Reagan before this morning, as he was asked to be by Canadian industry? Was he in touch with his friend, President Reagan, before today to tell the President not to take this kind of action? Did he do that on behalf of Canadian workers and business?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I signed the document at Quebec. The President gave further undertakings in Washington in March. This is exactly the antithesis of what we discussed at Tokyo.

Mr. McCurdy: The man can't be trusted.

Mr. Mulroney: This is exactly the case that Canada has been making.

Mr. Waddell: What's your influence then?

Mr. Mulroney: My hon. friend says: "What's your influence?".

Some Hon. Members: None.

Mr. Mulroney: I am sure that when an action like this takes place it is as dispiriting to the Hon. Member as it is disappointing to every Member of the House. One must realize the context in which it takes place, which does not make it any more acceptable. These are pressures that the President is under and we feel that he ought not to have responded to those pressures—

Mr. Ouellet: You're even scared to call him personally.

Mr. Mulroney: —because they contribute to the growth of protectionism which hurts us all.

My hon. friend said that we put our eggs in the American basket. We did no such thing. We put our eggs in the Canadian basket—

Mr. Ouellet: They're all broken.

Mr. Mulroney: —and we are ready to make fair and honourable deals with anybody, including the Americans, who will increase prosperity in this country.

Some Hon. Members: Hear, hear!

* * *

HEALTH

PRESENCE OF TOXIC SUBSTANCES IN FOOD CHAIN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As the Minister well knows, Canadians are preoccupied by learning that traces of dioxins, dibenzofurans, and other toxic materials are being found in food and the food chain. In light of the recent study which has just been published, what plans does the Minister now have to intensify research on toxic substances so as to protect public health?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with regard to the protection of public health, and with specific reference to the Toronto study to which the Hon. Member refers, there is no doubt that a number of points on the very complex issue have to be raised in an attempt to answer the Member.

First, there are two regulations under the Food and Drug Act, which I will not list for the Hon. Member, which pertain primarily to dioxins in fish. We have been considering whether those regulations can be extended to include other foods. Second, with the type of sensing equipment that has been developed we are finding trace dioxin levels which previously hereto could not be found or traced.

The third point I would make, without trying to deprecate the report, is that foods were tested which were not washed. Therefore, they were testing trace elements which appeared as dust on the surface of the food without having washed it first. Obviously, common public health for everyone would indicate that food should be washed first.

REQUEST FOR PUBLICATION OF INFORMATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Minister ensure that the information known to his Department will be made public on this specific matter which is so delicate, in view of the fact that his colleague, the Minister of the Environment, stopped the circulation of a publication called *Storm Warning* which was produced by the Department of the Environment on the very same subject?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would have to look at the specific request. However, the general principle on which I function, which applied to radioactivity in Chernobyl, is that if we have information which should be given to the public to reassure them that their food is safe and their health is not in jeopardy, it will be made available as quickly, fully, and expansively as possible. I will check the specifics, but that is the general principle by which I am guided.

* * *

[*Translation*]

TRADE

BENEFITS OF FREE TRADE FOR BOTH NEGOTIATING PARTIES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Right Hon. the Secretary of State for External Affairs. With respect to the Canada-U.S. bilateral trade negotiations, and keeping in mind Quebec's industrial and manufacturing structures, did the Minister make sure that Quebecers too will benefit from these agreements, notwithstanding the statements made by the Hon. Member for Laval-des-Rapides who keeps saying that Quebecers lack entrepreneurial skills?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I greatly appreciate the interest of the Hon. Member who is as intent as we are on holding negotiations which might be of significant benefit to the people of Quebec. We have set up a consultation process with business circles, unions and other Canadians to make sure that the particular viewpoints of each industry and each region of the country can be readily accessible to our negotiators.

* * *

[*English*]

NATIONAL SECURITY

CLEARANCE PROCEDURES FOR CIVIL SERVANTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. I have before me a confidential transcript of a SIRC hearing at which an officer of CSIS reveals for the first time that CSIS tape records, secretly and without consent, all voluntary interviews with civil servants seeking security clearance. Will the Prime Minister immediately order a full investigation into the nature and extent of this reprehensible taping of thousands of federal public servants without their knowledge or consent?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, in the absence of the Solicitor General I will have to take notice of the Hon. Member's statement and have the matter checked into.

REQUEST THAT TAPE RECORDING OF INTERVIEWS BE HALTED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, this secret taping is a major assault on the privacy of all federal civil servants. Will the Minister give the House an assurance that pending the inquiry which I have sought there will be an immediate order issued to CSIS to end forthwith this secret taping of federal public servants seeking security clearances?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member would be more convincing if he made his charges in a more measured way. These allegations will have to be checked into. If the Member was really concerned about the matter he would have given some notice so it could have been checked into before he asked the question. However, I will see that the matter is looked into.

* * *

NATIONAL REVENUE

PREPARATION OF GUIDELINES—EFFECT ON RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, when the Prime Minister promised open government he forgot to tell yet another Minister, the Minister of National Revenue, to whom I direct my question. The Canadian Advance Technology Association has told the Science and Technology Committee that Revenue Canada is preparing guidelines which may seriously handicap research in Canada. Why has the Minister followed a secret process in preparing the guidelines? Why has he excluded industry representatives from the committees which are drafting those guidelines?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I want to tell my hon. friend opposite that this allegation is speculative on his part. If there is any substance to it, I will get back to him and report in due course.

• (1200)

ASSOCIATION'S REQUEST FOR PUBLICATION OF DRAFT GUIDELINES

Mr. David Berger (Laurier): Mr. Speaker, the letter from the Association is far from speculative. Will the Minister accept the request of the Association to publish these draft guidelines for comment and feedback from the industry? This would respect the Government's own guidelines as far as publication of regulations are concerned.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I will take this as a representation from my hon. friend and consider it in due course.

THE LATE DAVID COOK

Mr. Speaker: I am in receipt of a notice of a point of order from the Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, by now Members of the House will be aware of the death of Mr. David Cook, one of our long-time committee clerks. We extend our sincerest sympathy to his family.

Mr. Speaker: I think the House would want to know that I have expressed condolences on behalf of the entire House.

Hon. Herb Gray (Windsor West): Mr. Speaker, we in the Official Opposition associate ourselves with the expression of sympathy concerning the late Mr. Cook.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, needless to say, this is a matter which has received, as you indicated, the sympathy of all Members of the House.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what business he intends to call for next week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, today is of course an allotted day. On Monday I want to proceed with Bill C-94, legislation concerning the Atlantic Accord. I hope it will receive expeditious treatment on second reading. I want to thank the House for the manner in which it has dealt with business in the course of the last few days. I hope we can continue that with this particular Bill so it can receive the attention in committee that it deserves.

Following that will be C-98 concerning duties relief. At three o'clock on Monday I want to move to concurrence in Ways and Means Motion No. 43 tabled on May 21, 1986, to amend the Customs Tariff.

Discussions have been ongoing with Opposition House Leaders and we are looking at the sequence of other legislation which might come forward. I will continue to have consultations so that all Members will have adequate notice in order to deal expeditiously with the legislation.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to two petitions.

* * *

[*Translation*]

PRIVILEGE

ALLEGATIONS AGAINST MEMBER

Mr. Raymond Garneau (Laval-des-Rapides): On a point of order, Mr. Speaker. During Oral Questions Period the Hon. Member for Lévis (Mr. Fontaine) asked a question and referred to remarks I am alleged to have made recently. Mr. Speaker, I would like to have an opportunity to check the blues of the official record and correct some of his comments because the sound system was not functioning properly and I did not hear everything he said. After checking the blues, I might seek the floor to raise a question of privilege.

[*English*]

Mr. Speaker: The Chair takes notice of the Hon. Member's concern. He will know, I think, if he checks with his House Leader—

[*Translation*]

—there are rules concerning the question of privilege, namely that it is necessary to raise the question of privilege at the earliest opportunity. If he thinks he has a question of privilege now, the fact is—

[*English*]

The question of privilege does not exist because the "blues" say it exists. A question of privilege exists if it exists. Does the Hon. Member think he has a question of privilege?

[*Translation*]

Mr. Garneau: Mr. Speaker, the fact is that the Hon. Member for Lévis (Mr. Fontaine) claimed that I had made some comments to the effect that Francophones did not have the economic know-how to hold certain positions. I never said that. The Conservative Member, the Hon. Member for Lévis . . . But first I wanted to check the blues.

Mr. Speaker: Order please! I think the Hon. Member knows this is not a question of privilege. It may be a disagreement on a matter of fact but it is not a question of privilege.

[*English*]

The Hon. Member will know that a false statement is not a question of privilege.

Mr. Valcourt: You do that every day, Garneau.

Mr. Speaker: Order, please. Certain interjections are also points of order, however.

* * *

PRIVATE MEMBERS' BUSINESS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Private Members' Business in both official languages. This report deals with the criteria which the Standing Committee has developed for the selection of votable items.

[*Editor's Note: See today's Votes and Proceedings.*]

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TRADE

CANADIAN CEDAR SHAKES AND SHINGLES

Mr. Speaker: I am in receipt of a notice of a desire to raise a point of order at this time by the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in view of what happened in the U.S. yesterday, and in view of the responses on both sides of the House in Question Period today, I think you will find there is unanimous consent to accept the following motion. I therefore ask you to seek the consent of the House to move the following motion:

This House urges President Reagan to take immediate action to reverse yesterday's decision to impose an unfair 35 per cent duty on British Columbia cedar shakes and shingles.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, if I may have your indulgence, there have been consultations between the Leader of the NDP, myself and a representative of the Official Opposition House Leader. In light of the fact that this matter is of some concern to the Government, and the motion itself is very supportive of the direct communication which has taken place between the Prime Minister (Mr. Mulroney) and the President of the United States, as well as representations by the Secretary of State for External Affairs (Mr. Clark) to Mr. Shultz, we are quite prepared to support this motion. We appreciate this support of the Prime Minister and the Government. This is on the understanding, of course, that the matter is dealt with by unanimous consent without debate because we do have an agenda.

With your further indulgence, I want to indicate that the message from the Prime Minister to the President of the United States, which has been conveyed today, is as follows. This will give a context to the motion. It says:

Dear Mr. President,

I want to convey to you the profound disappointment of my government at the action you announced yesterday regarding softwood shingles and shakes. The imposition of a 35% tariff is a punitive measure against Canadian products. This unjustifiable action is all the more appalling in the context of freer trade negotiations between our two countries having been officially initiated this week.

This American initiative is pure protectionism, the precise thing you and I pledged, in Quebec and Washington, we would seek to avoid. Canada is now placed in the position of being forced to consider an appropriate response.

I deeply regret this action of the Administration.

Yours sincerely,
Brian Mulroney

Some Hon. Members: Hear, hear!

Mr. Speaker: I take it that was consent for the introduction of the motion.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to say on behalf of the Official Opposition that we are very desirous of having a unanimous expression of the will of the House, without reference to differences of view which undoubtedly exist among the Parties, that what President Reagan has done is unacceptable to Canadians. Therefore, we share in unanimous consent to have this unanimous expression of the will of the House on this matter.

• (1210)

Mr. Speaker: I take it the House is giving its unanimous consent to the waiving of the usual notice for the introduction of the motion. It is understood the motion may therefore be introduced. The House has heard the terms of the motion. Shall the motion carry?

Some Hon. Members: Agreed.

Mr. Speaker: Carried and so ordered.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 549 will be answered today.

[*Text*]

PÊCHERIES CARTIER INC.

Question No. 549—**Mr. Lapierre:**

1. Is there a privatization committee at *Pêcheries Cartier*, in Gaspé, Quebec and were members of the committee appointed by the Government and, if so (*a*) which members (*b*) what is their salary?

2. (*a*) Was a house purchased by the company for its former president, Dave Barrett (*b*) was the house sold and, if so (i) to whom (ii) at what price?

Hon. André Bissonnette (Minister of State (Small Businesses)): 1. In March, 1985, a privatization committee was formed within the Board of Directors of *Pêcheries Cartier Inc.* The members of this committee were appointed by the Board of Directors of the company and not by the Government.

2. (a) Yes. (b) Yes, on April 18, 1986, all common shares held by the federal Government in *Pêcheries Canada Inc.*, the parent company which holds the majority of the shares of its subsidiary, *Pêcheries Cartier Inc.*, were sold to the Purdel Agri-food Co-operative. (i) Consequently, the house is now owned by Purdel. (ii) The house was included in the sale price of the shares.

[*Translation*]

Mr. Lewis: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Is it the pleasure of the House that the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA POST—REQUEST FOR OPTIONS AND STUDIES

Mr. Cyril Keeper (Winnipeg North Centre) moved:

That this House demands that the Government require Canada Post to immediately provide, for tabling in the House, all of the options and the studies related thereto that are currently being considered for the future operation of the Corporation, in order that public opinion and especially input from seniors, the disabled, consumers, small business and rural and remote communities can be considered prior to any decision being taken.

He said: Mr. Speaker, I am happy that we are having this Opposition Day today, particularly because it means the whole question of postal services is beginning to receive the attention it deserves. It is beginning to get the priority that is required in order for people to get decent, reliable, and timely postal service in this country.

The motion is worded in such a way that it calls upon the Government to make available its plans and its options with regard to postal service. The motion was deliberately worded that way because we have been unable up until now, and ordinary Canadians have been unable up until now, to get the information needed with regard to the future plans for the Post Office.

One thing we do know about the post office is that this Government has set the objective of what it calls financial self-sufficiency within two years. This objective was set out in the

Budget. What Canadians need to know is how the Government intends to reach that objective in two years. What options is it considering? We need to know whether financial self-sufficiency can be realized in two years. Is it practical in two years? Not only is it practical and can be realized but is it desirable? We also need to know whether or not there is an alternative to the approach that the Government is taking. Is there an alternative to continued service cut-backs? Is there an alternative to continued Post Office deficits? Is there an alternative to the slow and inadequate mail delivery that Canadians have to put up with today?

[*Translation*]

Mr. Speaker, today's debate is important because mail delivery is a service that concerns all Canadians. It is an essential service, a most important one in such a large country as Canada. The Government has set up the objective, the goal of making the Canada Post Corporation financially self-sufficient within the next two years.

Mr. Speaker, we have to discuss that objective because we have to know what kind of actions the Government will consider and is considering in order to reach that goal.

Mr. Speaker, we also want to know if such a goal is realistic, if it is worthwhile. Finally, it is essential for all Canadians to know whether there is an alternative to reducing current services, another option for the Post Office.

[*English*]

The Government has clearly set out in the Budget the goal of financial self-sufficiency in the Post Office within two years. The Government is looking at the Post Office from the perspective of the national budget, the national accounts. It is doing this rather than looking at the Post Office as a service on its own merits, looking at what kind of strategy could be put in place to make that institution work and making that service reliable for Canadians.

The Government can perhaps justify its actions in its own rhetoric and from its own philosophical perspective by saying that if reducing the subsidies for the Post Office reduces the federal deficit, then we will be enhancing the Canadian economy. There is another perspective on that. The Government could, in fact, hurt the Canadian economy by reducing the service which the Post Office provides to business in this country by damaging the communications capacities which pulls the Canadian community together. Through the Government's ill thought out attempts to reduce the deficit at the Post Office through service cut-backs we may, in fact, end up with larger deficits and poorer service. This could have a negative economic impact. Therefore, the objective with the Government has set out and the perspective by which it is looking at the Post Office needs to be re-examined.

The Minister of Finance (Mr. Wilson) is really pulling the strings of the Minister responsible for the Post Office. This Government has the President of the Post Office on a very short leash. When the President of the Post Office came before a committee, he was unable to share any information with

Members of Parliament, or with the public, with regard to the Government, or the Corporation's intentions for the future of the Post Office.

Before those meetings, he failed to meet with the workers and unions of the Post Office after repeated attempts to meet with him to discuss future plans at the Post Office. Not only did he fail to meet with the unions at the Post Office, he has failed to meet and discuss future plans for the Post Office with the public, seniors, disabled, and with the residents of new suburban developments. All this from a Government that promised openness in government.

The Minister has been silent with regard to his policy for the Post Office. He had been silent up until the leak with regard to the option that he has admitted to be considering, which is alternate day delivery of mail, where today we have five day a week delivery of mail. Once it became public, he acknowledged that he was considering this option. Since then, however, the Minister reponsible for the Post Office has stonewalled and refused to make available to Canadians the information regarding the options that he is considering for the future of the Post Office. He has simply indicated that he will inform us after he has made a decision some time in late June.

• (1220)

It is not acceptable for the Minister to inform Canadians about the plans for the Post Office after the decision has been made because Canadians must have an opportunity to have some input into the future of the Post Office. The Government promised to run an open Government when it came to office and to allow people to participate in Government. The Government should live up to its promise and develop Post Office policy in an open and democratic fashion.

We know that the Government is considering alternate third-day delivery. In acknowledging that it is considering this option, the Government has unified the entire Canadian community in a struggle for better Post Office service. It has unified organized workers in the Post Office, consumers who use the Post Office, small businesses that are frequent users of the Post Office as well as seniors and disabled people in forming one voice against this option of third-day alternate delivery of mail.

What other options for the Post Office is the Government considering? Let us examine other service cuts by the Post Office. For example, new suburban developments do not receive door-to-door service as is supplied to other urban residents. The Government has failed to extend this service to those new urban communities even though, only a block away, residents in older communities receive door-to-door delivery. While the Government attempts to justify not delivering mail to those new developments, those residents are angry about the unfairness of this policy which denies them equal service. They want to be treated equally since they pay the same taxes.

This lack of service in urban developments threatens the value of homes in these areas. Furthermore, it is inconvenient to certain residents, such as older people. We have even been told of a developer in the Windsor area, Mady Leaseholds, that has indicated that the lack of mail service in that area is affecting its capacity to build and sell houses. The lack of this standard essential service has threatened the capacity of at least one builder in this country to market homes.

What other options is the Government considering in its drive for financial self-sufficiency in the Post Office? Can it achieve this goal without cutting service or will it continue a policy of closing rural routes and rural post offices? My colleagues will speak to this aspect of service in more detail.

As a result of the Government's policy of slow and tardy delivery of mail, there are cases of people receiving their mail in 10 days or two weeks rather than one or two days. Let me give an example. Harrow is a small community near Windsor. The mail that is destined for delivery in Harrow, rather than being sorted there and reaching its destination on the same day, is sorted in Windsor, then returned to Harrow for delivery. This situation exists in other communities near Windsor, including McGregor and Amherstburg. This situation exists in communities all across the country as a result of Post Office organization. The Government must address these problems in the Post Office rather than simply focus on financial self-sufficiency.

We want to know whether the Government intends to increase postal rates in its drive to achieve financial self-sufficiency for the Post Office within two years. Does it intend to impose another increase on its last round of postal increases for such things as cards for forwarding mail? I have been informed that there are low income people in my riding in Winnipeg who receive the family allowance and who cannot afford the $9 for such a card. They would rather take the time to return to their old residence and wait for their family allowance cheque. What kind of service is that?

We need to know the options being considered by the Government in its goal of financial self-sufficiency for the Post Office so that we can determine whether those goals are reasonable or even desirable. Two nights ago in committee, we examined the figures put out by the Post Office. Those projections for future revenues and volumes were overestimated because they were based upon estimates of its volume and revenues rather than actual figures. The Government should make public whatever figures it is using as a basis for setting out this goal of financial self-sufficiency.

We question whether service cut-backs will actually reduce costs at the Post Office and, therefore, achieve financial self-sufficiency or whether they will simply result in reduced revenues and an increasing deficit because people will cease to use the Post Office. We have to accept that the Post Office is a public service just as other means of communications such as highways, railroads or airports. All of these means of communication receive subsidies in some form or other. We have to start by accepting that the Post Office is a public service. If we want to cut the federal deficit, we must do that by cutting out wasteful spending and not by cutting into a service which

ties this country together, a service which all Canadians need and value.

• (1230)

Perhaps the true motivations of the Government are not financial but ideological. It would prefer to have any public service downsized and turned over to the private sector. Our Party is worried that the Government is moving toward privatization of the Post Office, which in the end would mean two levels of service for Canadians, one for those who are well off and another more costly and less reliable for the rest of us.

The important question we have to ask the Government is whether it has examined an alternative approach to the Post Office. Has it examined thoroughly methods of improving postal service in order to bring up volumes and increase revenues? Has it examined an investment in the Post Office so that it can move aggressively into markets where it can earn revenue and use that revenue to cross-subsidize the essential service, the delivery of regular mail? For example, if the Government were to actively invest in the Post Office, or allow the Post Office to invest in electronic mail and parcel delivery, which are multimillion dollar markets, the Post Office could get its share with proper management and strategy. It could then earn revenue, and that would help the Post Office with its financial problems.

In summary, what we need to do in terms of the Post Office is take a new and positive look from the point of view of improving service rather than cutting it. We have to look at the Post Office from the point of view of expanding its activities into revenue generating areas. We have to accept the Post Office as a public service like other communications services. We need to have good labour relations and management. These relations will underpin continued and improved services. It is time to move forward with the Post Office rather than back. It is time to deal with Post Office policy in a public open debate rather than developing the policy behind closed doors.

It is a shame that the Minister responsible for the Post Office could not be bothered to be here to participate in the debate today. We challenge the Government to make clear its options and to share those options with Canadians who are now clamouring for some input into the future strategy and policy of the Post Office. Canadians have a right to have input into the direction of the Post Office service. We call upon the Government to be open in its policy to development rather than closed as it has been up until now.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) for a question or comment.

Mrs. Mailly: Mr. Speaker, I would like first to suggest to the Hon. Member that the Minister in charge of the Canada Post Corporation (Mr. Côté) is in Montreal today, because he is meeting with the provincial Minister—

Mr. Parry: He was here this morning.

Mrs. Mailly: Just a minute, Mr. Member for Kenora—Rainy River (Mr. Parry)! ... because he is meeting with the provincial Minister of Industry, Trade and Commerce on a matter of major importance for which he had been preparing for a long time.

Unfortunately, this day was allotted after the Minister's appointment was arranged.

Therefore, Mr. Speaker, I should like to put a question to the Member who has just spoken. Does he not agree that the self-sufficiency objective for Canada Post was set at a time when it was changed from a department to a Crown corporation? This was part of course of the terms of reference of the new Crown corporation, Canada Post Corporation, which was to become self-sufficient within a number of years and that it is still part of the terms of reference of the Corporation which were spelled out at the time of the change and were then accepted by the unions representing the Canada Post employees.

Mr. Keeper: Mr. Speaker, the Member has mentioned the Minister. During the Oral Question Period, I phoned his office and I was told he would be in the House during that period.

I think that mail delivery is as important as any issue in the public domain. Moreover, Canada Post is important to all Canadians. It is also very important that we have in this House the Minister who is responsible.

The Hon. Member has asked me whether I agreed about the self-sufficiency of Canada Post.

Mrs. Mailly: Excuse me, Mr. Speaker

[*English*]

Mr. Deputy Speaker: Does the Hon. Member for Winnipeg North Centre yield the floor for the Hon. Member for Gatineau to complete her question?

[*Translation*]

The Hon. Member for Gatineau.

Mrs. Mailly: Unfortunately, Mr. Speaker, the Hon. Member did not catch the meaning of my question. I asked him if he knew that self-sufficiency was a prerequisite of the terms of reference of the Corporation. This is quite an important difference!

An Hon. Member: When it was established.

Mr. Keeper: I know about the Canada Post Corporation's terms of reference and I would like to ask the Hon. Member whether she is aware that they include the providing of quality service to the public, that that aspect of the terms of reference takes precedence over the self-sufficiency concept, and that this Government goal is to attain self-sufficiency within only two years. And the Government's policy does not include

helping the corporation grab its share of markets like parcel delivery.

Mrs. Mailly: That was not included in the terms of reference.

Mr. Keeper: The Government's suggestions to date do not indicate it is considering investing over a significant period of time to enable the corporation to compete on the parcel delivery market.

This is an area where the corporation can make money and use a new strategy to achieve self-sufficiency.

But, finally, and more importantly, the Government's policy is hard to tackle when it is not even willing to be open and to share information with this Parliament and the Canadian public.

Mr. Deputy Speaker: The Hon. Member for Gatineau on a supplementary.

Mrs. Mailly: Mr. Speaker, unfortunately, the Hon. Member is mistaken. He is saying what the President of the Canada Post Corporation answered when the question was put to him the other evening in committee. The Hon. Member asked the President whether he was willing to divulge details of a new operating plan. The President answered that he could not let him know about the new plan until the details had been worked out and the project had been formulated and had been submitted to Cabinet.

Mr. Speaker, I think the Hon. Member will have to admit that the President was not hiding anything but was simply acting like any president of a Crown corporation would act. He cannot reveal parts of a plan that will enventually be submitted to the Government, before the plan has been submitted to the Minister in due form.

That is my first comment.

The Hon. Member also mentioned that financial self-sufficiency was something we had set as a goal to be achieved within two years' time—

Mr. Keeper: Yes, it's in your Budget.

Mrs. Mailly: —but he is mistaken, Mr. Speaker. He said earlier that it was part of the mandate the new Canada Post Corporation received in 1981, when the Department became a Crown corporation. That mandate included three major objectives—

Mr. Keeper: On a point of order, Mr. Speaker.

Mr. Speaker, will the Hon. Member leave me enough time to reply to all her comments?

[*English*]

Mr. Deputy Speaker: I will make sure the Hon. Member gets time for a response.

[*Translation*]

The Hon. Member for Gatineau.

Mrs. Mailly: Mr. Speaker, the new corporation had three objectives in its terms of reference: improved service, improved labour relations and financial self-sufficiency by 1987. The terms of reference imposed to the Canada Post Corporation were not ours; they were inherited by the Corporation when it was created.

What I would like ask the Hon. Member is this. He has suggested ways to increase the revenues of the Canada Post Corporation. For instance, he has mentioned the parcel delivery service. Could he tell us whether the postal unions are willing to show some flexibility in their methods of work to allow Canada Post to get a share of this new parcel delivery market, which would require a change in the work habits of the employees?

Mr. Keeper: Mr. Speaker, the Hon. Member has said that the President of Canada Post could not share this information because he had not yet submitted it to the Government.

Mr. Speaker, we know that the Government will make decisions and develop a new policy. It is necessary for the Government to share the information before making a decision and to be open about the options being considered. That is a basic principle in all democracies, but the Government has refused to apply it until now. Moreover, the Minister has said in this House that he will make these matters public after he has made a decision. That is confirmed in the record of the House.

Mr. Speaker, the Hon. Member has said that self-sufficiency in two years is not part of her policy. Yet, this objective is included in the Conservative Budget and it was set by the Minister of Finance himself.

Mr. Speaker, the Hon. Member questioned me about parcel delivery and asked me whether the unions would be as flexible as necessary to get involved in such an area. That is a good question, but the main issue is this: Is the Government willing to develop a policy to allow Canada Post to have a share of these markets? To gain such a share of the market, you need to invest and you need specific objectives. It is not enough simply to question the position of the unions. It is not the right time to try and blame the unions. We have to develop an effective policy for Canada Post. That is the purpose of my motion today.

• (1240)

[*English*]

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I wish to assure the hon. gentleman who just spoke that the objective of the postal corporation to break even is certainly not a new proposition. In fact, it was the intention when that corporation was formed.

I would also remind Hon. Members that everyone agreed with the formation of Canada Post, including the unions. At that time the stated intent of the Crown corporation and its duties were agreed to by everyone. However, matters have now changed as a result of the Government saying to Canada Post: "You must cut *x* number of dollars from your budget". The Post Office did so without really knowing what effect these cuts would have on its service.

I believe the Post Office arrived at that point about one and a half or two years ago. It discovered some of its cuts were having an extremely detrimental affect on postal service and that it was time for the Post Office to backtrack and change some of the things it had done. For example, actual cuts with regard to the collection of mail during the week were implemented.

I recall that it was decided last May that a letter placed in a red mailbox on a street corner at noon on Friday would not be collected until the beginning of the next week. This was a measure which did not receive a great deal of attention. If someone was lucky enough to put a letter in a mailbox before nine o'clock in the morning, then it would be sorted during the weekend. As I said, this measure did not receive a great deal of attention. Only those to whom the mail was addressed were aware of it. Thus changes were made to try to rationalize sorting whereby, for example, if a heavy load of mail came into the Ottawa mail station, then that mail would not be sorted in Ottawa. It would be put on a truck, sent to Montreal, sorted in Montreal and sent back to Ottawa for distribution. These were detrimental changes in terms of good postal service.

A few years ago one could mail a letter and if by chance it was insufficient in terms of postage by one cent or two cents, the letter was still delivered and perhaps a collection was made at the other end. However, the return-to-sender policy initiated by the Post Office disallows such delivery now.

So there is nothing new about the postal corporation having to break even. As a philosophy, most people might think that it is a good position to take. Personally, I do not think so. I question the philosophy of the Post Office if in carrying it out service is destroyed. As an Hon. Member pointed out one day, a fire brigade in a local community is not operated as a break-even service. Medicare is not operated as a break-even service. Thus the Post Office should not be operated as a break-even service or as a money-making service. So there is a problem which we run into in terms of philosophy when one talks about balancing the books of the Post Office.

The Minister of Finance (Mr. Wilson) is perhaps the gentleman who should bear the brunt of our criticisms here today, aided and abetted by his colleague the Minister of State for Finance (Mrs. McDougall). The reason I say that is because the Minister of Finance, whose head is on the chopping block here today, stated that following upon discussions with the President of Canada Post, the Government requested a new operating plan to improve productivity at Canada Post so that the corporation could reduce its operating deficit to zero by the end of fiscal year 1987-88. The Minister of Finance stated that the Government was confident that by taking further steps to improve productivity and efficiency, Canada Post and its workers could meet the objective of self-sufficiency while improving reliability of service to the people of Canada. That was the order that came down from on high to the Minister responsible for Canada Post. It came from the Minister of Finance or, in other words, from the Government of Canada.

• (1250)

The Minister in charge of Canada Post publicly stated the other day that the operating plan requested by the Minister of Finance would be released before the end of June. That is only four or five weeks from now. He said publicly that as one of the options, he was looking at reducing the frequency of mail delivery across Canada. He said that we could talk about three days a week or we could talk about four days a week. Those were the very words he used publicly. That is why we are having this debate today.

Someone listening to the Minister of Finance say that Canada Post should improve productivity and efficiency would wonder what the Minister responsible for Canada Post (Mr. Côté) was talking about when he said that in order to increase productivity and efficiency, he would reduce the frequency of the delivery of mail. That does not make sense. How can he increase productivity by reducing labour? How can the Post Office increase its productivity by cutting back on mail delivery? Of course the answer is quite obvious and quite simple. In the eyes of the Minister of Finance, increasing productivity means laying people off.

There are two ways to look at this situation. The new President of Canada Post, Mr. Lander, has a background with Chrysler and has had great associations with Lee Iacocca. He worked with some great corporate people who looked at the balance sheet. To him, increasing productivity as demanded by the Minister of Finance means making sure that revenues exceed expenditures. He looks at the balance sheet to see how he can increase productivity. He figures that if he is making money where he was losing money before, then he is increasing productivity. The problem with that is that every single Canadian across the country will look at that change and see that productivity has actually decreased.

Looking at this from the point of view of the Canadian public, it is an absolutely outrageous, stupid, idiotic suggestion. I do not know how many adjectives one could use to describe such a stupid suggestion made by the new President of Canada Post and passed along by him to the Minister in charge of Canada Post. This suggestion is now being discussed in the federal Cabinet.

How can Canada Post change the way mail is delivered in this country? The President of Canada Post says that mail will be delivered on Mondays, Wednesdays and Fridays one week and on Tuesdays and Thursdays the next week. How is that going to be done? Is Canada Post going to deliver mail on Monday, Wednesday and Friday to the even numbers on a

street one week and Tuesday and Thursday to the odd numbers? Is Canada Post going to have a lottery every Sunday to figure out who will get mail delivery on Monday, Wednesday and Friday or Tuesday and Thursday? It raises all kinds of stupid possibilities.

The most important thing that is being forgotten is that there are people in society who depend on the mail more than others. Members of Parliament are flooded with phone calls whenever Canada Pension cheques do not arrive on the day they are supposed to arrive. If disability pension cheques do not arrive on Friday and the recipients have to wait until Monday to receive them, the offices of Members are flooded with phone calls on Friday afternoon. That is the missing element in this productivity argument and in the discussions taking place on alternate-day delivery.

As you know, Mr. Speaker, those who receive welfare have to go personally to welfare offices to receive their cheques in most provinces. However, those who receive Canada Pension cheques and disability cheques have to wait for the mail to deliver those cheques to them. This is where the option of alternate-day delivery really falls down.

Imagine the situation of two people, both receiving pension cheques. One lives on one side of the street and the other lives on the other side. The normal day for receiving their cheques is Friday. The one whose address contains an even number receives mail on Friday one week but the other one received mail on Thursday. Obviously that is not going to work. It cannot work. That system cannot be implemented by the federal Government. The Government cannot agree with that option presented by Canada Post, one of the options which was demanded by the Minister of Finance.

We have a very large quarrel with the options presented to the Minister. That is why I suspected that alternate-day delivery was held out by the Minister responsible for Canada Post as a red herring. That was done so that everyone in Canada would say: "Well, what a stupid thing for the Government of Canada to do. It can't do that to the Canadian people". Then I thought that maybe the Minister responsible for Canada Post would, in four weeks' time, announce that he had decided on another option which was not quite as bad as alternate-day delivery. However, after listening to the President of Canada Post who spoke before the Standing Committee, I now believe that alternate-day delivery is an option that is under serious consideration by the Government. The only other option that seemed to meet the requirements was to increase the rates. However, in handing down his demand, the Minister of Finance did not mention increasing rates. In fact, he made sure that nowhere in his direction to Canada Post was there one mention of increasing rates. Therefore, that option really cannot be considered at all.

The bottom line is alternate-day delivery in Canada. It might work on the balance sheet. It might look good to the President of Canada Post and the Government that mail carriers are being laid off. It might look good to them, but it will never wash with the Canadian public and it will not wash with those particular people who depend on the mail to receive their cheques on a particular day because until they receive them, they cannot afford to buy food for their children.

When we talk about productivity, efficiency and reliability, we sometimes forget about the people involved. The President of Canada Post is going to have to keep in mind that there are a great many Canadians—I have only two minutes left, Mr. Speaker? I have not begun to talk about what I wanted to talk about.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. It being one o'clock, the Hon. Member will of course continue at two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Gander—Twillingate (Mr. Baker).

Mr. Baker: Mr. Speaker, as I was saying before the luncheon break, the Minister responsible for Canada Post says that the productivity of the Post Office can be increased by reducing the frequency of mail delivery and agreeing to alternate day delivery. If one thinks that reducing the frequency of mail delivery in any way thereby increases productivity in the Post Office, that person is a strong believer in the pony express. Perhaps we could return to the days when mail was delivered by canoe on the St. Lawrence River; then we would have a productive postal service in Canada.

Mr. Keeper: It would be faster.

Mr. Baker: I hear the Hon. Member from the NDP. It reminds me of a joke which I heard a moment ago about the speed of the postal service. Apparently a murder took place and a lady telephoned her boss and said: "I made sure I put the body in a place where they would never find it, and that was in Priority Post".

In any event, the postal service in Canada has deteriorated very quickly over the last two years or three years.

Some Hon. Members: Oh, oh!

Mr. Baker: I believe that deterioration was caused by the cuts imposed upon the postal corporation by this Government of Canada. It was imposed at a time when the Post Office discovered that it must backtrack on some of the cuts that had already taken place.

In conclusion, let me indicate that mail delivery involves the delivery of unemployment insurance, disability, Canada Pension, and old age pension cheques. No one in any Government, in any political Party, in any union or in any postal corporation has the right to interfere with the frequency of the

delivery of such cheques. This is why alternate day service will not work. Even if one accepted the principle, one would realize that the postal corporation would lay off mail carriers and people who sort mail. The effects of such a move would be felt in rural areas in terms of when mail would arrive. It would not wash with the Canadian public. It brings into question whether there is a philosophy on the part of the management in the Post Office which maintains that the Post Office is a vital element in society, just as important as medicare and anything else.

Mr. Keeper: Mr. Speaker, I have a question for the Hon. Member. Often the Liberals are effective in opposition—they point out the inadequacies of the day almost as well as we do. Also, in office they did some good things, when they were forced to do so by the New Democratic Party. However, I cannot sit here in silence and listen to my hon. friend saying that the postal service deteriorated over the last three years only. The Liberals had 20 years or a couple of decades to put in place a postal service which would work, would deliver mail, would ensure that it arrived on time, and would ensure that everyone received adequate and fair service.

How can the Hon. Member substantiate the notion that the postal service has only deteriorated over the last three years? I would like people who are watching to think back and ask themselves whether the mail service was any better three years ago. How long has this deterioration been going on? Why did the Liberals put up with it? Why did they not deal with the problem by putting in place a postal service which would function and deliver mail?

Mr. Baker: Mr. Speaker, I would love to hear the hon. gentleman explain to us exactly the type of postal network which he thinks would be effective in delivering mail in Canada. We can all remember when we did not have to wait two weeks for a letter to get from Newfoundland to Ottawa. We can all remember when it did not take two weeks for a letter to get from Quebec City to Ottawa. That was not too long ago. It was not too long ago when you could at least get it within a few days.

• (1410)

Mr. Keeper: It's been more than three years.

Mr. Baker: I am saying that when the five-year plan was initiated and the postal corporation was invented, all political parties and everyone concerned heralded a new and bright day. You can have all of the good intentions in the world, but when you see that the changes which are taking place are deteriorating mail delivery in Canada, you stop, back up, and change directions.

Mr. Horner: Mr. Speaker, I am totally amazed at some of the statements I just heard from the Member for Gander—Twillingate (Mr. Baker), although I really should not be. It is absolutely ludicrous for him to say that he is totally against self-sufficiency in the Post Office and to compare it to the fire department and a lot of other things, but it is the typical Liberal solution of throwing more money at a problem. That money will have to come from taxpayers.

The Member talks about reducing mail service. I will talk about that for a moment. Some day the Member should take a trip to Mississauga North. In that riding, about 50 per cent of the residents do not get any mail delivery. Would they ever love to have alternate day delivery. I have met with the residents associations from Meadowvale, West Credit, and Streetsville. They tell me that they would love to have alternate day delivery and would be well satisfied with it. When you consider it, Mr. Speaker, does it really matter whether you get your bills on Monday or on Tuesday? You will probably not pay them until pay-day anyway. What about the ads and junk mail? Most of it goes into the garbage anyway. However, Canada Post makes money on that. I support alternate day delivery. However, the Government is not going to be stampeded into making policies. It will consult, as it is doing, with all of the people.

Mr. Keeper: How about sharing information?

Mr. Horner: Sharing information is the subject of the motion.

Mr. Keeper: Put your options on the table.

Mr. Horner: We will put the options on the table when the time comes.

Mr. Keeper: After the decision. What about before?

Mr. Horner: Not after the decision. We will put them out for you to have a look at.

Mr. Parry: You should be a Parliamentary Secretary, Bob.

Mrs. Champagne (Saint-Hyacinthe—Bagot): Patience, patience.

Mr. Horner: It is strange to see a bit of a lovers' quarrel going on between the Liberals and the NDP.

Mr. Keeper: What do you know about love?

Mr. Horner: I know more about love than you do. It costs $113 per household per year for door-to-door delivery. It costs $83 for delivery by postal employees to group and community mailboxes. Can the Member explain why, when you take away the unions which his Party supports, it only costs $35 to service those mailboxes? I find that very, very strange and I would like an answer.

Mr. Baker: Mr. Speaker, we certainly do support the union members and the unions in some of the demands which have been made by some of them. The Hon. Member just said that he supports alternate day delivery. He really means that he supports alternate day delivery if the people in his riding, who do not now get daily delivery, get daily delivery because of that policy being brought in. He asks who cares if the bills are

received on Monday or on Tuesday. No one cares. In fact, it would be great if they were received on Friday. I was talking about the cheques. It makes a considerable difference if you get your cheque on Monday or on Tuesday. I am not talking about Members of Parliament, lawyers, or doctors. I am talking about people who need their cheques.

The Hon. Member said that I am advocating the throwing of money at problems. Yes, throw money at medicare, the fire brigade, and the Post Office. Why not? It is a vital service in the country. That is my firm belief.

Mr. McKenzie: Mr. Speaker, we have heard comments about no public input. The Marchment committee travelled across the nation, stopping in all major cities. The public had a chance to appear before the committee. We have all of their opinions in here and by the end of June we will have all of this, plus all the other studies, condensed. We will lay our proposals on the table at that time.

Mr. Keeper: No, you will make your decision first. The Minister said that. Why were you not at committee?

Mr. McKenzie: We have heard the comment that it is impossible for the Post Office to be self-sufficient. The Post Office was self-sufficient before under a Conservative Government. In 1960 there was a deficit of $4.7 million in the operation of the Post Office. By 1961-62 that deficit was reduced to $1.2 million. By 1962-63 the Post Office made a profit of $3.486 million. The Post Office was directed to manage properly and it did not do that by reducing services in the 1960s. Therefore, the Post Office can be made self-sufficient. There are all kinds of recommendations in the Marchment report for management to improve the operation. This is what Mr. Lander and company will have to do. The theory that everything is being operated at 100 per cent efficiency is absolutely wrong.

The Hon. Member for Gander—Twillingate (Mr. Baker), the spokesman for the Liberal Party, probably knows that there are 30 recognized bargaining units in the Post Office and eight unions. This coming Tuesday the Canada Labour Relations Board is going to have hearings before which the public will be able to appear to discuss reducing the number of unions in the Post Office. At the present time, management is bargaining all year long. This has caused a serious problem in the Post Office. It cannot operate efficiently while bargaining all year. Does the Liberal Party support the reduction of the number of bargaining units and unions in Canada Post?

Mr. Baker: Mr. Speaker, to answer the question very simply, it would certainly make matters simpler if there were one settlement for a period of 10 years. I do not think that makes much difference. However, when one looks at the agreements reached by the inside postal workers, for example, one can see that they are certainly not receiving some of the benefits which they should receive.

In response to the hon. gentleman's remarks, yes, the Post Office was very profitable 50 years ago. As I pointed out before, so was the Pony Express. The point is that when you have improved mail delivery in the far-flung regions of the country, it obviously costs more money. In most of the communities which I represent, the Post Office is in the porch of someone's house. With regard to reducing the frequency of mail delivery, if the Government changes the system so that mail is not sorted on time and people get their unemployment and Canada Pension cheques on Friday instead of Monday, it will be the one in trouble.

• (1420)

Mr. Deputy Speaker: Resuming debate.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to start with a definition of what I consider this exercise to be about. We have to try and get this debate on a constructive level. All Members of Parliament are, I think, trying to do probably six things. The debate revolves around how to best accomplish those objectives. If anyone disagrees with any of these six objectives, I would be pleased to discuss them in detail at any time on behalf of the Government. Or, I would be pleased to respond in the 10 minutes allocated at the conclusion of my remarks.

We have to somehow or other improve mail delivery service, in whatever form that service takes. I think we all agree on that. Second, we have to seriously look at a faster and more reliable delivery service. Third, I think everyone in this House would be happy if we could put a freeze on postage rate increases. I do not think anyone here is saying we need to pay more for a stamp in order to accomplish any of the objectives of the three Parties. Fourth, there has to be a reduction in the Canada Post deficit. It is an old story. Future generations are going to live with a legacy of bad management and poor fiscal responsibility left by Members of Parliament of all political faiths if we do not get the deficit under control.

Another point is the elimination of postal strikes. The postal service is an important and integral part of a successful business community. It is a necessary service for those who require cheques on time. It is a vital service to those who have to get their message out, whatever the message might be. Finally, all of us in this House desire a competitive and profitable postal corporation. That is difficult but not impossible.

All of those things are a problem today. Why? I suggest the principle reason is because of politicians. It is not unions, not management, but politicians who have not over the years sent out a clear message to the Post Office on exactly what they want. Given that, I would like to hear constructive proposals from both the NDP and the Liberals on how we might arrive at some of these collective objectives. I say "collective" because the Post Office is ours.

I am not proud of the record of Canada Post. No one in this House is. I am not proud of the way the former Government dealt with it. No one in this House is. Even the Liberals are

changing their position on some of the objectives they set. Whether that is because they are in Opposition or because they have reassessed the objectives they set in former years, I cannot say. However, we need to know because we cannot solve these problems unless we are going in the same direction. We have Crown corporations we are proud of. They have done a good job for Canada. Yet, how many in this House over the last 20 years have been proud of the record of Canada Post? This is not to blame the unions or management. Rather, it was the policies which have come down the tube from politicians.

In my short time in this House, the last seven or eight years, I can remember one time when all three political Parties agreed to follow one course. That course was to create a Crown corporation where Members of Parliament would stay at arm's length and let the corporation manage its own show. We all agreed there was an alternative. The Marchment report indicated there were alternatives if that did not work. The Liberals had all of these alternatives available over the last five years if it did not work. They spoke about them in the House of Commons during debate on second and third reading.

Therefore I fail to see how Members of the Opposition are able to determine at this stage that we have failed; that we have offered solutions that do not work. In reality we have taken what we found in 1984, did a study on it, and paid a great deal of attention to the recommendations tabled late in 1985. We are discussing absolutely nothing at all that is not in those recommendations. Therefore I fail to see why the Opposition is so upset when we talk about reliable service. If we are not getting reliable service, I challenge the Opposition to tell us why. We have been saying that we have not been getting reliable service for 30 years.

What can we do to improve the service? Here we have the report. There are 43 options in that report. Where did anyone over there get the bright idea that our Government suggested alternate day service as a solution? I fail to see it. I have never said it. The Minister has never said in this House that he supports alternate day service. I refer Hon. Members to page 13316 of *Hansard*, May 15, 1986, where the Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté) responded to a question by the Hon. Member for Beaches (Mr. Young) concerning alternate day service. He said:

> Mr. Speaker, I think I have already answered that question in the last two days. I have said that we are examining alternatives in order to come to self-sufficiency in the next two years. In all honesty we have to examine all possible alternatives—

That alternative which we are discussing today at great length with one Opposition Party present in the House was not this Government's alternative. I have serious concerns about the viability of alternate day service. We have to satisfy ourselves as individual Members of Parliament whether alternate day service will really improve efficiency and service. I have heard arguments that it will not. I welcome those arguments. The Minister welcomes those arguments. Any responsible Member would welcome any comments about alternate day service. Where did we get alternate day service? We got it from this report, recommendation number 8:

> Communities in urban areas which do not enjoy daily door-to-door delivery be consulted with a view to offering the choice between alternate day letter carrier service or daily mail service through the use of group, community or post office boxes.

That is only one. Let us get it up on the table and look at it. Is it a service to people in North Mississauga? The Member for that area said it would be a service for his riding to have alternate day service. He is not prepared at this point in time to say that that is the answer. What we are looking at are the options.

• (1430)

Some of the other rather controversial proposals in this document are ones like "membership of the board of Canada Post be drawn from senior and experienced executive persons". I do not find any difficulty with that. That is a constructive recommendation. "The responsibility of the Chairman of the Board be modelled on the standards of the private sector in regard to representing the corporation to its shareholders, and with respect to the level of participation in the operation of the corporation". Another one, "management be fully accountable to the board for its performance". I think that would be a terrific idea. I think it would be an excellent idea if the management of Canada Post was accountable to the board.

Let us look at some of the other Crown corporations we have in this country. Do we sit here in this House of Commons and try and determine whether Air Canada is going to fly to Peterborough, Mississauga or Barrie? Do those operational activities of Air Canada concern every Member in this House? Do we expect these Crown corporations to wait for the direction of politicians?

I remind the members of the Opposition that is why we have a Crown corporation. I remind them that in this same Marchment report, in a later recommendation that if, by a certain period of time, and they use the year 1990, Canada Post has not reached a point of self-sufficiency we, as Members of Parliament, would be urged by the Marchment committee to look at areas for privatization. The red flags go up, the lights flash and the NDP get concerned about privatization. It is not a dirty word. Privatization means there are certain facets of our economy and business that can be better handled in the private sector.

We are not saying to Canada Post that we are going to make it a private sector operation. We are saying to Canada Post—we have said it, the Liberals have said it, and any sound person discussing economics as it pertains to Canada Post would say the same thing—that if the public sector cannot do it, then we should look at the private sector. I would point out to members in the Opposition that a large percentage of Canada Post's operation is now performed by the private sector.

I would like to deal with this matter of the deficit, because I think it is key to sound economic management of Canada Post, as it is to any other Crown corporation or private company, families or our own personal businesses. We need to operate on

a sound financial basis or we will not be there long, either as a country or as a business.

Let us see what has been done since we all agreed to make Canada Post a Crown corporation. In 1981 the Bill was passed here in the House of Commons, and no one voted against it, to my knowledge. At that time the deficit was soaring. It was $608 million in 1981. The former Government gave it a five-year fiscal mandate, that at the end of five years it wanted a deficit of zilch, no deficit whatsoever. In 1982 it dropped, under a Crown corporation, to a loss of $262 million from $608 million. The next year it rose slightly to $305 million. In 1984, the last fiscal year of the former Government, it rose to $350 million.

We heard before committee just this past week—not much of a headline in any of the daily papers, I do not recall hearing it on any of the national TV networks or any of the radio syndicated programs—that Canada Post, according to Mr. Lander, the new president, is looking forward to a loss this year, unaudited figures, of perhaps lower than $200 million.

Does that mean anything to the citizens in Canada, to the ratepayers, to the shareholders? It means that in four and a half years, Canada Post has dropped from a $608 million loss to less than $200 million. It did that as a Crown corporation. It did that without the interference of Government. I am a strong advocate that the more we get involved, the more we get blamed, and the more politicians get involved in the private sector, the more money we lose.

Let us give it a chance. Let us not be prepared to condemn Canada Post. Let us leave the decision-making process on the expenditure of funds for operation up to Canada Post. Let us stay out of its business as much as we can. I agree with both opposition Parties that service is crucial if it is to be an important integral part of carrying on business here in Canada, personal or otherwise.

I remind Members that the more we get involved, the more apt we are to get into trouble. We had a lesson in economics earlier today on business management. I suggest that perhaps some of the members of the opposition would do well to take a current course put on by the Federation of Business Development people in Canada on what is the true economy of scale. What is true productivity? When they say that Canada Post does not attain any levels of productivity, that the service is lessening, I suggest that they should read some of the current information from Canada Post, audited, which is available at any time for anyone who wants to read it.

Canada Post volume has increased some 16 per cent since it was incorporated as a Crown corporation. There has been no equivalent increase in the workforce. That will interest the Members from both Winnipeg North and Gander-Twillingate because they are interested in productivity.

An Hon. Member: Winnipeg North Centre.

Mr. Domm: Winnipeg North Centre, the same gentleman has spoken out in support of improvement in productivity.

Given that as a guideline, let us look at some other figures. Let us consider that the amount of funding required from the Government has declined dramatically. I have already pointed that out. That must be good news to both Parties of the opposition. CPC, Canada Post Corporation, is serving approximately 150,000 new addresses, points of call per year, that it was not servicing in 1981. CPC works closely with the private sector. I wonder how many people realize that more than 2,100 sub-stations are operated in Canada by the private sector. There are more than 4,000 postage stamp agencies in Canada operated in the private sector. There are more than 5,000 rural routes operated now in the private sector. Canada Post Corporation is one of the major users of transportation services, both private and Crown.

Let us talk about postal rates just for a moment. From April 1, 1983, to March 31, 1986, three full fiscal years, postal rates, basic, first class rates, have only increased 6.3 per cent. In the same period, water bills to consumers in Canada went up 20.5 per cent. Fuel oil went up 23.3 per cent, local and commuter transit went up 29.8 per cent, rail transportation 18.9 per cent, cable TV, 29.6 per cent, and Consumer Price Index services went up 13.9 per cent. All items went up 14.7 per cent. I think we owe a word of congratulations to Canada Post in being able to keep its index lower than all of the national suppliers of services, to my knowledge, in Canada.

I would like to spend a little time discussing unions before I conclude. I think it has already been mentioned that we have gone through a period in Canada Post where, and I can say this from my own personal experience in Peterborough, Canada Post deliverers of the mail are very highly thought of. We have not had a major strike in Canada Post since it formed a Crown corporation. We had thousands of lost days and hours prior to that through strikes. I think what we have now is a situation where the unions and management have been able, through the collective bargaining process, to negotiate satisfactory arrangements that have pleased both parties; keeping the costs of Canada Post down, increasing productivity, while at the same time servicing the people of Canada with at least 50 per cent of Canada Post delivery in the public sector, and the other 50 per cent in the private sector.

• (1440)

There are different systems of delivery in Canada today. We must assess those systems from a productivity standpoint and look to Canada Post to supply some of the answers for these problems as they arise from time to time. I appreciate this opportunity to speak in support of continuous harmony between labour and management at Canada Post while accomplishing maximum service at minimum cost at the same time in order that we can continue to be proud of Canada Post as one of our Crown corporations that has made success out of a bad situation in years gone by.

Mr. Keeper: Mr. Speaker, I want to make a number of comments on the Hon. Member's speech in which he set out a number of objectives.

It is tragic that the Parliamentary Secretary is here to lay out Government policy rather than the Minister. As I listened to his speech, I wondered whether his statements are Government policy.

One of the objectives which he set out is improved service. If the Hon. Member had attended the committee meeting a couple of nights ago, he would have realized that the President of Canada Post described community boxes in suburban developments as improved service or alternate means of service. The Hon. Member should ask the people living in those communities whether that is improved service because they will say that it is an unfair reduction in service.

He set out the freezing of postal rates as another objective. Is the Government making a commitment that it will freeze postal rates?

We want to know what options the Government is considering for Canada Post, but it has refused to make those options public. The Hon. Member suggested that there is nothing we are discussing here that was not mentioned in the Marchment report. While that report can be of benefit, we want to know the Government's plans for Canada Post before any final decision is made. All Canadians who will be affected by these policy decisions want to know. The Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) said earlier that the Government would make its proposals available, but the Minister clearly said in the House that he will make those proposals available after he has made a decision. That is not good enough.

The Hon. Member said that the Government inherited a mess and challenges us to outline how it has failed with Canada Post. While it is true that it did inherit a mess, the Government has the opportunity to do something about it. However, it has failed as a result of not informing Canadians about its plans and options for Canada Post and not involving people in that process.

The Hon. Member said that the Minister never said that he supported alternate day delivery. However, on May 16, 1986, as reported at page 13359 of *Hansard*, the Minister said:

> Alternate day delivery is just one of the alternatives that is being examined. It may not be retained but it has to be examined.

The Minister acknowledged in the House that one of the options he is considering now is alternate day delivery, yet the Parliamentary Secretary said it is not one of the Government's alternatives. Is he speaking on behalf of the Government? Is he now saying that the Government has ruled out alternate day delivery? Is the Government ready to lay its cards on the table and inform Canadians about what options it is considering?

Mr. Domm: Mr. Speaker, I suppose the best way to put it is that the Hon. Member for Winnipeg North Centre (Mr. Keeper) is up to his old tricks. He has again selectively quoted statements out of context.

I will repeat once more exactly what has been said. All of the options being considered by the Government are contained in a public document that was tabled in the House late in 1985. All of those options were brought forward in the Marchment report, including no postal rate increase, alternate day delivery, and improved service. He has a copy, and I refer him to pages 51, 52 and 53 where they appear.

The Minister said that the Government has not taken a position on alternate day service. I quoted from the same page in *Hansard* to which the Hon. Member is referring. There is no indication anywhere in *Hansard* that that is the Government's position. I am saying that we have not taken that position.

Mr. Keeper: What is the Government's position?

Mr. Domm: We are offering you, as a Member of Parliament, the option of saying whether you think the recommendations in the Marchment report are positive or negative in accomplishing the six objectives that I set out at the beginning of my remarks. If the Hon. Member believes that those recommendations are negative, he has an opportunity to express his view.

The Hon. Member for Mississauga North (Mr. Horner) pointed out that the people in his area welcome alternate day delivery. If the Hon. Member believes that alternate day delivery is not an advantage to the people in his riding and they would not welcome it, he has an opportunity to say so.

The Member should deal with the Marchment report and not tell us what our policy is because we have not announced it. That is the reason for the study and the reason why he has an obligation to his constituents and the Canadian people to tell us his views. Apparently you are not satisfied with union-labour relations, with the delivery service, or with door-to-door delivery as we find it in the cities today. The Hon. Member does not agree with productivity increases, the cut-backs and the deficit reduction. I disagree with the Hon. Member, but that is his view and it is his right to express his view. That is all I can say.

Mr. Rodriguez: Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm). When he quoted some figures with respect to the increase in postal rates, he quoted the years 1982 to 1984. I believe that he was very selective in the years that he chose and would ask him to go back to 1981 when Canada Post became a Crown corporation and Mr. Michael Warren became its first President.

We recall those days in 1981 when postal rates were 17 cents. In 1982, those rates went up to 32 cents and 34 cents the year after. After a 2 cent increase from 15 cents, there was an average increase of 33.3 per cent from the years 1981 to 1983. The Hon. Member should not choose the low years in comparing the rates of increase and comparing them with water-beds, ptomaine poisoning, hair remover and those other items that he mentioned. He should not be so selective because the fact is that as postal rates have gone up, the services have plummeted.

Mr. Domm: Mr. Speaker, I do not agree with the Hon. Member that services have plummeted.

Second, let me point out that we took office in 1984 and I used 1983 as the bench-mark. I am not trying to justify the mess in which the Post Office system was in the 1970s or 1980s. As Parliamentary Secretary, I am responsible to respond for the Minister on matters pertinent to Canada Post in our term of office. I used 1983 as a bench-mark because we came into office in 1984, the next fiscal year. I am giving figures for the period in which we have been in office and I can tell the Hon. Member that the statements he is making are as misleading as those of his colleague in the New Democratic Party. Of course, that is not abnormal for your Party.

The Hon. Member says that he is not satisfied with Canada Post. I am telling him that it is a lot better today as a Crown corporation than it was in the 1970s. The Hon. Member will recall that the Post Office was in chaos in the 1970s, under the same Government that existed in the early 1980s. That is why his Party, and our Party agreed with the Liberal Party in 1981—which does not happen very often—that it should be made a Crown corporation. As a result of making it a Crown corporation, Canada Post is a more viable source of service for the country. I am looking forward to a break-even point by the year 1989, as has been stated in the House by the Minister on numerous occasions.

• (1450)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to speak in the debate on the motion moved by the Hon. Member for Winnipeg North Centre (Mr. Keeper) and remind Hon. Members that the motion calls for the Government to come clean with the Canadian people and Members of Parliament, to lay on the table all documents it has with respect to potential changes which will affect the Post Office.

I am glad the previous speaker did a little historical homework on the way the Post Office has developed. I remember that when I came here in 1972, we had in the House of Commons a Minister responsible for the Post Office. He was the Postmaster General. On site in the Post Office was a Deputy Postmaster General. That individual was responsible for the day-to-day operations of the Post Office.

The employees of the Post Office then came under the Public Service Staff Relations Act and it was absolutely chaotic. There were situations in the Post Office where workers had to negotiate with the President of the Treasury Board, yet in the House of Commons the Postmaster General was responsible for the Post Office. The Postmaster General at that time was responsible for the decision making in the long term. He was questioned in the House and was responsible in the House, but when it came time to negotiate wages, the Post Office workers did not deal with their Minister, the Postmaster General. They had to deal with the President of the Treasury Board. That is who sat across from them at the bargaining table. What we had was really a split jurisdiction which created a lot of problems.

Because the workers were under the Public Service Staff Relations Act, there were many things they could not negotiate with the President of the Treasury Board, such as occupational health and safety, classification, staffing and technological change. That led to a very major strike during the 1970s. The inside workers of the Post Office went on a strike which, I believe, lasted 75 days. The workers proposed, and it was recognized and pointed out by all Parties in this House, that we establish the Post Office as a Crown corporation and give it a president so that we could have unity of leadership in the Post Office and the workers could have a direct relationship with the person who was responsible for the operations of the Post Office. We all said that would be a good thing.

I think now of the *Titanic*. The first president of the *Titanic* who was appointed was Michael Warren. He thought he was the captain of the *Titanic* except that he jumped ship because, when the Conservative Government came to office, it decided it wanted to turn the clock back to the days of dual leadership of the Post Office. It wanted to go back to the time when the Government second-guessed managment.

The Government pulled the rug out from under the captain's feet, so he jumped ship. The Government then looked around for a new president. It offered the job to someone who would not take it because the guidelines were not acceptable, although the pay was all right. The ground rules were that the Minister and the Government would call the shots. What the Government finally got was a deck hand whose name is Mr. Lander. He has been busying himself rearranging the deck chairs on the deck of the *Titanic*. He said that the other night in committee. He said he cannot talk about the Crown corporation's future because the Government still has not told him what it wants him to do. He made it clear that politicians rather than postal managers will be responsible for the plan which emerges. He said: "This is not a Canada Post plan". The inference is that if it is not a Canada Post plan, it is a Conservative Government plan. That means we are back to the old days.

Mr. Lander said he submitted options to the Minister responsible for the Post Office, and I will call him the Postmaster General because that is what he is. Mr. Lander said: "The choice of options is up to Mr. Côté and his Cabinet colleagues, not the Canada Post management. I do not have a direction in relation to a plan". Furthermore, the plan is being assembled not by the Post Office but by several Government departments which he did not name. Why we are paying this guy the money we are paying him to be President of Canada Post? We should be paying his salary to the Postmaster General, whom we know as the Minister of Consumer and Corporate Affairs. I think he should be getting Mr. Lander's pay. Mr. Lander is being paid a presidential salary, but is operating like a cook's help. That is what is going on.

The Parliamentary Secretary to the Minister (Mr. Domm) talks about how we created Canada Post and separated it from Government. What the Conservatives have done is take us right back to the 1970s. We are going forward into the past.

The worst thing that can happen at this point in time is to have a Conservative Government with its mindset and its ideology responsible for what is supposed to be a service. We call it "postal service". The name itself indicates that we are talking about a service.

The Government is talking about privateering the Post Office. In this day and age, anyone in this room who thinks that 10 years or 15 years from now we will be sitting down to write our friends a letter, putting a stamp on it and sticking it in a mailbox is wrong. It is wrong to think that is the way mail is going to move and the way in which we are going to communicate. In every Hon. Member's office on the Hill at the moment there is something called "electronic mail". I suspect that will be the way of the future. In fact, the Marchment commission report recommends against the Post Office moving into the area of electronic regular and bulk mail. Do you know why, Mr. Speaker? Because the Conservatives want to leave that to their fat cat friends in the corporate sector. Conservatives want to hive that off for the corporate sector so that it can eat the meal, take the gravy and let the people of Canada get the scraps from the table.

The Hon. Member for Gander—Twillingate (Mr. Baker) made the comparison of the fire department. The fire department is a very good comparison. No one expects the fire brigade to arrive at the House which is burning down and start negotiating with the homeowner the price for putting out the fire. I sat on a municipal council for two years. We never said because the fire department has a deficit we have to cut services. We never considered selling off a pumper. We never said that. We recognized that it was a service. It is the same thing with our town police force. We never looked on the police force as some sort of opportunity for privateering or as a free enterprising operation. It is recognized that it is a service.

• (1500)

Talking about the fire brigade reminds me of Marcus Crassus in 300 BC. This is something which is recorded in history books. He lived in Rome at that time. It is reported that Marcus Crassus owned the only fire brigade in Rome. He was a senator, and not like the type we have in the other place. When there was a fire in Rome he would arrive at the fire and proceed to negotiate with the owner of the villa with respect to a price for putting out the fire. It is recorded that Marcus Crassus became the greatest land owner in all of Rome. That is just the type of thing that the Conservative Government will lead us into with its attitude, view and philosophy with respect to the Post Office.

I tell Hon. Members that the Government has the perfect yes man in the Post Office right now. He hears no evil, sees no evil and speaks no evil. The other day in committee we accused him of being as consultative as an oyster. To every question he was asked he would respond: "Ask the Minister". He told us that we should consult with the Minister. He said: "I don't run this show. I just take orders". That is not what we want at the head of Canada Post which is a Crown corporation.

The Marchment Commission Report points out that one of the biggest problems in the Post Office has been labour relations. The record in this regard is absolutely atrocious. As a matter of fact, the Marchment Commission Report states that labour relations were poisonous. I think that the relationship in the Post Office between management and workers is something like the relationship between a mongoose and a cobra. There is no doubt in my mind that to a large extent the problems with respect to labour and the way in which it gets along with the mangement is entirely due to the Neanderthal thinking of the management.

Take Mr. Lander as an example. Since he was appointed head of the Post Office there have been requests by the workers and their leaders to meet with him. He has refused on every occasion to meet with them. In fact, appointing Mr. Lander President of Canada Post is tantamount to asking the Dukes of Hazzard to park one's car. It will be disastrous. I tell Hon. Members that the situation will be exacerbated because no one is in charge on the deck.

The Government is acting in a secretive way. It has not tabled in the House the documents it has with respect to its plans for the Post Office. The Government has a hidden agenda. It would like to divert our attention with the issue of alternate day delivery. The Government has all of us focusing on that issue when in fact what it really has in mind is a move to group mailboxes. Instead of looking for ways in which to cut back services, the Government ought to be expanding the horizons of the Post Office. It ought to be looking into the area of telecommunications and into the parcel post market. It ought to look to the service centres, one of which has been established in the Rideau Centre. These are the innovative ways in which the Government could go. In fact, I suggest that this is a perfect opportunity to involve the workers, the management and the Minister in developing alternatives to the mess which exists now in the Post Office. As a matter of fact, I know on good authority that the workers themselves have approached management along those lines; but management has refused to respond. The new President of Canada Post will not even meet with them. Just the other day when he appeared before the committee he refused a request to meet with the leadership.

Someone who spoke earlier in this debate pointed out the number of locals which operate in the Post Office and the number of negotations which go on. In fact, it was pointed out by the Hon. Member that the management of the Post Office is constantly negotiating with these locals and that that takes a lot of time. The workers themselves are proposing before the Canadian Labour Relations Board ways in which they can amalgamate some of these locals so that there can be a smoother operation with respect to negotiations for new collective agreements. This would cut down on the amount of time involved.

One of the biggest problems with the Post Office since the time I have been here has been its relationship with its workers. For example, at the present time the Canadian Union

of Postal Workers has referred 20,000 grievances to arbitration, some of which have been outstanding since 1981. In fact, the Canadian Union of Postal Workers has had a success rate of between 75 per cent and 80 per cent with respect to all its grievances which go to arbitration. Mr. Speaker, what do you think the management of the Post Office does when it wins a grievance? It appeals it to the Federal Court of Canada. So what the Canadian Union of Postal Workers is doing now is going directly to the Federal Court. In processing these grievances CUPW has had to spend three-quarters of a million dollars a year in arbitration costs, and they only pay half the costs. So one can imagine what it is costing the Post Office.

Surely Conservative Members of the House will complain loudly about the high rate of absenteeism in the Post Office. This high rate of absenteeism is due to the atrocious and abominable record of occupational health and safety in the Post Office. For example, the statistics for the first half of the fiscal year from April, 1985 to September, 1986 are in. Canada Post has a record of one injury for every 6.5 inside postal workers. If one considers just the big plants, that rate jumps to one injury for every three inside workers. Not even the mining industry has such a high rate of accidents. The Post Office now exceeds the mining industry in terms of injuries on the job. This is costing every single Canadian taxpayer not only in terms of lost productivity but in terms of LTD and any other benefits which have to be paid. The injuries are sufficiently serious that they cause long periods of absence from work. The average amount of time lost per injury to an inside worker is 19 days. At the bigger plants the rate goes up to 27 working days. The occupational health and safety of letter carriers has to do with lower back pain, slips and falls, particularly in the winter months and, of course, dog bites. Unions have shown good faith. They are willing to work with management to improve the workplace. Making the workplace safer results in economy in the running of the Post Office.

• (1510)

I would suggest that the Marchment Commission Report and any other documents or proposed plans should be referred to the Committee on Government Operations, if this is the way the Government is going to go. If the Government really wants to go that route, Members of Parliament ought to take a good look at all of those reports and documents and they ought to hear ideas from workers and management. Then parliamentarians will be able to make suggestions as to what elements should go into developing the plan. The public would be heard and when the plan was developed, I think we could safely say that it had input from all quarters. At the present time, it is a peekaboo operation that ought not to be allowed with the new element that is operating in the committees.

Mrs. Mailly: Mr. Speaker, there seems to be a contradiction between the motion presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) and the speech of the Hon. Member for Nickel Belt (Mr. Rodriguez). The motion asks that we table every single option presented to the Minister regarding the Post Office; yet the Hon. Member is telling us that in doing so, we would be getting too close to running the Post Office the way it used to be run when it was a government Department.

The Hon. Member's speech started off well enough, as always, but deteriorated into rhetoric at the end, as always. I attended the meeting of the standing committee at which the Hon. Member for Winnipeg North Centre asked the President of Canada Post to table all the various options. I clearly heard the President of Canada Post say that he could not present in bits and pieces elements of a business plan because the normal practice for a Crown corporation is to present a business plan to the Minister responsible and then eventually to the standing committee. However, a business plan is first presented to the Minister responsible. This is why I say there is a contradiction in the speech made by the Hon. Member for Nickel Belt.

I have a question for the Hon. Member. He spoke with great passion about the role of the worker in the Post Office and about the bad memories of the time before the Post Office became a Crown corporation, as well as lingering bad memories of poor relations between management and workers. I wonder if the Hon. Member would consider the postal service to be an essential service. If it is an essential service, should the unions have the right to strike?

Mr. Rodriguez: Mr. Speaker, first I would like to clear up any confusion in the mind of the Hon. Member for Gatineau (Mrs. Mailly). She seems to have trouble hearing on Friday afternoons, and that is the time I usually make my speeches in the House. I distinctly said that we all agree that the Post Office should be a Crown corporation. The Hon. Member heard that very clearly. We feel that being a Crown corporation would give unity to leadership in the Post Office.

Of course, what has happened is that with this Government now in office, we have reverted right back to what the Post Office used to be, and I traced that history for Hon. Members. We have now gone back to having a Minister tell the President of the Post Office about the plan. I read what the President said before the committee. He said that the Minister will tell him what to do. The plan is not a Canada Post plan.

The Minister of Transport (Mr. Mazankowski) does not direct the President of Air Canada. The President of Air Canada makes decisions along with his board of directors. They make decisions that they think are good business decisions. They do not come running to the Minister of Transport to ask him to give them a plan. They develop a plan themselves and put it into effect. The Minister of Transport can deal with deregulation but he cannot tell Air Canada that it has to put a service between Sudbury and Toronto. It is Air Canada that makes those kinds of business decisions.

In fact, there is no contradiction. This Government has put the Post Office back into a departmental position. If that is what the Government wants to do, it can do so because it has a majority. If those are the rules of the game the Government is now establishing, then let us do it that way. The only fair way

to do it the Government's way is to come before the committee with all the documents so that we may examine them and make proposals to the Minister. Certainly the situation that exists in the Post Office now is that it is a no man's land.

The Hon. Member asked if the Post Office was an essential service and if the workers should have the right to strike. The Post Office is as essential as doctors in Ontario. Everyone will agree with that. Workers have the right to withdraw their services if that is the last resort. In my experience, workers do not simply run to the picket lines at every drop of a hat. I know from my previous time here that the postal workers were pushed and pushed until the final straw broke the camel's back.

Every single time the Post Office went on strike, postal workers ensured that arrangements were made so that pensioners could receive their cheques and people on unemployment insurance could go directly to the UI office to pick up their cheques. In fact, that has always been the case.

No one wants to have a strike in the postal service. Therefore, the onus is on all parties to arrange the workplace in such a way that a climate of co-operation is created. I suggested a tripartite approach to the plan, and the workers are asking for that.

Anyone using modern industrial techniques ought to recognize that workers have a role to play in determining a business plan. In fact, the best people to ask about the Post Office are the people who work there, not the Minister and not Members of Parliament. I will bet that those workers can show the Government ways to save millions upon millions of dollars. Why not ask them? Why not treat them with respect and talk to them about the issues? Oh, no, the Government is taking a top-down approach. It is an ex-management mentality.

Mr. Brisco: Mr. Speaker, I have real difficulty accepting that the Government has an ex-management mentality. The Hon. Member should know better than that. Let the facts speak for themselves.

I would like to draw to the attention of the Hon. Member a problem for the workers that he might have addressed but that has not been addressed, and that is, the problem of workers' compensation. If a worker is injured inside the Post Office, the provincial compensation claim is made but there is no provision for the provincial compensation board to bring in an inspector to look at the work site and make recommendations as to how that injury could have been prevented. If the Hon. Member were to read the labour law, he would discover that that is the case.

Right now, my office is preparing a private Member's Bill designed to get rid of that kind of nonsense, which is a denial of the expertise required to determine the cause of an injury and how often such injuries are occurring in a workplace. I have been inside post offices. I have looked at working conditions. I am sure the Hon. Member for Nickel Belt (Mr. Rodriguez) has likewise been inside and is probably aware of the hazards. I hope he knows something about the hazards associated with the monotainers and the lifting which is required out of those monotainers. They are ill-designed. I might add that I am proud of the fact that it took a chiropractor, one of my colleagues, to devise a letter-carrying bag which is now used widely in the Post Office, as they can afford to make them, because they distribute the load. We now find that letter carriers no longer have the kinds of problems with their neck and shoulders they had before from carrying loads which were too heavy and ill-balanced always on the same side.

• (1520)

I should like to refer to one occasion when I visited a post office in my constituency. In the parking lot I noticed a bumper sticker on the supervisor's car which read: "When you work with turkeys, how do you expect to fly with the eagles?". I could not help but to remark to myself, what an attitude with which to greet employees. I asked one or two employees if they had ever noticed the bumper sticker. Thankfully they had not, but I was somewhat embarrassed that I had drawn their attention to it. Can one imagine the impact of that kind of negative statement on the supervisor's employees, on our employees? That is the kind of problem we have to address. It is a management problem. We are prepared to address it as much as anything else.

I do not want to be hung with the claim that we are only concerned about the rights and privileges of management and not the problems of the workers, because that is ill-founded.

Mr. Rodriguez: Mr. Speaker, it is not ill-founded. I do not know where the Hon. Member has been hiding—

Mr. Brisco: In the Post Office.

Mr. Rodriguez: If he had been hiding in the Post Office, he would be aware that occupational health and safety in the Post Office now comes under Part IV of the Canada Labour Code. There are inspectors in Labour Canada who inspect—

Mr. Brisco: How many?

Mr. Rodriguez: That is the Hon. Member's Government and Department. He should ask his Minister. I am not the Minister of Labour. He should ask the Tory Minister of Labour (Mr. McKnight). Who is running the show here? I would not mind running the show but I would want the Minister's salary. I do not mind answering questions for the Minister, but I want his salary.

Mr. Deputy Speaker: Order, please. Would the Hon. Member complete his answer, please?

Mr. Rodriguez: I was just about to complete it, Mr. Speaker. If the inspectors are not doing the job they should be doing in Labour Canada, it is the Hon. Member's responsibility as a Member of Parliament on the Government side because he has a pipeline to the Minister of Labour and can go after him. We are going after him. We are reminding him. If he

does not have enough inspectors, he should hire more inspectors. However, the Government is in a cut-back mode. It is not hiring public servants; it is firing them or letting them go. What is happening in the Post Office? The management in Canada Post is being given the golden handshake. Their contracts are being bought out at $50,000 and $60,000. They are being given the golden handshake, and the lower echelon people are being fired.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, Friday afternoons are always very interesting when our hon. friend from Nickel Belt (Mr. Rodriguez) is here. Since I had started discussing Crown corporations with him, I would like to finish what I was saying before going on with my speech.

I said there was a contradiction between the speech by the Hon. Member for Nickel Belt and the motion proposed by his colleague from Winnipeg North Centre (Mr. Keeper), because a real Crown corporation submits an operating plan to the Minister responsible. This is part of the normal practice followed by a Crown corporation, while the motion by the Hon. Member for Winnipeg North Centre asks us to divulge the details of this plan bit by bit, and although the Hon. Member for Nickel Belt is right about the fact that the CBC and Air Canada are not subject to daily intervention by a Minister, since they are Crown corporations, the Minister responsible nevertheless receives the operating plans for these Crown corporations and has a responsibility to ensure that the Crown corporation—which is financed or was, initially, by the taxpayers and which is under the Government's jurisdiction since it is still a Crown corporation—that the Crown corporation, as I was saying, fulfils its mandate.

Mr. Speaker, it often happens, and that is the case at Canada Post, that when a Crown corporation is going through a development phase or is in difficulty, the responsible Minister is obliged to intervene more often than would normally be necessary, as in the case of a Crown corporation that is running smoothly.

Mr. Speaker, that is what the President of Canada Post said the other evening, when the Hon. Member for Winnipeg North Centre put the question to him and asked him to reveal his operations plan bit by bit. The President of Canada Post said, in answer to my question, that the present circumstances were not normal ones for the Canada Post Corporation or for any Crown corporation. He said, Mr. Speaker—

[*English*]

"We are a fledgling corporation. We are going through a difficult period. I am the new President and therefore I have to present to the Minister responsible a new business plan. I must develop this business plan. It will include some options for the Government because I am living under a corporate plan which was adopted five years ago and is still running until the end of 1986".

[*Translation*]

Mr. Speaker, that is what the president of the corporation answered the other night when questioned by the Hon. Member for Winnipeg North Centre. So this is the context in which today's motion must be viewed, and more questions immediately come to mind: Is the mover of this motion, the Hon. Member for Winnipeg North Centre, serious when he talks about undue interference with Canada Post by the Minister responsible and when his colleague from Nickel Belt (Mr. Rodriguez) asks the same question?

Getting back to what I wanted to say before this very interesting exchange began, Mr. Speaker, all Canadians were looking forward to an early settlement of the various issues which eventually led to the Post Office Department being turned into a Crown corporation.

We had very troublesome labour relations problems. We had strikes. These strikes of course led to service breakdowns which were very hard on people who relied on postal services. The other serious problem was that deteriorating services were creating an unacceptable situation. So all Canadians, all parties and all political factions agreed that a postal Crown corporation was the answer.

Unfortunately, for a number of reasons, our dream to settle all outstanding problems and improve services did not become reality. Since then the Government has changed and the corporation is headed by a new president. Canada Post therefore is still in limbo, still far from being able to operate as a healthy Crown corporation.

Mr. Speaker, many of my Government colleagues and I share a common view: service has to be the main object of Canada Post operations.

When this Crown corporation was established the previous Government expected management to reach three objectives at the same time. The first objective was to improve the service; the second, to improve labour relations, and the third, to become financially self-sufficient, in other words, to eliminate the deficit of nearly $1 billion accumulated by the Canada Post Corporation, and to do so by the end of the 1986-87 fiscal year.

• (1530)

According to the vision of the president, those three objectives had to be attained simultaneously. I think that this may have been the beginning of the problem because it seems that, when Canada Post tried to improve its services, it had trouble meeting the objective of self-sufficiency within a period which the new corporation may gave found too short.

Second, Mr. Speaker, as a new Crown corporation without the financial systems required to operate in true autonomy, Canada Post could not even determine its revenues, it did not know exactly what were its expenditures, it did not produce an annual report, it had no financial system, it was not computerized, and moreover, it had problems with its mechanical operations, and labour relations, which people had hoped

would improve, were now deteriorating. I believe that the objectives of the new Crown corporation were perhaps set too high or may have been too ambitious.

Today, Mr. Speaker, we find ourselves in a somewhat improved financial situation because, if we look at the financial statements and at the annual report which we finally have, we find that its deficit, which had reached nearly $1 billion, has gone down to approximately $200 million. How was this achieved? I think that that is the $64 question. The deficit was reduced to a great extent thanks to increases in the postage rates.

People may say that nowadays everything is on the increase. After all, 34c. for such a service is not paying much. Look at the way bus fares have increased, look at how much more we have to pay for laundry, cleaning, etc. But the paradox in my view is that the increase from 17 cents to 34 cents came up at the same time as the service deteriorated to a truly unacceptable level.

More so, we had hoped that employer-employee relations would improve with the Crown corporation concept since before that, workers had to face two or three different Ministers when the time came for negotiating a collective agreement. With a Crown corporation, we hoped they would be facing a single employer and the situation would improve.

The tragedy, Mr. Speaker, is that the malaise that existed with the Department endured with the Crown corporation and still exists now, although there has been a slight improvement in employer-employee relations. But the problem, which relates to worker alienation, to the size of the premises where workers must work all day, the lack of direct communication between supervisors and the people they have to supervise, that communication gap is still there. Moreover, a good many supervisors who are responsible for monitoring the work of employees on Canada Post Corporation's premises do not seem to have the training required to provide those workers with a kind of management that is both human and competent, using a simple psychology of respect for the workers. And those supervisors were of the old school which believed their job was to police groups of workers on Canada Post's premises rather than to instil in those employees the pride of belonging to a new Crown corporation: instead of that, the alienation has gone on and the lack of training among those supervisors has created other problems.

There has also been some improvement in that area because many of those supervisors have been given further training and it is hoped that they will have a more human and professional attitude towards their employees, their workers, the people for whom they are responsible.

However, we will have to work tremendously hard. And I think the union leaders are quite aware of those problems and are ready to forget those bad souvenirs of the days when they felt they were in constant conflict with management, with those supervisors with whom they had to deal, and that there will now be close co-operation between the management of Canada Post and its workers. However, there is still much to be done.

Mr. Speaker, I believe this is an excellent opportunity to create a climate of trust. As suggested by the Hon. Member for Nickel Belt (Mr. Rodriguez), I believe also that we should sit down with these unions and workers—we need to be able to speak directly to the workers, not just their leaders—to see how we could achieve this self-sufficiency as a discipline—this is a term used by the President of Canada Post—and not as something imposed by the Government. We should be increasing the revenues rather than raising the prices of stamps. If Canadians are sick and tired of the poor service, Mr. Speaker, they are also sick and tired of the price increases for stamps. Mr. Speaker, even a one cent increase is felt as an insult by a public which presently has to put up with a service which is really abominable.

Therefore, no price increase for stamps before a marked improvement in the service; find ways to increase revenues; try to co-operate with workers and their unions to develop ways to increase these revenues.

As to self-sufficiency, there is a plan calling for the Crown corporation to become self-sufficient by the end of 1986-87. The Minister of Finance (Mr. Wilson) gave the Crown corporation an extension when he said that it could take one more year to achieve this self-sufficiency. Therefore, Mr. Speaker, the Opposition is wrong when it says that we asked the corporation to achieve this self-sufficiency over a shorter period of time. Quite the contrary. We have extended by one more year the initial period granted to achieve self-sufficiency but we said also that it had to conform to the discipline it had accepted when it was established.

Therefore, this deficit will have to be cut by nearly $200 million, but this should not be done by increasing the prices of stamps. It will be necessary to make cuts in the expenditures—I do not mean through reduction of wages which have been negotiated— but by eliminating dead wood among higher paid management where, based on my personal experience, there is duplication of jobs which could be done better, more competently and at a much lower cost by workers already there. Therefore, there are ways to cut expenditures.

• (1540)

There are also ways of cutting expenses by improving the mechanization of certain processes, and this is where we will gauge the good will of the union leaders when they are faced with that possibility. If we are to improve operations at Canada Post in order to improve the service, some of the tasks will have to be done faster, more competently and at a lower cost. And this is where I hope union leaders will use the flexibility needed to enable a quality-conscious management to make some changes in the working methods without jeopardizing people's jobs. This is therefore an area where both unions and management could work together.

With respect to increasing revenues, Mr. Speaker, the Hon. Member for Winnipeg North Centre referred earlier to parcel post delivery. Clearly, this is an area that could generate revenues. But it must be remembered that at one point, parcel service in the Post Office—because perhaps of a bad labour relations climate, because perhaps of the tremendous size of those new plants that were added without too much consultation with employees—the existing parcel service was really inadequate. There was a considerable amount of parcel damage, which means a new way will have to be found to provide that parcel service. But what we have seen since Canada Post Corporation has ceased to be involved in parcel post is that today, there are all sorts of very able and competitive private businesses which have come to this area. In order then for Canada Post Corporation to compete effectively with those new operations that make use of very modern equipment and have now acquired so much experience, it will have to develop a system that will be truly different from the one it used to have. Then increased revenues will become possible.

There is another aspect, which is that if we refer to increased revenues, we are then entering into competition with small and medium businesses. We saw that, for instance in the case of advertising inserts, where weeklies complained that Canada Post Corporation was trying to get revenues with those inserts. It was competing with SMBs and it was really unfair that a Crown corporation should use taxpayers' money to compete with SMBs. So there is a danger in increasing revenues.

To conclude, Mr. Speaker, I believe there is hope for Canada Post, but there will have to be very close co-operation between labour and management, a disciplined management, and a lot of courage on the part of the President of the Canada Post Corporation to really meet his greatest challenge, to improve service before anything else.

Mr. Deputy-Speaker: Questions or comments. The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Yes, I have a few comments to make and a few questions to ask my colleague, Mr. Speaker. She says that it is normal for a Crown corporation to submit a plan to the Government and for the Government to make a decision. What I want to know is whether it is normal for a Crown corporation responsible for mail delivery to make plans behind closed doors with the Government and for decisions to be made without public input. Is this normal? Is it the policy of Canada Post to make decisions without giving the public an opportunity to have some input and to be informed about the plans and the options being considered by the Government?

A few Government Members have already referred to the Marchment Report. They have indicated that this was sufficient public input. What I want to know is this: Does the Hon. Member believe that ordinary people are convinced that they have already had an opportunity to take part in the decision-making process regarding the Canada Post Corporation, especially when the Government is now on the point of making decisions which affect all Canadians? Finally and briefly, to give the Hon. Member enough time to reply, I would like to know this: Is it normal for the person who will be making the decision, that is the Minister responsible, to be absent from this place when we are considering this important matter which affects all Canadians?

Mrs. Mailly: Mr. Speaker, I have personally headed a delegation of my constituents before the Marchment Commission which has tabled this report at the Government's request, precisely because we wanted to seek the advice of Canadians on the problems experienced by Canada Post and its priorities. In this report, the message was clear. Canadians want above all an improved service. I believe this was an honest consultation. The delegation I was heading, made up of people from my riding, told the Marchment Commission, which has prepared this report, that it would prefer an improved service to a self-sufficiency which could prejudice an improved service. The message was loud and clear. Everybody agrees. The problem is that when the Crown corporation was set up, it was mandated to achieve self-sufficiency by fiscal year 1986-87.

Mr. Keeper: It was not there.

Mrs. Mailly: Yes it was, I am sorry, the Hon. Member says no, but he is wrong.

As to the Minister, as I said earlier, he is in Montreal where he is meeting a provincial Minister to address a most urgent issue, and that meeting had been scheduled a long time ago. He was in the House during the Oral Question Period to answer the questions directed to him by my colleague the Hon. Member for Winnipeg North Centre (Mr. Keeper) in spite of the fact that he was on a very tight schedule to arrive in Montreal. He was here to give him an opportunity—

Mr. Ouellet: He was not in the House during the Oral Question Period.

Mrs. Mailly: He had intended to come but he realized that if he did, he would not be able to arrive in Montreal in time for his appointment, but the Hon. Member himself told me that he intended to come during the Oral Question Period. I was away in my riding. I wish therefore to thank the Hon. Member for Papineau (Mr. Ouellet) for setting me straight, but the fact is that the Minister had a very important appointment and that this allotted day was decided upon by the House Leaders this week for today. These things happen.

As I said earlier, Mr. Speaker, I believe that the Hon. Member for Winnipeg North Centre should co-operate to solve this problem and above all improve the service, rather than moving motions which he contradicts himself by asking us to intervene directly in the operation of Canada Post, contrary to the accepted practice.

Mr. Keeper: Mr. Speaker, I too was informed yesterday of this opposition day, and I too had other plans and very important engagements in Winnipeg. I consider Canada Post as essential to all Canadians.

And I would like the Minister to view Canada Post in the same way. Why is the Minister not here? Why did he not change his agenda? Is he not aware of the fact that this policy concerns every Canadian, every citizen of this country?

You also said that the date set for self-sufficiency is in the legislation. It is not. There is no date mentioned. There are goals including self-sufficiency and services, but there is no specific date for the achievement of those goals. The date set for those goals is in your budget, but not in the legislation. It is not in the legislation.

Mrs. Mailly: Mr. Speaker, I regret to say that the Hon. Member is mistaken. The request or the terms of reference including self-sufficiency were drafted in the first plan, in English the corporate plan, the operating plan of the Crown corporation. It was not in the legislation to establish that Crown corporation because the business plan becomes part of the operations of a company after it has been established under the bill. However, we did not impose that, and indeed we gave them one more year to meet the mandate that had been set out jointly by the Corporation and the Minister responsible at the time. I should think the Hon. Member for Papineau (Mr. Ouellet) probably was the Minister in charge at the time.

I am therefore sure that he can, in his remarks this afternoon if he intends to rise on this matter, explain that it was part of the obligations of the new Crown corporation.

It was therefore not initiated by our Government, and in fact we allowed for some flexibility by extending that period to make things easier for the Corporation which was going through difficult times as its president was replaced by another, services deteriorated and consumers no longer tolerated increases in postage rates. So we actually tried to make things easier.

However, we cannot back off from the adamant stand on the deficit or we would be doing just what the Hon. Member for Nickel Belt (Mr. Rodriguez) said we should not be doing. We would be converting a Crown corporation into an unprofitable Government department.

If it is a Crown corporation, it should be self-sufficient like Petro-Canada, like Air Canada, like the CN, and a host of others.

Mr. Keeper: Mr. Speaker, why does the Hon. Member suggest that a communication service cannot be subsidized? Airports are subsidized, and so are other means of communication in our society.

Why should a service like Canada Post not be subsidized to a reasonable extent?

Mrs. Mailly: Again, Mr. Speaker, I repeat that a Crown corporation is given a mandate. Normally, when a corporation's main responsibility is to provide a service it is expected to become self-sufficient. Otherwise it will for ever need injections of public funds, so much so that the management of the Crown corporation are left with the very clear impression that the door is always wide open and that they are not really expected to run the corporation as a self-supporting operation.

That is precisely why I believe that when the corporation was established, probably by the then Minister of Finance, he told his colleague the Postmaster General that such a Crown corporation would be expected to eliminate the huge deficit running close to $1 billion, as I pointed out. Such were the facts then, we did not invent anything.

Mr. Deputy Speaker: Let us get on with the debate. The Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, I have some short comments to make in this debate this afternoon, but first of all, I want to say that I support the motion moved by the Hon. Member for Winnipeg North Centre (Mr. Keeper). The motion says, and I have the text here:

• (1550)

[*English*]

That this House demands that the Government require Canada Post to immediately provide, for tabling in the House, all of the options and the studies related thereto that are currently being considered for the future operation of the corporation, in order that public opinion and especially input from—

A series of people that are outlined here.

—be considered prior to any decision being taken.

[*Translation*]

I think the Government should ensure that the Canada Post Corporation immediately table its options, which are currently being examined and considered by the Corporation's directors.

To ensure that the public is informed of the decisions that will be taken very shortly, I believe, by the Government and by the Corporation, I think these decisions should be made after a public debate. I believe that is the purpose of the motion by my hon. colleague from Winnipeg North Centre (Mr. Keeper), namely to have an intelligent public debate on the matter. Actually, we know there is a small group of Conservative Members who have taken it upon themselves to mastermind the operations of Canada Post. Today, we have these Tory backbench managers who think they can operate a Crown corporation which happens to be Canada Post. And I think this is unacceptable. It is not only that, it is regrettable as well, and I think that the attitude of these Conservative Members will destroy all the improvements we have seen in recent months at Canada Post. I don't think there can be two tiers of management at Canada Post. Those who are appointed as such and who work full time at Canada Post should be entirely free to act and have full authority over the Corporation. Otherwise, it is back to the difficult times of labour disputes. We will have major labour conflicts, and we will have a situation that will deteriorate steadily instead of improving.

I think the Hon. Member for Winnipeg North Centre must have read the *Toronto Star*, which said this morning, and this may be what inspired today's motion: Ottawa plan, a secret. And I quote the *Toronto Star*:

[*English*]

Don't blame Donald Lander, the new President of Canada Post Corp., for the thick fog that hangs over our national mail service. It is not his fault that the Progressive Conservative Government in Ottawa seems intent on ducking a public debate on the future of the Post Office.

More than three months after his appointment as President, Mr. Lander emerged for a public appearance before a House of Commons committee, but he had little to say because, as he informed the MPs, the Government still has not told him how it expects him to eliminate the $243 million Post Office deficit by April 1, 1988, while improving service at the same time.

[*Translation*]

I think the *Toronto Star* is absolutely right. We cannot expect Donald Landers, the new President of Canada Post, to work miracles. If he doesn't know what kind of action plan he should act upon and if he has no clear and specific directions from his boss, the Government of Canada, then the shareholders, in other words, Canadian taxpayers should make themselves heard through the present Conservative Government and tell Mr. Landers and the directors for Canada Post how they want things to be run in the future.

I find it extremeley unfortunate that we have now come to this point, because the Hon. Member for Gatineau (Mrs. Mailly) who spoke a while ago has worked for Canada Post. She knows the concept on which Canada Post was based. She knows quite well that both the Post Office authorities and the unions wanted the Canada Post Corporation to be set up. Moreover, she also knows quite well that when the former Government passed that legislation and hired Michael Warren to become President of the Corporation, it had given Mr. Warren a clear, specific, and full mandate.

And I can add that not only his mandate was specific, but Mr. Warren knew what to do without any untimely interference from the Government. The President of Canada Post had unlimited powers to make the necessary decisions and manage the Corporation.

Now I am in a position to say that during the first years, the experience was quite satisfactory and I only have to quote the Parliamentary Secretary to the present Minister responsible for Canada Post (Mr. Domm) who said earlier that Canada Post should operate at arm's length from the Government, that the latter should not interfere and give improper orders to the authorities of the Corporation and he also praised the work it has performed up to now.

Now, I did not praise the Corporation. I am only reporting what the Parliamentary Secretary said earlier.

And, secondly, another authority that will perhaps be acceptable to Members opposite, the Minister of Finance (Mr. Wilson) himself said in his Budget speech on February 26, last:

• (1600)

[*English*]

Over the past year the Corporation has made progress in reducing overhead costs, cutting the number of managers and staff and increasing productivity.

[*Translation*]

So the Government itself admits that the corporation was under sound management, that it was clearly on the right track, and that it was making progress in the three areas which had been singled out: first, improved services; second, better labour relations; and, third, reduction of the deficit which the Post Office Department used to incur.

But the new Conservative Government threw a monkey wrench into the whole operation. Shortly after it took office we learned that Members made representations to the corporation to have people hired, that in some cases—like the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie)—they wanted an employee rehired and promoted. Indeed this was the issue of an investigation which cost thousands of dollars to the Canadian taxpayers and which never led to anything. It was a sheer waste of money to gratify the Hon. Member for Winnipeg—Assiniboine and nothing ever came out of it. The impartial authorities who reviewed Mr. Varga's allegations concluded, as did before them both the Auditor General and the management of Canada Post, that there was absolutely nothing to warrant a change in operations.

We even learned that on several occasions the Prime Minister's Office would call one or more Canada Post employees to intervene in the daily operations of the corporation. There can be no doubt that all this did not help postal operations and, in the end, the Minister of Finance (Mr. Wilson) made this comment after receiving the Marchment Committe report, and I quote:

[*English*]

We must also restrain spending in a number of specific areas.

The Government is determined to come to grips with the financial and operating problems of Canada Post—

The Marchment Committee has recommended another five years to reach the break-even point. This is not acceptable.

Following discussions with the President of Canada Post, the Government has requested a new operating plan to improve productivity at Canada Post so that the Corporation will reduce its operating deficit to zero by the end of fiscal 1987-88.

[*Translation*]

That, Mr. Speaker, was the last straw. Obviously, the postal authorities who had a specific action plan, who knew where they were going and had a very clear mandate not only to increase the revenue of Canada Post but also to make the appropriate administrative decisions that would improve labour relations and service, these authorities could not continue to function in the same way when dictated to every blessed day by third parties, either from the Prime Minister's Office or from a small secret society of Tory backbenchers, and so the President at the time, Mr. Michael Warren, resigned.

I understand why he resigned, and I think it was a serious mistake on the part of the Minister responsible for Canada Post to let him go. And it was an even more serious mistake on the part of the Minister responsible for Canada Post when he did not warn his backbenchers to keep their hands off the Corporation. If Canada Post is to make the kind of progress that is required, it must first be free to act according to its operating plan, without the kind of political intervention certain Tory Members want to indulge in.

Mr. Speaker, I think it is too bad that the Hon. Member for Gatineau (Mrs. Mailly) . . . I am sorry she left—mentioned—because if she were here I would be able to—

Mrs. Duplessis: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: The point of order probably refers to the fact that the Hon. Member should not mention the absence of the Member—

Mrs. Duplessis: He has no right—

Mr. Deputy Speaker: Order, please! I am sure the Hon. Member did not do it intentionally.

Mr. Ouellet: This is because I have to refer to a speech that has just been made, and I want to respond to some contributions made earlier in this House. And, of course, I would like the Hon. Member who made that contribution to be here in order to hear my response.

What I mean is the Hon. Member for Gatineau, who just spoke, seems to let the responsibility for future solutions to the problems of Canada Post Corporation lie on the shoulders of the labour unions. She made a thinly veiled threat when she suggested labour leaders should understand and act differently in the future. As if problems that may exist within the Canada Post Corporation were the exclusive responsibility of labour leaders. It may be easy for the Conservatives to constantly blame labour unions for existing problems, but the facts are, Mr. Speaker, that unions in the Post Office have given evidence of their good faith since the Canada Post Corporation was established. Since we established the Canada Post Corporation, there has not been one single strike. Not one union went on strike since the Corporation was established, some two and a half or three years ago. However, there seems to be an attempt to perpetuate in the minds of some Conservatives the idea that Post Office unions are responsible for all existing problems. It is time in my view that we recognize that labour unions in Canada Post are willing to co-operate, to do what is possible to improve conditions. That they did not go on strike but signed year after year collective agreements without ever striking since the Canada Post Corporation was established is clear evidence of their good faith, of their good intentions and of their desire to co-operate in order to improve operations, to provide a better service.

But there is a commitment which had been made to Canada Post by the former Government and which has not been met by the present Conservative Government. It was to allow this corporation to diversify, to streamline its operations, because the area of communication is not made up only of mail sorting and handling. It is a fact that we are entering into an era of advanced technology and sophisticated communication media. When creating Canada Post, we, the previous Liberal Government, had given it a clear mandate to move forward, modernize its operations and thus collect the additional revenues it needed to subsidize the least lucrative parts of its operations.

It is clear that if you send a letter from one end of the country to the other, the 34 cents or 68 cents stamp you may have to buy will not cover the costs which Canada Post will incur to deliver this letter to its destination. What am I saying is that, unfortunately, the lack of additional revenues which Post Canada could gain through technological developments that are now denied by the present Government is making the situation very difficult, if not impossible, for the present administrators of Canada Post.

To conclude, I want to say that I have the fullest confidence in Mr. Lander, the new president, as well as in Hon. Justice René Marin, the chairman of the corporation, who are both competent, fully dedicated to the cause of Canada Post and who, with a staff which is committed to improve things, could succeed, if only the present Government will allow them to do their work in total freedom and peace of mind. What is most regrettable and why I support the motion moved by my colleague the Hon. Member for Winnipeg North Centre is the fact that a small group of Conservative Members meet in secret to try and plan the future of Canada Post. These self-appointed administrators are wrong. If the Minister allows them to continue, they will ruin the fine efforts made to improve the situation within Canada Post.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Mr. Speaker, I have a question for the Hon. Member.

When his Party was in power, the objective of his Government was to phase out subsidies to the Canada Post Corporation by the year 1986-87. This was the objective of his Government and the Conservatives have postponed the target date by a few years. The result of this policy has been an increase in postage costs and service cut-backs.

Does this policy remain similar to that of the Liberal Party?

Mr. Ouellet: Mr. Speaker, I think that the Hon. Member for Winnipeg North Centre (Mr. Keeper) was right earlier when, during his discussion with the Hon. Member for Gatineau (Mrs. Mailly), he said that there was no requirement in the Act for Canada Post to become self-sufficient at one date rather than another.

The objectives set in Section 4 of the Post Office Act consist first and foremost in improving the service and maintaining

the quality of service which the people of Canada are used to receiving in all our communities. Indeed, it is explicitely stated in the Act that the Canada Post Corporation shall not close post offices in small communities or discontinue home delivery or rural mail runs in isolated areas, because we did not want to live the same experience as in the United States where, after the creation of a public corporation independant from Government, thousands of small post offices were closed down. We therefore specified in the Act that the Corporation would have to continue to provide the service given to the public in the past.

In answer to the Hon. Member's question, I would point out that obviously the previous government had only set objectives to be met. And it was understood with Canada Post management that a year before the expiry of the five-year operation plan there would be new discussions and a new timetable might be set, because we could not draw a figure out of a hat and say without any risk of error, in all certainty, that by a given date, by a given moment, Canada Post Corporation would have become fully profitable.

However, we never put in the legislation any constraint for Canada Post Corporation, and if the present government now wants to do it, they are doing it on their own and without any legislative obligation to do so.

• (1610)

[*English*]

Mr. Domm: Mr. Speaker, I will take this opportunity to bring to the attention of the House through you, Mr. Speaker, a rebuttal to the statement made by the Hon. Member for Papineau (Mr. Ouellet) that our Government is meddling in an area in which it should not meddle in trying to give Canada Post direction or advice on matters of concern to the corporation. At the same time, the Hon. Member for Papineau is implying that his Government, the previous Government, did not create this kind of dilemma for Canada Post. Would the Hon. Member mind advising the House why, during the former administration from 1980 to 1984, the Government went so far as to appoint rural postmasters, with the approval of Liberal Members of Parliament? Is this not taking some of the decision-making process away from Canada Post? Would the Hon. Member also confirm or deny that his Government approved appointments, through Orders in Council, of all the vice-presidents? Who does the important decision-making at Canada Post if it is not the Vice-President of this or that department? Why would the former Government condone the approval of appointments to rural postmaster positions by Liberal MPs as well as cabinet decisions to approve all vice-presidential appointments? That is the first question.

• (1620)

The second question deals with the Hon. Member's perception of the difference between this Government and the former administration which made claims that it did not do what we are endeavouring to do at this point in time. I have before me a document which came about as a result of the Crown corporation being formed in 1981. The Hon. Member tries to take credit for the fact that there were no strikes in 1981, 1982 and 1983 when his Government brought in a Bill which fixed salaries and made negotiations with unions over salary increases impossible as a result of the six and five program. The former Government fixed salaries without arbitration and without labour negotiations. What we are saying is that through good working relations between Government and Canada Post we have avoided strikes at Canada Post without legislation. So if any Government has directly interfered with Canada Post in terms of salaries, unions and labour relations, it was the former administration.

The former Government set objectives for different types of matters, including volume of deficit. Objectives were set to improve service. In the literature of Canada Post an agreement to the former Government's challenge is set out. The former Government gave the Post Office three challenges. One was very specifically to cut the deficit; but no help was offered to Canada Post when it had no money for capital expenditures. That is one of the dilemmas which it faces today. How did the Hon. Member expect the corporation to keep pace with modern times and technology when the former Government cut off all possibility for capital involvement?

Mr. Ouellet: Mr. Speaker, I find it very interesting that the Parliamentary Secretary is now starting to behave like a member of the Opposition. He is here to defend Canada Post, not to attack it. Clearly, he has the answers to all the questions which he has asked of me. He should be supplying the answers instead of asking the questions.

I wish to tell the Hon. Member, in relation to expenditures which Canada Post needs to be more efficient, more operative and more modern in its activities, that it is not up to me as a member of the Opposition to supply the money. It is up to the Government of the Hon. Member opposite to find the money and to allow the Post Office to purchase any new equipment necessary to improve its operations.

As far as the Hon. Member's remark is concerned with respect to the three objectives established by the Government, I remind him that these objectives were established by Parliament. The legislation creating Canada Post Corporation was unanimously passed by all Members, including the Hon. Member who just asked me the questions. He was a Member of Parliament at the time sitting on this side of the House. He voted in favour of the creation of the Canada Post Corporation, unless he was absent that day. However, it was a unanimous decision by the Members present. All the Liberals, all the Conservatives and all the members of the NDP present in the House that day voted in favour of the Bill. These three objectives were outlined in the Bill.

As far as appointments are concerned, I wish to reassure the Hon. Member that in 1969 the then Postmaster General, Eric Kierans, changed the method of appointment of officials in the Post Office through competitions to be presided over by the

Public Service Commission. All appointments of postmasters since that time have been made under the auspicies of the Public Service Commission.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the Government now has the Marchment Report. We have had it for some time now and it has been studied extensively. We also have the Laventhol & Horwath Report which pointed out that there is gross mismanagement at Canada Post.

I wish to offer my congratulations to the present Minister responsible for Canada Post who has spent a great deal of time trying to find a solution to the very serious problems we have had with postal delivery in Canada. I have had the pleasure of working with the Minister in some of his deliberations. He will be announcing a mandate next month. It will be a public statement and not a private one. I have never heard anything as ridiculous as the comment about his being involved in the day-to-day operations of Canada Post. Members of Parliament were swamped with letters of protest concerning mail delivery. It is our responsibility to do something about this, just as we had to do something about Air Canada in the 1970s when there was gross mismanagement within that company. At that time, thousands of airline tickets were missing and air safety regulations were not being adhered to. After we finished with Air Canada, the President had to resign. We had to bring in a new President, as well as a new Vice-President of Maintenance. So there is nothing new about our having to become involved with Crown corporations. I cannot tell a constituent who writes me a letter concerning poor mail delivery that it has nothing to do with me because it concerns a Crown corporation. That is a lot of nonsense. If we continue to receive complaints, we will raise them with Canada Post officials.

I wish to contain my remarks in the most part to the employees of Canada Post and to labour relations within the corporation. The Marchment Report states that outside postal workers, letter carriers and parcel post delivery men are highly regarded by Canadians who have come in contact with them and who have an opinion on the subject. Outside postal workers are seen as being courteous, efficient, helpful and knowledgeable. Only 5 per cent or less of the population are critical of outside postal workers on any of the four dimensions that were measured.

I think there is potential for a great deal of improvement in the Post Office. I will touch on other recommendations which have been made to management to deal with better labour relations. However, Canadians have a different opinion of inside workers. The Marchment Report states that the majority of Canadians are also positive in their attitudes toward inside postal workers but that the frequency of criticism of them is higher than of outside postal workers. The report states that almost one in five Canadians, or 18 per cent, feel that Post Office employees are not efficient, while one in seven say that they are not courteous or helpful. So there is some concern with regard to the inside postal employees. Marchment made some recommendations in his report which will be up to Canada Post to implement. I think they are excellent suggestions.

We will not go into Canada Post to implement the recommendations which have been made with respect to labour relations. The Marchment Report states that the corporation should investigate the use of incentives, including a team leader approach, to improve output and employee morale, particularly in terms of mail processing. Another recommendation is with respect to the corporation re-examining its employees' suggestion award plan to ensure that adequate encouragement and recognition is provided for employees to generate suggestions which will improve productivity.

I am sure that Canada Post is working on some of these recommendations since labour relations seem to have improved over the last period of time. One cannot talk about service without taking into account labour relations. If reasonable and affordable settlements cannot be reached with employees and their unions, then there can be no service. If there is no service for a long period of time, then there will be no customers. This is part of the price the public and the Post Office has had to pay for the labour turmoil of the 1960s and 1970s. There were nine national strikes in 15 years, some of a few days' duration and some of many weeks' duration. There were thousands of days lost due to sporadic work stoppages and wildcat strikes. The long-term cost to the Post Office and to employees has been the rise of a courier industry. Born in emergency, this industry stays on as an aggressive, expanding competitor in certain lucrative postal markets. As well, a general crisis of confidence in the Post Office's ability to deliver has probably hastened investment in alternative delivery methods and technologies.

• (1630)

During this period the capacity of the Post Office to pay for itself and deliver on traditional and new expectations of Canadians was weakened. It was to bring about a state of normality to this downward spiral in labour relations and to impose upon the postal service the disciplines as well as the opportunities of a private-sector labour relations system and the Canadian Labour Code that Canada Post was made a Crown corporation. This step was welcomed by all parties.

What has been the result of this step? The Crown corporation came into being on the heels of a disastrous 45-day strike. Since then, however, almost five years have gone by without a national strike. Days lost due to wildcats or illegal stoppages have shrunk. Stoppages have been brief and have been dealt with promptly. Negotiated pay settlements have been kept within the level of inflation of 2 per cent to 4 per cent, and the move to trend-setting wage packets has been stopped.

Labour relations and negotiations are so complex and are influenced by so many factors that it is foolhardy to assign blame or credit for their success or failure. I would only repeat that since the move to a Crown corporation, five years have gone by without a national postal strike. That is a fair record for a business.

I would remind Hon. Members of the House that it has taken 20 years to pollute the atmosphere. The corporation is saddled with a massive clean-up campaign. If management and past administrations are to be held accountable for past labour relations failures, then some credit must be given to the corporation and the measures taken by its managers for those five years without national mail stoppages.

Reasonable Members will recognize what private-sector managers have rediscovered, which is, that managing change is easier in a growth situation when money and resources are plentiful. The degree of normality brought to labour relations at Canada Post has been achieved in a time of down-sizing and change and within the labour relations structure inherited from its days as a government Department. I would like to discuss that structure for a few moments and outline what is being done to reform it.

Canada Post Corporation has slightly more than 60,000 employees. Only a few thousand are non-unionized. For labour relations and collective bargaining purposes, unionized staff are divided among 30 recognized bargaining units and eight different unions. This is a structure that has its roots in employee associations formed shortly after Confederation, and that is related to the organization and purpose of Government Departments. For a Crown corporation which must function in many ways like an industrial, businesslike and commercial enterprise, it is a cumbersome and complex framework within which to work and change.

Some of the postal bargaining units are comprised of many thousands of employees and others of none or just a handful. For example, it has been 20 years since trains ran with sufficient frequency to make mail sorting on board a practical proposition. Railway cars made their last runs in 1971, yet today there is still a lone railway mail clerk working in a postal plant in western Canada. There is a separate collective agreement for this one-man unit. Can you believe that, Mr. Speaker? This is only an example, but it illustrates the need to take a hard look at whether or not this structure makes sense in the 1980s and 1990s.

The large number of units and collective agreements, some large and some small, that must be negotiated means that the corporation is almost constantly at the bargaining table. This puts a terrible burden on the management of Canada Post. It is administratively complex and costly. It is also costly in terms of business and customer confidence.

Negotiations, by their nature, carry with them the possibility of a strike, whether or not one in fact occurs. As deadlines approach, customers react. Business is lost and the climate of uncertainty and conflict lasts in the public mind long after a settlement is achieved. In an environment in which collective agreements are being signed at the rate of one a month, good labour relations are not easy to achieve.

The Marchment Commission recommended a consolidation of postal unions. Steps in this direction have been going on quietly, professionally and without controversy for at least two years. In 1984, the Canada Labour Relations Board recognized the need for a global review of bargaining units at Canada Post. In May 1985, the corporation filed an application with the board to get this process under way. Management is not alone in seeing this review as being necessary and positive. Several union leaders have been quoted in the press as having a similar view.

The board has since held a number of meetings with the corporation and the unions. In the last month, the corporation and the unions filed recommendations that they think will help the board improve and bring into the 20th century the labour relations framework at Canada Post. On Tuesday, May 27, the Canada Labour Relations Board will open its formal hearings into the restructuring of postal bargaining units. We hope this will be a step in the right direction and will eventually provide for better postal service and better labour relations. These hearings will be public and they will be lengthy as this is an extremely complex issue.

My point is that the complex issues, many years in the making, are not being neglected. The corporation is addressing them quietly, professionally and in the appropriate forums. There is a tremendous amount of spade work that must go on behind the scenes before issues of this magnitude are resolved and the results apparent. All Members of the House know how much work was put in by two Governments and members of all Parties before we had a postal corporation Act to show for it. If this step had been taken earlier, the difficulties the corporation faces today might have been smaller.

I assure Hon. Members that the Government is deeply concerned about the size of these problems and the need to provide Canadians with a reliable service which the country can afford. I also think that Hon. Members of the House should not forget that this corporation which they created has not been without achievement. Behind the rhetoric, speculation and headlines there is a change and reform and more than four years have gone by without the kind of postal disruptions that have so devastated the public and business in the past.

That is just one of the major areas which must be improved upon. Of course, the number one problem with which Canada Post must deal is mail delivery to all the new developments across Canada. About a million residents are affected. Canada Post will have to come up with a plan to handle this and will have to decide what kind of mail delivery service there will be in these new areas.

I can assure Hon. Members that we are not going to be involved in the day-to-day operations. This is going to be up to Canada Post. If we continue to receive letters dealing with poor mail service, particularly from the business community, then we will need to have some serious talks with Mr. Lander and his executives. I think the start of these labour hearings next week is going to be a step in the right direction and I am sure we will learn a lot from them.

Mr. Althouse: Mr. Speaker, the former Post Office critic for the Conservative Party mentioned today that there will be a

policy directive made next month. Perhaps he could explain what sort of policy directive the Post Office is working on now as it concerns rural post offices. Two rural communities in my riding, Elstow and Bradwell, have been notified that after the end of May, they will no longer have post offices. I find this very hard to swallow, particularly since the Government is intending to bring down a policy on new post offices just a few days after those post offices are to be closed.

Just so that the Hon. Member understands the situation, let me tell him that Bradwell has been in existence since 1912. There are currently 98 families living there and the population is something in the order of 220 or 230 people. It is not a shrinking community. There are 18 serviced lots which will be built upon in the next couple of years. However, in the last year there was a slight deficit at that station, and the postmaster or postmistress retired. It is the current policy of Canada Post to shut down marginal post offices in rural areas in the event of a retirement. Rather than being faced with someone obtaining a permanent job, Canada Post prefers to shut it down and put it out of business.

• (1640)

Why could those kinds of shut-downs not have been delayed until the June policy was in place?

Mr. McKenzie: Mr. Speaker, there are also Members on this side of the House who have the same problem. Mr. Lander might have to reverse his policy next month or come up with some alternative to the closing of these stations. I hope the Hon. Member has made a representation to him. I would certainly keep putting pressure upon him. I cannot tell the Hon. Member anything further at this time, until the Minister makes his complete statement next month. There might have to be reversals in terms of what the Hon. Member was talking about, but I could not say at this time.

Mr. Langdon: Mr. Speaker, the same point emerges in constituencies in which expansion is taking place from urban areas into rural areas. There is a lack of mail delivery which affects both home owners and businesses. In areas of my constituency such as Devonshire Heights and the new areas around Amherstberg, there are established suburbs which lack door-to-door service. For example, River Canard was promised such service in the past. People across my constituency in those areas and in small towns with populations of 3,000 or 4,000 feel themselves to be part of the greater Windsor area, yet they do not receive door-to-door mail delivery.

Is it the Hon. Member's opinion that the policy which will come down in June will address this issue? Of course we have addressed upon these various issues with the Crown corporation itself, but I hope that the policy will try to deal with some of these dilemmas which are causing as much inflow of concerned mail, if it reaches us, as did the dilemmas of the past.

Mr. McKenzie: Mr. Speaker, I hope the policy will refer to such situations. Of course the situation which the Hon. Member described is not confined to Canada. There has been growth all around the world. It is interesting to note that the United States has not added a new postal route since 1978. There are many developments in the United States which have postal boxes or in which the residents have to go to local post offices to pick up their mail.

Mr. Keeper: Do you support that?

Mr. McKenzie: Well, we will be discussing all these points. I hope the committee is making arrangements to have Mr. Lander back again. I hope members of the committee did not arrange for him to appear only once.

Mr. Keeper: Why weren't you at the committee meetings?

Mr. McKenzie: I happen to be a Parliamentary Secretary, and the rules do not allow us to be involved in committee.

Mr. Keeper: Every Member of Parliament has that right, and you chose to be away.

Mr. McKenzie: When I was a back-bencher, I took full advantage of committees. Parliamentary Secretaries do not become involved in committees.

Mr. Keeper: You ignored this committee.

Mr. McKenzie: I hope Members will have him back. Heads of the Post Office used to appear before the Standing Committee on Miscellaneous Estimates. I hope Members will make arrangements with the Chairman of the committee to keep Mr. Lander coming back, so that every one of them will have an opportunity to ask him about their problems. We cannot have Government interference in the day-to-day operations of Canada Post. The Hon. Member will just have to be patient and wait for the Minister to make his policy statement next month.

Ms. Copps: Mr. Speaker, perhaps the Parliamentary Secretary has a new mathematical method. How will he be able to achieve all these improvements in delivery—and delivery has been going downhill since his Government took office—at the same time as Canada Post achieves self-sufficiency by 1988? Does the Parliamentary Secretary in fact know how to create something from nothing?

Mr. McKenzie: Mr. Speaker, it will not be up to me to implement these policies; it will be up to Mr. Lander.

I should like to point out to the Hon. Member that in the sixties the Post Office used to make money. In 1960-61, under the Diefenbaker Government, there was a deficit of $4,726,000. At that time a directive was given to the Post Office Department to reduce the deficit, and it was reduced. By 1962-63 it made a profit of $3,486,000. That was not accomplished by reducing the quality of service; it was done by improved management.

I believe Mr. Lander will have to prove himself as a good manager. He will have to improve labour relations and manage

better. If he manages better, he will be able to look after some of these rural post offices. He might be able to expand delivery. That is his responsibility.

I was a civil servant for 35 years. I implemented a plan designed by Bell Canada for the Manitoba telephone system. It concerned the installation of telephones. After implementing it, productivity doubled and the cost per installation dropped by 50 per cent. It just shows what can be done with the right management, and that is what Mr. Lander and his team will have to do. He will have to manage better and, if he manages better, he will be able to expand and provide better delivery in these new areas. He will just have to prove himself in the next year or two.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am sorry that there are only 12 minutes remaining this afternoon within which to address this topic. I could carry on for a considerable length of time if I had the opportunity to do so.

The state of Canada Post and the reason for bringing forward this Opposition Day motion should be evident to everyone. Canada Post is being used as a victim by the Government. Frankly that is a scandal. It is something which will resound, very much to the detriment of all Canadians. I believe it is something which has to be reversed.

It became clear to my colleagues and me—those of us who attended the committee hearing two nights ago—that little practical difference was allowed to occur between Canada Post as a Crown corporation or as a Department of Government. The Government is simply not giving Canada Post direction or the freedom to follow direction, which are essential in the exercise of a mandate of a Crown corporation rather than the exercise of a departmental mandate.

The President of Canada Post stonewalled and dodged questions before the committee. I believe he did not do it because it was his desire to do so. He did it because he was told he had better defend the Government's position or else. We know what happens to Government servants who do not defend the Government's position. It was very sad to see someone with a distinguished career in the corporate sector forced to go through that sort of charade because the Government wanted it.

Since Mr. Lander was appointed President of Canada Post, he has not been allowed to talk to the press or to the unions. He has not even been allowed to return telephone calls from Members of Parliament. His appearance before the committee was essentially the first opportunity that the public of Canada had to interview him on the intentions of Canada Post. What a disappointment it turned out to be! However, it was a disappointment because of the Government's action, or lack of it, rather than that of Canada Post.

• (1650)

In the Budget Speech the Minister of Finance (Mr. Wilson) severely curtailed the corporation's Estimates and stated that he was giving it until fiscal year 1987-88 to become financially self-sufficient. At the same time, he directed the Corporation to come up with a corporate plan for presentation to the Government. Frankly, that is not good enough. As anyone who has an understanding of the private sector should know, turnarounds do not happen overnight. The Government knew very well that Canada Post was having difficulty meeting the improved financial specifications which were previously set down. This is mostly because of lack of political direction or the wrong sort of political direction.

Instead of coming out at that time with a mandate and clear directions for which it took responsibility, the Government laid down these unrealistic financial targets. This corporation is in a mature industry and has deliberately been kept out of growing sectors of the communications industry. It had a deficit equivalent to 9 per cent of its gross revenues. That situation meant that an unrealistic target was being set for a turn-around with no direction being given as to how it might be accomplished. No support or assistance was given in terms of a guarantee that the Government would take the political responsibility and flak as it should.

Thank heavens we have had some leaks. The Minister let it out that alternate day delivery was being considered. I do not have time to go into all of the problems. I will only say that three separate studies in the last 12 years have determined that this would not save money for the corporation.

We have reason to believe that the privatization of Canada Post is the Government's hidden agenda. Having kept Canada Post out of the potentially profitable sectors, the Government would now like to turn over to the private sector those potentially profitable sectors which still remain within the corporation's mandate. The board of directors has not approved any budget or operating plan. Let us see how the funding cuts are to be accomplished. In 1985-86, Government funding was $370 million, of which $170 million represented a cultural publications subsidy payment, leaving $200 million for operating funds. In the current Estimates the Government has cut the subsidy to $121 million, of which the cultural publications subsidy makes up $100 million. Reducing the cultural publications subsidy from $170 million to $100 million is in itself unreasonable and unfair to Canada Post.

What is even more unreasonable and unfair is the decimation, to use the Latin term in its full meaning, of the operating subsidy. That operating subsidy is now being cut from $200 million to $21 million in a one-year period. That is totally unreasonable. It is the sort of cut that the Government has not applied to any other Crown corporation. It is being applied to Canada Post to make an example of that organization, to intimidate its employees, and to send a message to all parts of the Government's Crown corporation sector that when the Government says "Jump" they have to answer: "How high?" or perhaps when the Government says "Cut" they have to answer: "How far?"

The Government's Marchment Commission Report closed the door to the potentially profitable parcel sector by refusing to allow any reasonable planning horizon investments in that

sector. Since the 1960s, Canada Post has been kept out of those sectors which might have served to support its business. It has been kept out of financial services in rural communities. It has been kept out of telecommunciations and it has been driven out of mail order, not necessarily for bad reasons, but without recognition of the fact that these exclusions have been taking place.

All Canadian taxpayers pay for the mail and, frankly, the Government is floating some trial balloons to see how the outcry goes. Canada Post is a confused organization. It has received no clear direction from the Government and it is not receiving fair treatment. It is being used as the target of indiscriminate union bashing by certain members of the Government. Management is also being treated in an unfair fashion, and there is a total lack of recognition, apart from the cultural subsidies payment which we know is being cut, of the other very significant national roles of Canada Post.

Canada Post has a national significance. There are thousands of communities in the country in which the Post Office is the only federal presence. In many remote communities it is the only federal presence, the only visible symbol that these communities are indeed part of Canada. The social role of the Post Office is something which I could wax lyrical about. However, other than simply being the meeting place on rural routes, it has a very valuable social role to play in remote communities such as those in my own riding. For the last three years people have been allowed to ship groceries in through the mail so that they can get the price of their groceries down from two-and-a-half times the southern Canadian price to merely double the southern Canadian price. That is worth maintaining as well.

I have mentioned the difficulties which are occurring, the internal divisions and the low morale. This is not to criticize Canada Post but merely to point out how the lack of responsibility on the part of the Government and the lack of direction from the Government is producing these dissentions, difficulties, confusions and disfunctions in an organization in which the vast majority of the workers, be they union or management, are anxious to serve the people of Canada well. The size of the turn-around demanded is unreasonable. The Post Office is forced to bear the burden of government policy and also of government failure to set policy, which is even worse.

The Government is taking a scythe to rural routes. In doing so it is increasing the cost to individuals out of all proportion. There are people in the community of Pinewood in my constituency whose rural route is threatened who are looking at a 60 mile return trip to pick up their mail. I understand that in other ridings the trips would be even longer. Some of the other cut-backs with which they are being threatened, or other service alternatives, do not give them much choice at all. They already suffer from slower mailing time, which is, unfortunately, a very strong complaint which I hear. I have heard complaints from an organization in Sioux Lookout which sent out an important letter that did not arrive in a month. Businessmen have been let down by Priority Post. Mail takes a month to get to some remote communities from Ottawa during freeze-up. People are having to wait four to six days for mail which should arrive in two to three days.

That is not to say that there has been no progress made. I, personally, have been satisfied with the co-operation of Canada Post officials as it relates to my riding. However, these people are under a terrible handicap. They are trying to do their best, but they are being ball-and-chained by the Government. That is what is preventing them from delivering an effective sevice. The largest part of my work-load relates to Canada Post complaints. I trace it back to the Government and its willingness to exercise its so-called private sector agenda at the expense of service to Canadian people, particularly those who live in remote communities and areas which are in every way under-serviced.

The goods by mail issue is an important one to me. Let the Government say if it is going to forbid Canada Post to provide that very necessary service to people living in remote native communities. Let the Government say if it is prepared to tell Canada Post that it cannot break any of its existing contracts with a view to passing the contracts over to native organizations which could, in many cases, deliver a better service cheaper. Let the Government say if its policy is to decimate Canada's rural route mail network. Let the Government say if it is prepared to sacrifice the people on the back roads across the country in the interest of an agenda that concentrates far more on budget savings than it does on the measure of service to Canadians which the unions and the management of Canada Post will be only too willing to provide.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 5 p.m. it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

This House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, May 26, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to 25 petitions.

* * *

[*English*]

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Finance and Economic Affairs, in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

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BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to designate tomorrow as an allotted day.

DISPOSITION OF BILL C-94

Mr. Hnatyshyn: Mr. Speaker, there have been consultations between the Parties with respect to the first item of business to be considered today under Orders of the Day, Bill C-96. I think you will find there is unanimous consent to accept an amendment to the motion. The agreement between the Parties is that this Bill would be referred to the legislative committee now seized of Bill C-92.

Mr. Deans: 94 and 92.

Mr. Waddell: They are seized of C-92.

Mr. Hnatyshyn: They are seized of C-92. We are now considering C-94. If that is clear, Sir, then congratulations.

Mr. Speaker: It sounds like Monday morning bingo.

Mr. Deans: Mr. Speaker, the latter part of that is correct, if I understood it. The problem I raise again is that tomorrow is an allotted day. Presumably there will be a Private Members' hour. I am most eager to find a way to resolve the ongoing problem of Private Members' hour and what happens to the sequence. I would very much like if, together with my two colleagues, we might spend some time today trying to find a satisfactory solution.

Mr. Hnatyshyn: Mr. Speaker, that certainly is something I think we should try and address again today. There are quite a number of Bills which have accumulated and I think we can resolve it, but we will meet later on and try and bring something to the House which meets with the satisfaction of all Members.

Mr. Speaker: I take it there is unanimous consent for the introduction of the motion that the order later this day be amended to read that the matter be sent to the same legislative committee now seized of Bill C-92?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the motion carry?

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-NEWFOUNDLAND ATLANTIC ACCORD IMPLEMENTATION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Energy, Mines and Resources) moved that Bill C-94, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments, be read the second time and referred to a legislative committee.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased and honoured to speak to the House on second reading of the Atlantic Accord Implementation Bill. Second reading and the legislative work that goes on towards implementing the Accord can be compared with getting your pilot's licence. I am a private pilot and the greatest thrill was my first solo flight. Getting the licence was second. I think we can say the same thing about this legislation. The great thrill, the excitement, the euphoria, came when the Atlantic Accord was signed. Now we have to get down to the nitty-gritty and get this legislation through to implement what has been signed.

This historical agreement was signed by the Government of Canada and the Government of Newfoundland and Labrador on February 11, 1985. It was a truly historic occasion which inspired the Premier of Newfoundland and Labrador to say that his province had finally become an equal partner in Confederation. This Accord represents the most important agreement reached between Ottawa and St. John's since Newfoundland and Labrador entered Confederation 37 years ago. It means the people of Newfoundland and Labrador will share in the development of and revenues from their offshore oil and gas resources. It means that the people of Newfoundland and Labrador will have a greater degree of influence in the social, political and economic affairs of Canada. The greatest potential by-product of the Accord could be the restoration of national unity itself. We have done what the Liberals have not been able to do; we have opened a long neglected door that allows the people of Newfoundland and Labrador to become full partners in the economic life of the country.

• (1110)

The Prime Minister of Canada (Mr. Mulroney) and the Premier of Newfoundland and Labrador were able to agree on what should have been the genuine rights of that province for a very long time. The failure to reach agreement with Newfoundland and Labrador was symptomatic of what was wrong with the previous Government's energy policy. It was a policy dictated from Ottawa without regard for the rights and needs of the provinces and the oil and gas industry.

The Accord will ensure that oil and gas development will provide full social and economic benefits to Canada and, particularly, to Newfoundland and Labrador. The Accord will provide a stable and permanent management regime that recognizes the equality of the federal and provincial Governments in the development of offshore resources. It will provide a clear regulatory regime for industry, welcome news indeed after five years of a Liberal energy policy that inspired very little fairness. The Atlantic Accord will encourage increased energy security and economic benefits for the country as a whole. It will provide rigorous protection of the environment, and Newfoundland and Labrador's all important fishing industry. The Accord will also provide improved safety in offshore work.

The Atlantic Accord legislation encompasses two major policy initiatives. It implements the Atlantic Accord agreement and incorporates the Canada Petroleum Resources Act. The Canadian Petroleum Resources Act, that we debated recently in the House, replaces the Canada Oil and Gas Act of 1982, and includes an amended Oil and Gas Production and Conservation Act.

One important feature of the Accord must be underlined. It will provide for revenue sharing on the same basis as if these resources were on land. This provision shows that this Government is serious about fairness, equality and opportunity. It shows that we intended to negotiate with the Province of Newfoundland and Labrador. We did not merely legislate with a greedy eye on potential revenue. It shows that we were serious when we said that the people of Newfoundland and Labrador should have greater control over their own destiny. We have sealed this commitment with the creation of a strong, independent, and impartial board, the Canada-Newfoundland Offshore Petroleum Board, which will oversee oil and gas activity off the province's coast. The board will provide local and regional administrative guidance to the development of a resource that is national and international in its scope and importance.

The board is composed of six members, and a chairman, who are appointed jointly by the Government of Canada and the Government of Newfoundland and Labrador. Members of the board are not public servants of either Governments. All appointments under the Accord have been made jointly by the two levels of Government. There are no "we" and they divisions that mark the attitude of the previous Government.

I see the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) over there smiling. I am reading a very interesting book right now, "The One-Eyed Jacks", which is reviewing the current Prime Minister and the previous Prime Ministers. It is interesting to read in there the style of the previous Government and how it enjoyed conflicts. Its leader at the time enjoyed the "we" and "they" attitudes of federal-provincial relationships. We are trying to put an end to that, because I think it is all "we". We have to work together in this country, and this Accord probably speaks most clearly of that co-operation.

On October 17, 1985, the chairman and two vice-chairman were appointed to the board. On January 6, 1986, the board and staff assumed the operational responsibilities previously assigned to the Canada Oil and Gas Lands administration, and the Newfoundland and Labrador Petroleum Directorate. On January 27, 1986, the appointments of the remaining board members were made.

When the Atlantic Accord becomes law the board will assume full responsibility for managing oil and gas activity off Newfoundland. The board will be responsible for such measures as the adminsitration of the issuance of exploration rights, good oil field practices, the granting of production licences and approval of development and benefit plans, the collection of royalties, and recommending amendments to the legislation and regulations of the Atlantic Accord. The board will also have emergency powers where and when required.

The joint management of the offshore Newfoundland development is built on sensible and sound principles. Joint management will be achieved through the independence of the board. This independence is not without checks and balances. Under the terms of the Accord the two levels of Government will be able to provide direction to the board and be able to veto policies, if required. The board will ensure that the development of the offshore resources will be fair to Newfoundlanders, to the people of Canada and, of course, to the oil and gas industry.

The Atlantic Accord implementation Bill confirms our commitment that the province will be able to establish and collect resource revenues as if they were on land. Newfoundland and Labrador will receive the proceeds from royalties, provincial corporate income taxes, sales taxes, bonus payments, rentals and fees, and other forms of provincial revenues and taxes that may be established.

The Bill establishes in law the Canada-Newfoundland offshore development fund with grants totalling $300 million. Seventy-five cent of this $300 million will come from the federal treasury and 25 per cent from the provincial treasury. The development fund will enable the Province of Newfoundland and Labrador to develop the infrastructure to meet the demands of oil and gas development and to capture the economic benefits of that development.

On January 27, 1986, the first four projects under the Canada-Newfoundland offshore development fund were approved in principle. Funding for these projects will be available when the implementation legislation is passed. It is important that this legislation be passed as expeditiously as possible so these funds can flow to Newfoundland for these development projects. Subsequent projects under the Canada-Newfoundland offshore development fund will continue to be approved jointly by the federal and provincial energy Minsiters.

Another feature of the Atlantic Accord is the equalization offset payment formula that was developed to ensure that there will not be a dollar-for-dollar loss of equalization payments as a result of offshore revenues. Beginning in the first year of production Newfoundland and Labrador will receive offset payments from the federal Government that are equal to 90 per cent of the year's reduction in equalization payments. Starting in the fifth year of production the offset rate will be reduced by 10 per cent for each subsequent year. We feel this is a very important part of the Bill, to ensure that Newfoundland is not just cut off in year one from equalization payments because of the new revenues being derived from the offshore. In fact, this formula we feel is very fair, as do the people of Newfoundland.

One important concern expressed in the Bill is the protection of Newfoundland's vital offshore fishing industry.

• (1120)

This Bill provides for the same environmental protection as on all frontier lands, by incorporating the environmental protection provisions of the federal Oil and Gas Production and Conservation Act. This is very imporant. In the event that something happens in the offshore, this legislation includes an oil pollution compensation regime that ensures financial compensation to fishermen and others for any damages from oil spills and debris. The board will promote and monitor industry-sponsored fishermen's compensation policies in the case of non-attributable damages to the fishery.

We have established a committee to monitor the provisions of the pollution and fisheries compensation plan. This committee has representatives from federal and provincial Governments, from the petroleum industry and, probably most important, from the fishing industry.

I want to speak briefly about the Petroleum Resources Bill which provides the legislative framework for the Atlantic Accord. Bill C-94 incorporates the Canada Petroleum Resources Act which will ensure that the legal foundation for oil and gas interests will be the same in Newfoundland offshore areas as in the rest of Canada's frontier lands. The Canada Petroleum Resources Act will replace the existing Canada Oil and Gas Act with a simplified and fair set of rules designed to encourage frontier resource development. We have just completed second reading of the Bill and we hope that the legislative committee will start work on it soon. It introduces a simplified competitive system for issuing exploration rights based on a single criterion, one in which the best bid wins. This will ensure fair treatment of companies bidding for exploration rights.

The Bill requires a minimum of 50 per cent Canadian ownership in frontier projects but, unlike the flexible policy of the former Government, will be applied in a way that is not retroactive and confiscatory. It will look to the private sector to achieve the 50 per cent minimum ownership level.

The Canada Petroleum resources Bill is fair to provincial and territorial Governments and to all Canadians as resource owners. It is market responsive and sensitive to the concerns of companies operating in the high risk frontier regions.

Our Government has always believed that Canadians should participate fully in energy development. The Atlantic Accord and this Bill provide for fair and realistic Canadianization of a vital resource at Hiberia. They will also provide for ample returns on Canadian investment.

Declining world oil prices have created an uncertainty about high cost frontier oil projects such as Hibernia. I stress that we cannot let the apparent over-supply of oil blind us to the fact that those supplies will eventually decline. Canada's conventional oil reserves have been declining for years and they continue to decline. Domestic projects such as Hiberia will be needed to take up the slack. The alternative of increasing reliance on foreign sources of oil is unacceptable to the Government and, I believe, to the people of Canada. It is also unnecessary. We saw the result of relying too heavily on non-Canadian oil in the 1970s. Foreign interests manipulated supply in order to dramatically and suddenly increase the price. Canada and other countries scrambled to deal with the inflationary impact of higher prices. We scrambled to use oil more efficiently and to bring new domestic supplies on stream.

The current oil pricing and supply situation provides us with a brief breathing space to proceed with projects like Hibernia in an orderly manner. However, it is not the time to fall asleep at the switch.

The Government of Canada is currently discussing fiscal arrangements with companies developing Hiberia and with the Government of Newfoundland. Low oil prices make it more difficult to proceed, but I am confident that we will. I hope that we will soon approve a development plan and a Canada benefits plan for Hiberia because these are important steps in the process leading to production from Hiberia. These are signs of the Government's continuing commitment to the development of this valuable offshore resource.

During Hiberia's development phase alone it is estimated that $4.2 billion will be invested in the project. This will create some 14,500 person years of direct employment in Canada, of which about 9,500 person years of employment will be created in Newfoundland. The Newfoundland work will include the construction and outfitting of a gravity base structure for drilling platform and production facilities, the installation of subsea facilities and an articulated loading platform. It will also include the ongoing management of the project and onshore and offshore hook-up and commissioning.

I had the pleasure of visiting one of these rigs in Stavanger, Norway. Mobil, which is working on the Hibernia rig, made the arrangements for us to see this engineering feat that I found very difficult to conceive as a lay person. The work involved in this magnificent project is phenomenal and will provide very challenging and interesting jobs for Canadians in the near future.

Mobil Oil has explained that other required facilities, such as the fabrication of half of the modules and the construction of an ice-cleaning vessel, will occur in Canada. We can see that billions of dollars will be spent over the next decade to develop new and secure technology and industry, which will create thousands of jobs for Newfoundland and Labrador and Canada as a whole.

There are already strong indications that our new frontier lands policy is a success. I refer the House to the results of a call for proposals which was issued in December, 1985 for exploration rights to three parcels of land on the Grand Banks. There was considerable competitive interest in these parcels of land, indicating that our policies are indeed working. In March, the industry showed its commitment with total bids of $4.75 million for the exploration rights during the initial terms of the three exploration agreements that have been awarded. Five companies were successful in the bids, which were evaluated by the Canada-Newfoundland offshore petroleum board. I hoped to be able to read the list of those on the board into the record. Perhaps I can do so later.

The Atlantic Accord represents one of the greatest events in our country's history. Indeed, when the Canada-Newfoundland offshore agreement was signed on February 11, 1985 Premier Peckford said: "History is being made today." It is hard to disagree with that statement.

At the same signing on February 11, 1985, the Prime Minister said:

> —this agreement is about dignity for Newfoundland and Labrador, long a "have-not" province. Today marks the beginning of a new era—one that will enhance provincial economic well-being and collective accomplishment. This agreement reflects important Newfoundland values and accommodates legitimate provincial aspirations in a generous Canadian perspective.

It is hard to disagree with that statement.

• (1130)

It has been a pleasure for me to begin the debate on second reading of Bill C-94, a legislation enacting the famous Atlantic Accord. I look forward to this debate and would urge the House to pass Bill C-94 on second reading as expeditiously as possible so that we might study the Bill in more detail in our legislative committee.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I was interested to hear of the Parliamentary Secretary's experience regarding to his flying. He stated it was not the licence which gave him the greatest thrill, it was his first solo. He related this to the the signing of the Atlantic Accord as the most important thrill, as far as he was concerned, and not this legislation. I would ask him to check because I think his propeller has fallen off.

This Bill relates to probably the greatest academic exercise in this House of Commons for quite some time, with very little practical relationship as far as the people of Newfoundland are concerned. The Parliamentary Secretary stated that this does away with the back-in provisions, the Canada Land provisions, that now all companies will be treated as one.

What is interesting about the Government is that it worries so darn much about foreign companies. That seems to be the whole thrust of this Act. The Government wants to do away

with the last vestiges of the National Energy Program. It is apopletic when it comes to the National Energy Program. It is not very good when it comes to replacing the NEP, but apopletic and determined when it comes to getting rid of it. As a result, the Government is not giving any consideration to what it is doing away with. Certainly it is doing away with the back-in provisions because it wants to help foreign companies.

When is the Government going to be concerned with Canadian companies? When is it going to be worried about the producers of cedar shakes and shingles? When is it going to be concerned about the attitude of the United States which looks upon Canada with the philosophy of "familiary breeds contempt"? That is what is happening to our relations with the United States right now, with the resultant devastation of our economy.

The Government talks about this Bill giving Newfoundlanders full partnership; they have 50 per cent. But as it stands right now, because of the policies of the Government, they have 50 per cent of nothing. On February 11, 1985, when this agreement was signed, Premier Peckford said, as the Parliamentary Secretary has stated:

> This is a historic day for the people of Newfoundland and Labrador. At last we in Newfoundland will be treated as an equal partner in offshore development and will be in a position to establish and collect revenues in the same way as other oil and gas producing provinces of Canada.

What they have, as I have said, is 50 per cent of nothing. Because of the policies of the Government there is no move, no generation of activity which will bring on development in Hibernia. The Government is concerned that there is a downturn in the price. It is seizing on that downturn in oil and gas prices to do absolutely nothing.

Let us be realistic. Let us look at the state of the oil and gas industry today. Can we honestly believe that without the assistance and reasonable approach of the Government the oil companies are going to come forward right now? They are not Canadian companies, the Government has seen to that. The Government has driven the Canadian companies out of the offshore and other frontier areas.

The fact is that the Government did away with the Petroleum Incentives Program and with it many of the exploration activities which were taking place on the east coast. The fact is that on April 24 of this year Newfoundland businessmen got together for a news conference and called on the Government to step in and prevent a collapse of the offshore drilling activity. The fact is that 800 jobs have already been lost in the supply vessel sector and those who are working are only on short term contract. That is all they have to look forward to.

Mr. Ron Strong, the President of the Newfoundland Ocean Industries Association, warned of "dire consequences for the province's fledgling offshore industry if exploration is allowed to slow down", and it is now almost at a stop.

When new parcels of land were put up for bid on the Grand Banks it was not, as the Parliamentary Secretary said, a glorious and red letter day. The industry did not respond. It bid on only half of the seven parcels on which they had a right to call for proposals and offered only $4.75 million for exploration rights lasting four to five years. Most importantly, these companies are not committed to drill any wells during this leasing period. Had these lands been offered by the Canada Oil and Gas Lands Administration instead of by this new Canada-Newfoundland Offshore Petroleum Board, the Canada Oil and Gas Lands Administration would have received more bids with more moneys behind them and, most important, there would have been drilling commitments.

The Government has said before that this is a new age with no confrontation. There is no confrontaion between provinces, no confrontation with foreign countries, just a complete devastation of our economy. The fact is that we can have agreement if there is nothing going on.

The Canada-Newfoundland Offshore Petroleum Board is scaring the oil industry because it does not know who is in charge or what is going to happen if activity does take place. With the Canada Oil and Gas Administration, the industry at least knew who was in charge. It does not know that now and that is of vital concern.

We have a disastrous response to this new system. No one is bidding for the parcels of land. No one is committed to drilling. Where does this leave Newfoundlanders? We can use the term which was used before "freezing in the dark" under the new policies of the Government. Obviously the promised day for Newfoundlanders as a "have" province will not come to pass because of the oil and gas industry and because of the politics and policies of the federal Government, at least not by 1992 when we hoped it would happen.

It is easy to see that the Government and the people of Newfoundland are going to have 50 per cent of nothing. Even the provincial Finance Minister, Dr. John Collins, realizes that. Last April he warned that Newfoundlanders "should not depend on the proverbial pot of gold at the end of the rainbow as the saviour of the provincial economy". He was referring to the offshore activity and potential at Hibernia.

Instead of activity in exploration occurring in Newfoundland, we are going to see acquisitions, foreign companies being able to buy up Canadian companies, and we will see that, of course, in Alberta. We are going to see our small Canadian companies going bankrupt because of the low prices and because of the multinationals and Petro-Canada, our own Crown corporation, which is not only not paying the low posted price for oil and gas in Canada, but is paying $3 to $4 under the posted price. It is paying the spot price, if it is paying that. As a result, small producers are not even receiving the low price they should be receiving.

• (1140)

The Parliamentary Secretary has stated that we now must have 50 per cent ownership in the development stage in our offshore; we must have 50 per cent Canadian content. The

figure of 50 per cent applies only to development and production and relates only to oil and gas found after March, 1982. Thus oil and gas which was discovered prior to March, 1982 does not require this 50 per cent Canadian content. The Government's policies are doing absolutely nothing for Canadian companies.

In a speech to an energy management conference the Minister of Energy, Mines and Resources (Miss Carney) stated:

> If we do not conserve our oil and gas resources—and if we do not find and develop new supplies—we'll end up back where we were in the 1970s. OPEC will dictate price and supply to us.

Yet the policies of the Government are moving completely away from the development of the resources in the offshore. It is moving away from further exploration of our offshore and other frontier areas. When the Minister says that we must find and development new resources I am in complete agreement. We must do that now; we cannot wait until the crisis has hit us. However, it cannot be achieved as a result of the policies that this Government has put in place. If the Minister meant what she said, then I want to know what she plans to do to ensure that new supplies will be developed. I am sure Newfoundlanders would also like to know.

We have come to a point past that of idle rhetoric. The economies of all the Atlantic provinces are being faced with devastation, and Newfoundland is suffering more than any. Newfoundlanders have heard about this idea of riches, and of this 50 per cent factor. They have heard that equalization will not be taken away right away, that they will be allowed to keep it, initially at least. That is great, but it is nothing but empty rhetoric unless something is done to give some meaning and focus to the actual development of the resources in Hibernia. This is something which has to be done. The Bill before us and the Atlantic Accord will mean nothing unless the Government has some type of resolve to do something about it. It will cost between $15 U.S. and $17 U.S. per barrel to develop this oil. Thus there has to be something done by the Government.

The Government has to look at this question, and it has to do so in conjunction with the Province of Newfoundland. The two parties must decide what will be done to bring these developments forward. The people of Newfoundland do not want just to hear about new legislation which the Government says will bring this end closer. Newfoundlanders know that it will not bring anything closer unless there is a resolve on behalf of both the federal Government and the provincial Government of Newfoundland. The federal Government must promote the development of Hibernia.

The uncertainties with respect to offshore development should not distract from the economic potential and significance of Hibernia. The long lead time to initial production, which is 1992 as stated by Mobil, may provide ample time for a price recovery in terms of oil and gas world wide. Between now and 1992 oil prices could go up and down three or four times. We should not freeze saying: "Let's not do anything until we are absoltuely sure". With the unstable situation in the oil and gas field and the unstable situation in terms of OPEC, even if the price goes up how can we be sure it will stay up? It might come right down again. What is this certainty? What is this level? What is this quotient of certainty for which the Government is waiting in order to do something to develop a fiscal regime and a framework that will help the people of Newfoundland to develop this very important resource?

Clause 41 of the Bill states that Newfoundlanders are not really slated to benefit that much from the downstream activity of their own resource in Hibernia. Granted, if the end use is for consumption and feedstock requirements then they are to be directed to industrial facilities in Newfoundland. If those targets are met then the next targets will be with respect to feedstock requirements for Come-By-Chance. The limited need for these feedstocks and consumption from Hibernia right now means that there will be a great deal of oil which will not undergo a value-added stage in Newfoundland. Good heavens, Come-By-Chance is up in the air. Why is it up in the air? Because the Government's own Crown corporation, Petro-Canada, is balking at doing anything constructive with this refinery. It has indicated that it wants to dismantle it and sell it piecemeal to whomever will pay for the parts. So Newfoundlanders really cannot look forward to a great deal of benefit as a result of the consumption of feedstocks from existing industry or from Come-By-Chance. Then the feedstock requirements of the rest of the refineries in Atlantic Canada must be met, which brings us back to the remaining feedstocks being used for new industrial possibilities in the downstream in Newfoundland.

What about training and education to develop more jobs and more potential? The Bill does not deal with either of those aspects. If this was such a promising move for Newfoundland, why have businessmen called for aid to stop the collapse of the drilling in the offshore? Why has that happened? Why has this call for aid gone unanswered by the federal Government? Newfoundlanders want to know, as do all Canadians. The Government feels that Newfoundlanders and people in Atlantic Canada will be satisfied just by knowing that Bill C-94 has been presented in the House of Commons, been given second reading and referred to a committee for further hearings. That is not enough. Newfoundlanders do not buy that as a positive step. They want to see something concrete. They want to feel that the Government wants to do something to bring this measure forward as soon as it possibly can.

As the Parliamentary Secretary pointed out, what about the industry bid on the parcels of land where the calls for proposals were granted? The industry bid on only one-half of the six parcels. It offered only $4.75 million for exploration rights lasting for between four and five years. As I pointed out before, no wells were committed. The federal and provincial Ministers of Energy say that the results of the disastrous sales show that their new frontier lands policy is working, as the Parliamentary Secretary echoed this morning. If that is the

case then someone failed in terms of the timing. Newfoundlanders do not have the right to question whether the new Canada-Newfoundland Offshore Petroleum Board has done the right thing. They cannot question it now. They have no way of asking the Board if what it has done will be in the best interests of Newfoundland. What has been done has indicated that there is not a great deal of interest in the offshore, primarily because of the policies of the Government.

The Government has stated that Canadian companies do not matter and that a fiscal requirement for aiding the development of the offshore in Newfoundland does not matter. It has been stated that all that matters is waving around these pieces of paper, and if everyone does that then everything will be all right. However, these pieces of paper can provide a framework of a regulatory and management type, but unless there is the determination and the political will to do something in Hibernia then all these Bills and all these accords are not going to mean a darn thing.

The Government has already brought forward Bill C-85, legislation dealing with the Petroleum Incentives Program. The Government has managed to reduce the number of wells which were to be drilled in the grandfathering period of the Petroleum Incentives Program. As the Hon. Parliamentary Secretary has mentioned, the Government has brought forward Bill C-92 which has reduced from 80 per cent to 10 per cent the financial assistance available to Canadian companies not able to pay taxes to further discourage Canadian companies except for Petro-Canada to participate in frontier exploration.

• (1150)

What about Petro-Canada? This is the company that was developed to find new reserves of oil and gas and to be in the vanguard of offshore and other frontier exploration. Petro-Canada is now backing away from the agreements in which it already had an interest. It is not going to take up some of its back-in rights and it is not going to participate in the 25 per cent in which it could participate in some of the arrangements and joint ventures that exist on certain wells in the offshore. Does this mean that the other partners who pick up the 25 per cent will be able to get the benefit of the Petroleum Incentives Program? No, the Government has seen to it that they will not. The Government has caught them twice. It is taking away the assistance of the Crown corporation which was helping to develop these possibilities in the offshore, and now that Petro-Canada has backed away, the Government is not going to apply the Petroleum Incentives Program to that 25 per cent.

What has the Government done? It has added insult to injury as far as the offshore is concerned. The Government very nicely stated that this year's estimates include $950 million for the Petroleum Incentives Program, knowing that with its policies and with the general downturn in interest on the offshore the $950 million will not be picked up. We will be lucky if a fraction of that money is used. The remainder will go somewhere else, but not to Atlantic Canada. That has always been the way. It started with the fiscal statement of November 8, 1984, continued with the Budget of May 23, 1985, continued again with the recent Budget of February 1986 and continued again with the oil and gas legislation Bills that have been put before the House by the Government. It is a complete devastation of the economy of Atlantic Canada, and a large part of this devastation has been caused by the Government's offshore policy.

I think it is very sad that the great promise that was once held out to the people of Newfoundland is in jeopardy of slipping away, and this at a time when Newfoundlanders need employment and hope more than at any other time since they entered confederation in 1949. This is being done by the Government and by its own Crown corporation.

I would ask the Government to reconsider these disastrous policies and to take into account the interests of Atlantic Canada and particularly Newfoundland. These people had hoped that this oil would be coming onstream in the next few years, but they are now seeing this hope evaporate. This hope will not be fulfilled by 1992, something for which Newfoundlanders had initially hoped.

It is obvious that the Government is not concerned about people. I would ask that in this particular situation at least, the Government make an exception.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to speak on this Bill on behalf of the New Democratic Party and as the New Democratic Party energy critic. This is a most important Bill for Newfoundlanders and a vital Bill, as we would see if we could look into the future, for the future of Canada.

I come from the West coast. I might say that that does not qualify me to speak about Newfoundland.

An Hon. Member: Don't let that stop you.

Mr. Waddell: That does not mean that I do not have a great deal of interest in Newfoundland and Newfoundlanders. My family emigrated to Canada in 1947. I was a young boy of four, just about to turn five. I can vaguely remember arriving by plane in Gander, Newfoundland from Glasgow. On that day, Newfoundland was not a part of Canada; therefore, I was in Newfoundland before it was a part of Canada. I am ashamed to say that I did not return to Newfoundland for many years. From Gander, we picked up a Trans-Canada Airlines plane and went on to Montreal. I will never forget arriving in Toronto during a snowstorm. Ultimately, I moved to Vancouver, later on in life.

I never returned to Newfoundland until a couple of years ago when I went to Corner Brook. The second day I was there, I was to be interviewed on the CBC television station in Corner Brook. Before being interviewed I watched television as the Atlantic Accord was announced in St. John's, just down the road a bit. I had to comment on the Atlantic Accord while in Newfoundland, and I will never forget that day. It meant a lot to me.

I would like to tackle this Bill in some detail and deal with some general principles. There are some tremendously interesting Canadian issues, as well as Newfoundland and Atlantic issues that will come up. However, I am sure Newfoundlanders will understand if I begin my speech by reading an urgent telegram that I just received from a group in my riding. Later on, I will refer to this telegram and tie it in with the different aspects of the policies of the Conservative Government.

This is a copy of a telegram that was sent to the Prime Minister (Mr. Mulroney) today by Local 1-217 of the International Woodworkers of America. That local is located in my riding. The telegram reads as follows:

Local 1-217 of the International Woodworkers of America is calling on your Government to immediately withdraw from the free trade discussions with the U.S. On May 22, 1986 the U.S. imposed a 35 per cent tariff on the imports of Canadian red cedar shakes and shingles.

This arbitrary decision is not consistent with the concept of free trade and it has become blatantly obvious that the U.S. has no interest in free trade whatsoever. The imposition of a tariff on B.C. shakes and shingles will effectively destroy the shake and shingle industry and result in the unemployment of thousands of workers. As you are aware, the U.S. has launched a countervailing duty suit against imports of all Canadian softwood lumber products. If that suit is successful the entire forest industry in Canada—

Mrs. Mailly: Mr. Speaker, I rise on a point of order.

Mr. Turner (Ottawa—Carleton): Point of order!

Mr. Deputy Speaker: I foresee two points of order. The first point of order is that there is a clear rule in Beauchesne's indicating that the Hon. Member should not be quoting from telegrams as there is no way of verifying their authenticity. The second point of order probably deals with a point of relevancy. The Hon. Member has said that he will tie the telegram into the debate so the Chair must take his word for that.

Mr. Waddell: If Hon. Members opposite will not let me continue the telegram from the IWA—

Some Hon. Members: Oh, oh!

Mr. Waddell: It is from Doug Evans, the President of the local union, and for these people, it is a life and death issue. If that is what Conservative Members think of—

An Hon. Member: It's a Speaker's ruling.

Mr. Waddell: I am not talking about the Speaker, I am talking about the people across from me.

Mr. Foster: They always want to muzzle Parliament.

Mr. Cassidy: No courtesy!

Mr. Waddell: When they were over here—

Mr. Deputy Speaker: Order, please. Could we allow the Hon. Member to complete his speech, please?

Mr. Waddell: Mr. Speaker, I will complete my speech. I do not understand Conservative Members. If they want to muzzle Parliament, it is up to them.

Mr. McDermid: Nonsense. You have a time and a place to do that.

Mr. Waddell: It has been only 22 months, and they will not be around for much longer.

Mr. Blenkarn: Why don't you say something on the Bill?

Mr. Waddell: The Hon. Member says that I should speak on the Bill. Let me suggest to Conservative Members—

• (1200)

Mr. Blenkarn: Quit hamming it up and say something about the Bill.

Mr. Waddell: Mr. Speaker, when it hurts, Government Members do not want to hear it.

Some Hon. Members: Nonsense!

Mr. McDermid: Speak to the Bill.

Mr. Waddell: The Hon. Parliamentary Secretary wants me to get down to the nitty-gritty of the Bill which he described.

Some Hon. Members: Yes!

Mr. Waddell: I will deal with the nitty-gritty of the Bill, then. The Government should stop misleading the people of Newfoundland and the people of Canada in general on the offshore. It should forget about short-term rhetoric and dig in for the long-term development of Hibernia. We must consider together in committee how that will come about. The New Democratic Party is committed to the long-term development of Hibernia. We will need that resource in the 1990s. We should figure out how it can be done and not mislead people about what is happening right now.

I should like to give an example of what is going on. When I was viewing television in Corner Brook I heard the Prime Minister speaking in St. John's. I took notes at the time, and I should like to refer to what he said. He said: "I am not afraid to inflict prosperity on Newfoundland and Labrador". That was his promise. Today the Parliamentary Secretary rose in the House and said that they were doing nicely, that they were getting bids, and that the system was working.

I should like to refer to an April 9 article which appeared in *The Chronicle Herald*. In part it read:

The Mulroney Government's first attempt to auction East Coast acreage for oil and gas exploration has ended in what one analyst called a "disaster".

In all, the industry has grabbed about one million hectares of offshore land without committing itself to drilling one well on the Grand Banks, an area which includes the Hibernia oil field.

Calgary oil analyst Ian Doig called the auction a "disaster" after only seven bids were received on six tracts of land on the Grand Banks, off Newfoundland.

No bids were received at all for three of the blocks, with groups led by Shell Canada, Amoco Canada, and Esso Resources Canada winning the other three blocks.

Bids on all three parcels totalled $4.75 million, a figure which underlines the industry's "commitment" to offshore exploration, according to Energy Minister Pat Carney.

It was also according to the Parliamentary Secretary speaking in the debate this morning. The article continued:

However, well costs in the high-cost exploration area off Newfoundland start at about $25 million, and can go as high as $40 million.

Government officials confirmed Tuesday that committed spending on the offshore lands compels the companies to conduct seismic work only—

One industry executive, who asked not to be identified, said—the bids were not an "auspicious beginning" for the new Newfoundland-Canada board, or the new bidding system.

"You could hardly call this a showcase kickoff for the bidding system"—

Let us level with the people. Let us tell them what is really happening.

The New Democratic Party position on the Bill can be summarized in about five points. First I should like to outline them, and I will refer to them in detail later. We agree with the general principle of the Bill which recognizes the need for genuine provincial involvement in the exploitation of the Newfoundland offshore. We want the Newfoundland people and the Newfoundland Government involved directly in developing their own resources.

As a westerner I understand what it is like to have control of resources on land. They can be developed for the province and result in revenues for the province. It can make a "have-not" province into a "have" province. The best example in the country would be Alberta. Why should Newfoundland not have the same advantages?

The NDP has in fact led the way on the issue of provincial jurisdiction on the offshore. At the time of our 1979 convention, the NDP had Members in both the East and West. It was an important time. The Liberal Party did not have members in western Canada. In effect we were speaking on this issue as a national Party, and we took the position that the provinces, which of course would include Newfoundland, should have offshore jurisdiction. This was at the beginning of the fights between the Trudeau administration and the offshore provinces, especially Newfoundland.

As the Hon. Member who spoke before me said, currently the Atlantic Accord is a hollow document, despite the good principles contained in it, because of the international price of oil. The fact is that offshore oil activity has died over the last year. The Government has done nothing to restore the real pace of activity in the offshore.

We in the New Democratic Party also have some concerns about the Conservative Government's reliance upon tax-based incentives to steer the future course of petroleum development in the East Coast offshore. We have a feeling that it will simply not work. If it works, it will mean that large multinational oil companies, not Canadian oil companies, will have control of the offshore. I will return to that point in some detail later.

In respect of the general principle, that is, the need for genuine provincial involvement in the offshore, I spoke in the House on Tuesday, February 12, 1985 after having returned from Newfoundland and after the signing of the Atlantic Accord. I should like to refer to my statement at that time when I said:

Mr. Speaker, we in the New Democratic Party, as do all reasonable Canadians, rejoice that finally there is an agreement between Canada and Newfoundland to pave the way for the development of the Hibernia oil field.

Yesterday I was in Corner Brook, watching the signing ceremony on television. A Newfoundlander next to me said: "Those boys are going to get sore arms from patting themselves on the back so much". Be that as it may, I am glad there has been an agreement.

I have three positive suggestions. First, we should consider a constitutional amendment to enshrine provincial control of offshore resources in the Constitution. As a western Canadian, I realize how important that is.

Second, we have to be careful about the pace of development and about the creation of jobs. Energy, Mines and Resources officials told the energy committee this year that there would only be 6,000 jobs in the development of the field. Expectations are very high. Let us have some hearings by the energy committee to see if we can get more jobs, and to see whether we can get some jobs for western Newfoundland and Labrador which often feel left out of the development.

Finally, I would urge that the federal and provincial Governments not forget the traditional industries like fisheries and forestry where there really are jobs for the future. I am glad that there is a deal. Let us work on it and try to create more and better jobs. Let us not forget the fish and the forests as well.

In retrospect, if I might say, I think those principles hold. The fact is that there was a lot of rhetoric at that signing ceremony which has not been delivered on. It is very important to have offshore resources under provincial control. There has also been much rhetoric about the number of jobs involved but very little detailed examination of how those jobs will be delivered to Newfondlanders. We must also be careful about regional development in Newfoundland, and ensure that western Newfoundland and Labrador take part in the offshore development. As well, the province must not forget that there are traditional industries like fishing and forestry which should not be ignored in the rush to have offshore oil development. I think those principles hold.

As I said, in our 1979 convention the NDP favoured the control of the offshore being with the provinces. We saw it in terms of what happened in western Canada where resources under the land belong to the provinces. It has helped western provinces, especially, attain economic development. Otherwise they would just be hinterlands with nothing happening. Alberta is a good example, as I said earlier. That is not to say that there is not a role for the federal Government. A resource such as oil is a strategic resource. Society cannot work without it, and there is big money involved in it. There must be a role for the federal Government in terms of the importation and exportation of the resource, the taxation of the resource, and the sharing of the revenues. That is a very important principle, Mr. Speaker. I was proud that our Party took this constitutional principle on the offshore resources, and I was proud to be part of the constitutional committee of this House in the last

Parliament in which the Hon. Member for Oshawa (Mr. Broadbent), the leader of our Party, proposed a constitutional amendment that would give some further control to the provinces over their own resources.

• (1210)

I know sometimes people from Ontario and Quebec find this a little hard to understand. You hear such things as "We own those resources too. They are Canadian resources." Ultimately they are Canadian resources, but they must be controlled and managed by the provincial Governments because this control is very important to the provinces. We westerners understand what Newfoundland and Nova Scotia feel on that point. It was embodied in the Atlantic Accord, and so far as that principle is embodied in the Accord, we agree with that principle. So far as that principle is embodied in Bill C-94, this humungus Bill, we agree with that principle in the Bill.

This has not been an easy road and previous speakers have mentioned the constitutional fights over the control of resources. One would ask why Pierre Trudeau took such a strong position that the federal Government should have control over the offshore resources rather than the provincial governments? I suppose we will have to wait for him to write his autobiography. It seems to me that the seeds may lay in his views of Quebec and Canada. Trudeau and some of his colleagues came into politics, I think, with a view of Canada in the sense of fighting separatism in their own province. They were fighting for a strong central Government in order to deal with very powerful provincial Governments. In Quebec's case it was a separatist Government, and I think it colored their view somewhat. It made it more difficult to accept the fact that you could give provinces control over their resources and that would not mean the end of Canada, that there was a way of dealing with federal-provincial affairs, less dramatic and with less conflict than what the Trudeau Government did. If there is a fault—and I am speaking as a western Canadian—and there were many faults, one is the Trudeau Government's failure to understand western Canada, which probably came from his feeling of needing a strong federal Government to face the situation in Quebec. This same attitude was evident in the federal Government's dealings with Newfoundland.

I have made speeches in the House, but I never really thought anyone watched the proceedings or read *Hansard*. I supposed a few people did but I did not think there were a great many. I once made a speech on the offshore and I received a letter from the Premier of Newfoundland objecting to some of the things I said. I wrote to him and said that I doubted his constitutional strategy. I asked why he went into the courts because he was bound to lose the case of the offshore in the Supreme Court of Canada. It is a Federal court appointed by the federal Prime Minister. While the judges are as unbiased as possible, there is a built-in bias. The Prime Minister appoints the judges. He would be inhuman if he did not look for great lawyers who have a federalist outlook. I wrote to the Premier, and I want to read into the record a letter I received from him dated June 18, 1984. It reads:

Dear Mr. Waddell:

Thank you for your letter—perhaps we shall meet at some time during our travels.

In any case, I should point out that going to court was never our preferred option. However, right in the middle of a set of negotiations with the federal Government, a labour relations case involving the SIU and the offshore went before the Federal Court of Canada. Right out of the blue, even though we were at the bargaining table, the Feds made a motion to expand the SIU labour case into a fullblown offshore ownership case. The Federal court agreed to hear the ownership arguments but declined to indicate if it would rule on that aspect of the case. We were thus in a dilemma. If the Federal court ruled on ownership, the ruling was only appealable to the Supreme Court of Canada. In other words, the case could reach the High Court without being heard first by the Newfoundland Supreme Court. Faced with such a prospect, we referred the ownership case ourselves to the Newfoundland Supreme Court. With a slick piece of legal manoeuvering, the Trudeau administration got us where it wanted us all along—into the Supreme Court of Canada.

I might add, the Premier forgets to point out that he referred the case. The letter goes on:

To say the least, it could be said that the scenario forced upon us was less than honourable. However, the Prime Minister Elect, Mr. Turner, has made a number of statements to indicate he has a different approach to Federal/Provincial relations. We have just recently struck an accord with the Opposition Leader, Mr. Mulroney, wherein, if elected, his administration would agree to *real* joint management and revenue sharing as if the offshore oil were on land in the Prairie Provinces.

In any case, my point is that we have been and are willing to be fair and reasonable on the offshore issue. The Trudeau administration, however, was not inclined to reciprocate.

Yours sincerely,

The letter was signed by A. Brian Peckford, P.C., M.H.A., Premier.

I thought it was an interesting letter, Mr. Speaker, and it is part of Canadian history. The case went into the court system and the courts held that the offshore really belonged to the federal Government.

The new federal Government had to deal with the issue. It made an agreement, an accord. But that still leaves open the constitutional issue of the offshore, hence my suggestion that we might look to a constitutional amendment to enshrine the issue in the Constitution so it could not be changed in the future.

I do not want to leave the constitutional point without expressing one further aspect. Having said that there is some justice now delivered to Newfoundland, having said that the Trudeau administration had gone too far in the interests of the strong central Government clubbing the provinces in federal-provincial negotiations, nevertheless there is a national interest that we as federal Members of Parliament have to consider. We must have a balance in the national interest. When we look in some detail at this Bill in committee, we will want to know how much the federal Government has given up. I am very suspicious of this present Conservative Government when it negotiates. In negotiations with Alberta, it gave Alberta everything. In negotiations with the oil companies, it gave the oil companies everything. The question is, did the federal Government give the whole federal store away?

Let me draw the attention of the House to a good article published by the Institute of Resource Law in Calgary. It is dated August 1985 and called "A Critical Evaluation of the Atlantic Accord." It is written by D. Paul Emond of Osgoode Law Law School, York University in Toronto. I shall just read his conclusion:

> Offshore exploration activity is partly the result of massive federal subsidies. While costly, these expenditures have made good political and even economic sense. They have enabled us to learn more about the size and accessibility of frontier oil and gas. They have benefitted have-not provinces such as Newfoundland. They have also benefitted other Canadians, as owners of the frontier lands. How else can Canada justify paying such large subsidies for offshore exploration? One would have expected, therefore, that the federal Government would be reluctant to give up almost all of the financial benefits that development of the Newfoundland offshore might bring.
>
> The Atlantic Accord expresses the federal interest in the Newfoundland offshore in terms of national self-sufficiency, security of supply and, to a lesser extent, Canadianization of the industry. This seriously understates the federal interest. In the past, Canadian energy policy has reflected a multiplicity of interest, including conservation, environmental protection, economic development, regional disparity, and consumer price protection.
>
> This apparent narrowing of federal policy interest would be less disturbing if the Accord provided for periodic review and mechanisms by which it could be adjusted. But, without Newfoundland's consent, that option is not available (Clause 2 (g)). Indeed, if Newfoundland achieves the requisite support from other provinces, clause 64 commits the federal Government to introduce a mutually agreeable solution into Parliament to constitutionally entrench the Accord. If that should happen, the Accord and the Board would be effectively insulated from any government review.
>
> The Atlantic Accord offers an interesting approach to federal-provincial energy relations; however, it is an approach that should not be extended to other coastal provinces.

That is a very interesting critique and we will have to consider it when the Bill goes to committee.

• (1220)

I will conclude on federal-provincial relations by saying this. We have to determine what is good for the provinces, what will enable them to develop the diverse regions that are Canada, and at the same time keep a federal interest. There are going to be conflicts. It is ridiculous to say, as the Prime Minister has said, we will not have conflicts. Look at the free trade negotiations. We will always have conflict between the federal and provincial Governments. That is the genius of Canada. That is the system we invented. The problem with the last Liberal Government was that the conflicts were too accentuated. You could legitimally criticize the Trudeau Government for not being able to deal with the provinces. We are still watching to see how the Mulroney Government deals with them. We cannot give everything away. We cannot hope to have a conflict-free situation. What we can hope is to be fair, to look after the national interest, and try and minimize so far as possible any conflicts. However, there will be conflicts on offshore oil or free trade.

Let me turn now to an examination of the regime itself and what is happening. I said that in the real world this was a hollow document. The Prime Minister said he was going to inflict prosperity on Newfoundland and Labrador. The question is, since it was signed has it in fact implemented prosperity on Newfoundland and Labrador? I want to quote Jim Meek, a very good energy reporter for *The Chronicle Herald*, on April 30 of this year. He says:

> Sad to say, but 1987 will be a wipeout as far as frontier exploration goes. The signs are everywhere.
>
> Last week in Newfoundland, organizations representing 700 companies told reporters that spending on offshore exploration would plummet to $100 million in 1987.
>
> That spending figure equates to as many as four exploration wells, and as few as two.
>
> To put that in perspective, remember 1985 when 33 wells were drilled.
>
> Mobil and Chevron—the two major players in Hibernia—will not push the $4 billion oil project ahead at current oil prices.
>
> Both companies have already announced major cutbacks in exploration expenditures in 1986. And both carry heavy debt loads.
>
> One senior federal government official told me the "whole island" is in a grey depression as the implications of lower oil prices sink in.
>
> "The Peckford government put all its eggs in one basket—and when they tried to pick it up all the eggs fell out."

He goes on to talk about the downturn in Nova Scotia.

In spite of that reality we have Government officials saying Hibernia may get the green light soon. The $6 billion Hibernia oil project could get approval for development in late spring or early summer, said an official with the Canada-Newfoundland Offshore Petroleum Resource Board. That fellow is dreaming in Technicolor. Hibernia is not going to be developed at current oil prices. That should be honestly stated to the Newfoundland people.

Another article says that the federal Government is saying Hibernia will go ahead this summer. The article says:

> Canadian officials are saying at the prestigious Offshore Technology Conference in Houston, Texas this week that Hibernia will go ahead in June or July, a Newfoundland conference delegates says.

With current oil prices this is simply not true. It simply cannot happen. We should be honest with the Canadian people.

I remember at the signing ceremony I took some notes. Mr. Marshall, the energy Minister for Newfoundland, said that what we have in this agreement is a perfect melding of the interests of the federal and provincial Governments. The Minister of Justice (Mr. Crosbie) said we will not recognize Newfoundland in 15 years. It will be a newer world. The rhetoric goes on and on. All we are asking is that the politicians in Atlantic Canada and the federal politicians cut the rhetoric and try and deal with the reality. At $15 a barrel U.S. Hibernia cannot go. I stood up in the House of Commons and asked the Minister of Energy, Mines and Resources (Miss Carney) what price was needed for Hibernia to go. She would not answer that question and I cannot get the answer out of officials. It must be at least $20 a barrel. However, that does not mean we should not plan for the future.

When this Bill goes to committee we should look at a number of things. We should combine Bill C-94 and Bill C-92 in the legislative committee. They both deal with the offshore. I was pleased to see the Government House Leader agree to that in principle today if we can work out the technicalities.

Second, I think the committee should visit Halifax and St. John's to hear some people and look at the Bill. I hope government speakers address that suggestion in their speeches today, because we are going to need some help from the Government to do that. Third, I think we have to look at the development fund and a joint board in real detail in committee. Fourth, we have to look at safety. Let us not forget that before the Accord was signed many men were lost on that rig—Was it 82?

Mr. Tobin: Eighty-five, and sixty-nine were Newfoundlanders.

Mr. Waddell: Hibernia is in iceberg alley and it is a very difficult place. There was a Member in the previous House, from Calgary, and I did not always agree with his philosophy. However, he knew a lot about the mechanics of drilling. I remember him saying to the House that he did not think we had the technology for Hibernia. We were almost going ahead too quickly. We should look at that. We should look at safety so that, through greed and the hype of politicians and developers, we do not go ahead too quickly and lose more human lives, as in the *Ocean Ranger* accident.

We should look at the hiring of local people and how that squares with constititional rights and so on. We should look at the regional aspect. I was in western Newfoundland. I know the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) will tell the House about this because he is far more expert on it than I am, but I understand people in those areas say, wait a minute, if you are going to put all your eggs in the Hibernia basket what are you going to do for our forest industry? I remember in Corner Brook they could not even get a regional forestry centre building.

Mr. Tobin: It was cancelled.

Mr. Waddell: The Hon. Member's Government promised it a number of times, I understand, and the new Government cancelled it. However, that is an example of ignoring a region and putting so much money into Hibernia. We should not forget about the forest and fisheries which are part of the development of Newfoundland. It is not all oil.

We should be looking at Canadianization. The Liberal energy critic spoke briefly about that in his speech. If I can simplify it, the problem is this. There were $8 billion in PIP grants given to to the offshore. What that did was get some medium-sized Canadian companies like Husky Bow Valley and others involved in the offshore. Now, because we have eliminated that regime through Bill C-92, we run the risk that the only ones able to get into Hibernia when it eventually goes, as I think it will in the 1990s, will be the big American oil giants like Mobil.

• (1230)

Mobil Oil is a difficult company, a tough company to deal with. It is centralized in New York. The Government of Newfoundland will have to be very strong, quite frankly. These joint boards will have to be very strong in order to deal with such large companies such as Mobil. They are more powerful than the Newfoundland Government. We will to need to look at that very carefully. We will need to look at how we can get Canadian private companies involved in the offshore development.

The other thing we will have to look at is the role of Petro-Canada. What happens if this Government privatizes part of Petro-Canada, as it promised, and there are minority shareholder in Petro-Canada. Then the Government wants Petro-Canada to go out and develop Hibernia, when the time comes. What is going to happen? Maybe the minority shareholders will say no, the want safe things like gas stations where they can make some money, or they want to drill in Alberta.

If you want Petro-Canada to go to the offshore to develop Hibernia in the early stages, let us say it has to be done and you have privatized part of Petro-Canada and you have minority shareholders who perhaps do not want to go. It may then be possible that Petro-Canada could not go to the offshore, it could not be directed by the Government of Canada to go there. I draw the attention of this House and Newfoundlanders to that situation. How are you going to develop Hibernia if Mobil and Petro-Canada will not do it. You will have no means of doing it. You could never develop Hibernia under that scenario. That is a thing we may want to look at in committee.

I will conclude by saying that there are a lot of things in this Bill that we have to look at in committee. We should remember that right now it is a hollow document because of the world price of oil and some of the policies of the Conservative Government in the offshore. In the future I think Hibernia will go. We have to look at this Bill to make sure it is the best Bill we can put through committee. We need some hearings in Atlantic Canada so we can get the benefit of the wisdom of the people down there. We need to look ahead at some of the matters I raised about safety, the development funds, the hiring of local people, about Canadianization and about the role of Petro-Canada in the development. We have to look at federal-provincial matters, the matter of entrenching what this Bill does in the Constitution, that is, giving the province the basic right over ownership of the offshore. Those are momentous tasks for a committee.

Finally, we have to be honest with the people of Newfoundland and the Canadian people. There has been so much rhetoric, the pot of gold at the end of the rainbow. Referring to Hibernia, the Minister of Justice said, "You won't recognize Newfoundland in 15 years". Perhaps that is too much rhetoric. We have to be honest with the people.

I just conclude by quoting William Marshall, the Energy Minister for Newfoundland who was there and signed the Atlantic Accord over glasses of champagn, and whatever in the hotel in St. John's. He says, "the shrug—" meaning Trudeau, "—has been replaced by the hug—", meaning the present Prime Minister, I guess. "The shrug has been replaced by the hug". Mr. Speaker, we will wait and see.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, the remarks of the two previous opposition speakers, prompt me to say something that was said a long time ago by a great leader to his followers, "Oh, ye of little faith". I want to say that I have never heard a more compounded, negative attitude displayed in this House than they have displayed today. They should be jumping around in their seats. They should be that glad that this Bill was brought in today for what it means to Newfoundland. If I have time at the end of my prepared text I will respond to some of the things they had to say.

It is a great pleasure for me today to speak on the Atlantic Accord implementation Bill, which is one of the most significant and important pieces of legislation ever tabled in this House. The Bill allows Newfoundland and Labrador to become, after 37 long, and often frustrating years, a full and equal partner in Confederation. The Premier of Newfoundland and Labrador and the Prime Minister of Canada (Mr. Mulroney) have both indicated that this Bill will change the course of history in Atlantic Canada, and I believe them.

Through the Accord, on which this Bill is based, we have taken a giant leap forward in federal-provincial relations. In a very short period of time we have achieved what the previous Government could not achieve after countless years in power. Dismal years of the previous Government's rule also brought a dismal record of negotiation with the provinces. While they preached the gospel of conciliation, they engaged in the politics of polorization. They could not reach agreement with Newfoundland and Labrador because they were unwilling to even bend a little bit to the virtues of common sense.

The people of Newfoundland and Labrador deserve a fair share of the resource that is, after all, right on their doorstep. Our Government gave them a fair deal. The Atlantic Accord demonstrates that a Bill passed in this House can be strong and flexible at the same time, and that it can serve national interests and regional aspirations at the same time.

The proceedings leading up to the signing of the Atlantic Accord, and the signing itself, are vivid examples of this Government's commitment to national unity and national reconciliation. Here was a federal Energy Minister, a citizen of the westernmost province in Canada, meeting on equal footing with a provincial Minister, a citizen of the easternmost province of Canada. I am glad the Hon. Member for Vancouver—Kingsway (Mr. Waddell) mentioned that he was from Vancouver. That was the only thing he said that I really enjoyed, because it was the Energy Minister from British Columbia who signed the Atlantic Accord.

Both the Ministers recognized that Canadians were first and foremost. Neither dictated terms to the other; neither assumed dominance over the other; neither insinuated that one Government was more important than the other. Both parties wanted an Accord that was sensible, reasonable and durable. Most of all, they wanted an agreement that was mutually fair and just, one that would benefit the national interests of all Canadians. These representatives from the two levels of Government got their Accord, and we, as a country, are richer for it. Under this Accord the Government of this land of Labrador and the Government of Canada will form a partnership to manage, jointly, the resource recovery off the Newfoundland coast. That, in itself, is a landmark of negotiation.

• (1240)

We have arranged for joint management but we will also encourage the private sector to take the lead in offshore development in every possible way. I am not surprised that the private sector is pleased, because under the previous Government it had become one of the forgotten partners in resource development. The days of ignoring and excluding the private sector in this country are over. Private enterprise is at the very heart of Canada's economy. It built this country, continues to build this country and we want private enterprise in the forefront of the development of Hibernia.

There are many exciting aspects of the Atlantic Accord and this Bill. I want to concentrate on just a few of them. Government revenues from the exploration and ensuing production of resources on Newfoundland's offshore will be shared as if these resources were on land. The reason the Government of Newfondland could not reach an agreement with the previous federal Government is that it was unwilling to recognize that fact. Over the next decade, billions of dollars will be spent on Newfoundland and Labrador's vast resources and long overdue economic and social benefits will accrue to Newfoundland and Labrador. At the same time, there will be increased energy security and economic prosperity for the country as a whole. New Canadian jobs will be created, particularly in Newfoundland which has suffered badly in the past from chronic unemployment and lack of job opportunities.

The petroleum industry will be provided with fairness, something that was clearly absent during the five disastrous years of the National Energy Program. There will be permanent management regimes which will ensure that both levels of Government are recognized as equals in the day-to-day management of Newfoundland's offshore resources. There will be improved offshore safety and rigorous protection of the environment and the fishing industry in Newfoundland and Labrador.

The Atlantic Accord implementation Bill incorporates the Canada petroleum resources Bill which was introduced in the House on December 20, 1985. This Bill will replace the Canada Oil and Gas Act of 1982 and includes an amended Oil and Gas Production and Conservation Act. The Canada petroleum resources Bill provides the legislative framework for the Atlantic Accord. The essence of the Bill has been included in the Atlantic Accord implementation Bill itself.

The Canada Petroleum Resources Act provides a simplified competitive system for exploration rights, one based on the principle that the best bid wins. This ensures fair treatment of companies bidding for exploration rights. Disciples of the National Energy Program probably cannot understand why we would insist on fair treatment for the private sector. Their

policy, after all, was incubated and hatched in Ottawa under the direction of centralist rule.

The Canada Petroleum Resources Act calls for 50 per cent minimum Canadian ownership in frontier production projects. However, unlike the policies of the previous regime, we will not confiscate property or sneak through the back door to grab revenues retroactively. We will be looking to the private sector to achieve this 50 per cent minimum Canadian ownership.

The Canada Petroleum Resources Act is fair to provincial and territorial governments, it is responsive to markets, and it is sensitive to private companies operating in the high risk frontier regions.

The Atlantic Accord implementation Bill will guarantee decentralization of regulatory authority through the Canada-Newfoundland Offshore Petroleum Board, which will manage and administer oil and gas activity and development off the coast of Newfoundland. Seven people will serve on this board, six members who have been appointed jointly by the Government of Canada and the Government of Newfoundland and Labrador, and a chairman who has been jointly appointed by both governments. This is another demonstration of conciliation. Already, we have filled all the posts on the board and we have begun to appoint the staff that will support it. This is yet another example of what can be achieved by believing in the co-operation, mutual respect and understanding between the federal Government and the provinces.

It is important to note that joint management of offshore Newfoundland resources means that we have an independent board. It will have emergency powers if required and it will be responsible for such matters as the administration of good oilfield practices, the granting of production licences and the collection of royalties.

The Atlantic Accord implementation Bill enables the Government of Newfoundland and Labrador to establish and collect royalties, general resource revenues and taxes related to the offshore that may accrue to provincial jurisdiction. The Province of Newfoundland and Labrador will receive the proceeds from these royalties, provincial corporate income taxes, sales taxes, bonus payments, rentals and fees, and other forms of provincial revenues and taxes that may be established.

The Bill provides for the new Canada-Newfoundland offshore development fund, with grants totalling $300 million, 75 per cent of which will come from the federal treasury and 25 per cent from the provincial treasury. This differs from the previous Government that signed an agreement with Nova Scotia for some $225 million. That province must pay that back when it can ill-afford to do so, and I hope that because of the common sense that prevailed in the Newfoundland Government, to wait for a proper deal for Newfoundland, Nova Scotia will be able to reach an agreement with the present Government. I am sure that we will be considerate of Nova Scotia because it cannot afford to pay back that $225 million.

Mr. Tobin: You agree that the Premier made a bad deal in Nova Scotia.

Mr. Johnson (Bonavista—Trinity—Conception): No, I agree that the Liberal Government gave them a bad deal because they had no other choice. The Liberal Government was trying to bully the Newfoundland Government into signing the same accord that Nova Scotia was forced to accept because of economic conditions. We have been poor in Newfoundland for so long, as you well know, that we were not willing to accept anything but the best. That is what we have here, Mr. Speaker, with this agreement.

Some Hon. Members: Hear, hear!

Mr. Johnson (Bonavista—Trinity—Conception): By the time Hibernia comes on stream, about $4.2 billion will have been spent on the project. Total direct employment of about 14,500 person years will have been created in Canada.

We recognize that low oil prices have created uncertainty about higher cost oil projects. However, as the Minister of Energy, Mines and Resources (Miss Carney) has said, we cannot be fooled by temporary declines in world oil prices. As supplies diminish the price will rise again. Will Canada be ready for that day? Will we have continued with the development of projects like Hibernia so that we are not again the unwilling victims of price and supply manipulations as we were in the 1970s? I am confident that we will be ready. I am confident Hibernia will be a key contributor to oil supply down the road and I am confident that Hibernia will provide an important economic stimulus to Newfoundland and to the rest of Canada as part of the Government's national economic policy. That economic policy is working. We have created 630,000 new jobs since September 1984. In Newfoundland and Labrador several thousands of people obtained work during that period. The total investment in Newfoundland and Labrador in 1985 was $2.2 billion. Housing starts have gone up and inflation has gone down.

• (1250)

Recently there was considerable competitive interest in the parcels of land offshore. One of the previous speakers said there has not been much exploration activity going on in Newfoundland. I want to assure you, Mr. Speaker, that the Atlantic Accord is already having an impact on Newfoundland. I refer to the results of the call for proposals which was issued in December 1985. Exploration rights to three parcels of land on the Grand Banks were granted. We all realize that corporations which do this kind of development are able to plan far ahead. That is why the private sector is more responsible fiscally to its shareholders than we are as a Government to the people we represent. We cannot always get into the planning stages beyond the budget of one year. I suspect the industry knew that oil prices were going to come down, and perhaps that is the reason it did not look for more grants to go toward exploration. But that will come. The industry wants to make a profit when it invests its money, otherwise it would be

safer to buy Canada Savings Bonds. If the Opposition would be willing to be patient while the economy climbs I am sure it will find that these companies are anxious to go out and do exploration.

The bids for those parcels of land total $4.75 million. This indicates that the industry is confident in both Newfoundland offshore and the joint management regime we have created. There were five companies that were successful in bidding.

The Atlantic Accord shows the people of Newfoundland and Labrador that we are serious about rebuilding federal-provincial co-ooperation and confidence. It also serves as a signal to the rest of the country. It shows we are serious about rebuilding the economy and about making Canada the greatest country in the world in which to live, work and invest.

Twenty-one months ago the Canadian people gave us a mandate to create fundamental change in the country. The Atlantic Accord implementation Bill, is one of the important elements of our strategy. If Hon. Members of the Opposition are really concerned about the people of Atlantic Canada, they will ensure speedy passage of this Bill instead of being negative and critical of all its good points. We could then get on with the job we started.

Mr. Tobin: Mr. Speaker, I have a comment and a question to ask my colleague. First, let me say that I have great admiration for the enthusiasm and energy the Hon. Member for Bonavista—Trinty—Conception (Mr. Johnson) brings to his commitment and belief in the work of his Prime Minister (Mr. Mulroney) and of the Minister of Energy, Mines and Resources (Miss Carney) in devising the Atlantic Accord. However, to be brutally frank, I must say I would be amazed if I thought in reality the Hon. Member fully believes the full extent of the rhetoric he has just promoted about the impact of the Atlantic Accord.

I want to refresh the memory of the Hon. Member because I am sure everyone in Canada recalls very well Newfoundland's position on the offshore. The Premier was on the front page of *Maclean's* magazine. At one point he was called "the bad boy of Confederation". His position essentially during the days of the previous administration was that Newfoundland's ownership of the offshore should be recognized outright; second, that Newfoundland's ownership be entrenched in the Constitution; third, that 100 per cent of the revenues of the offshore should go to the Province of Newfoundland; four, the Government of Newfoundland would have absolute and total control and final say over the pace of development of the offshore; and five, we would have a guarantee of Hibernia crude for use in the petrochemical industry in Newfoundland. Those were the conditions in his negotiation with the previous Government. It is history that he did not reach a deal with the previous Government.

Let us look at what he did get with the Atlantic Accord. Did he get ownership? Is it recognized? Yes, ownership is recognized. In the Atlantic Accord the Canadian Government is recognized as being the owner of the resource. The first thing which was demanded was not given. Did the Premier get 100 per cent of the revenues? No. We do not know even now what the revenue sharing will be in the offshore. It is up in the air. We know that the PGRT which we thought we were going to get 50 per cent of, is gone. Did we get a guarantee about the pace of development? Under Section 35(2) of this Act, the federal Minister has the final authority over five-year intervals to declare whether or not security of supply is met or not met. So we do not control the pace of development.

Mr. McDermid: Yes, you do.

Mr. Tobin: Does the Government of Newfoundland get a guarantee of crude to be used in Newfoundland for the petrochemical industry?

Some Hon. Members: Yes.

Mr. Tobin: Other than a commitment to Hibernia, which the chairman of Petro-Canada says he cannot give away, we are told that the existing refining capacity of eastern Canada must be met first before Newfoundland's needs for new petrochemical facilities can be considered. That is a brief summary of the reality versus the flights of fantasy which confront us when we look at Bill C-94.

Mr. Doug House, a professor at Memorial University, who is currently the chairman of the Royal Commission on Unemployment and Employment in Newfoundland, in an article he wrote about the Atlantic Accord called "The Challenge of Oil", identifies, in addition to the matters I raised, a number of other points he says are weaknesses in the Atlantic Accord.

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but there is only one minute left before one o'clock.

Mr. Tobin: I will put the question quickly. Ten seconds or less.

Mr. McDermid: Give him to time to answer it.

Mr. Tobin: If Hon. Members would be quiet, I would ask the question. Mr. House points out that there was an absence of adequate provisions for downstream processing industries. He points out there is no participation once the agreement is in place by Governments. Section 40 of the accord wipes out the Crown share. He points out that the commitment by companies to conduct research and development is extremely weak. This is the gentleman who chairs a Royal Commission on behalf of the Government. Does the Hon. Member concur or disagree with his synopsis of the failure and weakness of the Atlantic Accord.

Mr. Johnson: Mr. Speaker, I see I have only one minute to answer. I want to say that I think three parts of the criticism from people in the opposition Party are pure bunkum; that is my answer. Bunkum to all their questions. That is all I have to say.

S.O. 21

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At one p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

BILINGUALISM

DECISION TO DESIGNATE CITY OF KAPUSKASING OFFICIALLY BILINGUAL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, today, I want to say that I am proud of the Town of Kapuskasing in the riding of Cochrane—Superior, in Northern Ontario. I am proud because the local council has decided to make the town officially bilingual. The decision was adopted by council, with four votes in favour and two against. I would like to express my appreciation to the Council of Kapuskasing and to all citizens who supported this decision, a decision that reflects the spirit of Canada and of our new Constitution.

* * *

[*English*]

LABOUR RELATIONS

THUNDER BAY GRAIN HANDLERS—WAGE ROLL-BACK DEMAND

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the grain terminal companies in Thunder Bay are making contract demands which threaten the movement of grain through the St. Lawrence Seaway. Members of BRAC's Lodge 650 received their last wage increase in February of 1984 and have been awaiting a new contract since January of 1985. The grainhandlers have worked patiently while their leaders negotiated a new contract. They know times are difficult in wheat farming and in the grain trade.

The companies have now suddenly turned from offering no wage increases to demanding a 20 per cent roll-back in grainhandlers' wages. They argue that the workers should suffer the same type of reduction in their incomes as farmers face in the initial wheat payment for the next crop year. European and American farm subsidies threaten to disrupt the Canadian grain trade.

The grain companies could not celebrate National Transportation Week in any better way than by abandoning this cruel demand for wage reductions and by assuring Thunder Bay workers, prairie farmers, and all Canadians that grain will continue to move down the St. Lawrence Seaway.

TERRORISM

DEPORTATION URGED FOR FANATICS COMMITTING VIOLENCE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, in light of yet another act of violence committed by religious fanatics I call upon the Government of Canada to introduce a policy whereby any non-Canadian who is convicted of an act of violence based on political or religious grounds be immediately deported to their homeland. Canadians do not want or need the political or religious wars of other nations fought in Canada.

Some Hon. Members: Hear, hear!

* * *

TERRORISM

ATTEMPTED ASSASSINATION OF PUNJABI MINISTER VISITING BRITISH COLUMBIA

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, yesterday, on an isolated stretch of highway in British Columbia, a Punjabi cabinet Minister was ambushed and shot. This man was not in Canada on any political or diplomatic mission, but was here to attend the wedding of a family member.

This senseless act of terrorism should never have occurred on Canadian soil. Battles being waged in one's homeland cannot be allowed to be carried over into our country. We open our country to people from many lands who are looking for peace, freedom, and democracy. Yet it is these very principles which are being taken advantage of when terrorism of this type occurs.

For the majority of new Canadians the actions of this very small segment of fanatics is a constant source of pain and embarrassment. The Government of Canada must move swiftly to condemn this type of violent terrorism. Extremists must be made to understand that we do not regard their actions as a political statement but simply as an act of senseless violence.

In my opinion there is no cause, be it political or religious, which could possibly justify the senseless act of terrorism which took place yesterday in B.C.

* * *

REFUGEES

CRITICISM OF NEW REFUGEE DETERMINATION PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, this past weekend the Standing Conference of Canadian Organizations Concerned for Refugees strongly condemned the Government's proposed refugee determination process. The

conference, representing over 100 organizations, passed the following resolution declaring:

—non-confidence in the Government for its failure to respect the fundamental principles unanimously recommended by non-governmental groups across Canada—and for its failure to adhere to the rule of law as required by the Charter of Rights and Freedoms.

As we on this side of the House have argued, the Government's plan fails on three counts—the principle of universal access; the right to appeal based on merit, and not on questions of law; and the right to legal counsel.

Instead of imposing a badly flawed policy the Government should accommodate the grave concerns that have emerged so quickly after last week's announcement. Our international reputation as a humanitarian nation is at stake. Canada must not be seen to be closing its doors on legitimate and genuine refugee claimants.

* * *

[*Translation*]

THE STANLEY CUP

SUCCESS OF MONTREAL CANADIENS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, after an absence of seven years, the Stanley Cup is back in *la belle province*. It gives me great pleasure to mention this remarkable sports achievement here in the House. On May 24, the Montreal Canadiens won their twenty-third Stanley Cup, which means that this hockey club has become the greatest dynasty in professional sport, having broken the twenty-two win record of the New York Yankees in the World Series.

Mr. Speaker, I can assure you that the people of Abitibi-Témiscamingue, who have always been faithful supporters of this team, are especially proud of this magnificient victory and have in fact contributed to a very great extent to that victory. I would like to extend my sincere congratulations to men such as Serge Savard, Jacques Laperrière and of course the young Gaston Gingras—

Mr. Speaker: Order, please!

* * *

• (1405)

[*English*]

ENERGY

PRICE OF HOME HEATING OIL AND OF AVIATION FUEL

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the House of Commons was informed in early April that the Minister of Energy, Mines and Resources (Miss Carney) was expecting the savings in home heating oil and diesel fuel costs resulting from the drop in world oil prices to be passed on by the oil companies to Canadian consumers. Consumers want to know why the price of home heating oil has not dropped. The price of aviation fuel is another concern. Why has that price not reflected the drop? I have been informed by tourist outfitters that aviation fuel has actually increased in price since last fall.

Canadians are asking when the Minister is going to exert some pressure on the oil companies to reduce prices. Several months have elapsed since the price dropped and the Government's previous excuse for inaction, the backlog of higher priced fuel, is no longer applicable. I think I begin to understand why the Minister of Energy, Mines and Resources was named "Oilman of the Year" when I see retail prices remaining the same, or rising slightly, at a time of falling oil prices.

* * *

TRANSPORTATION OF DANGEROUS GOODS

SPEED LIMIT REDUCED FOR TRAINS IN TORONTO AREA

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I was pleased to see how quickly the Minister of Transport (Mr. Mazankowski) acted on the Toronto Area Dangerous Goods Rail Task Force's recommendations. Special dangerous goods freight trains travelling in densely populated areas in North York, including my riding of Don Valley East, will be slowed down immediately to 25 miles per hour from 35 miles per hour.

Last summer I travelled a main CP line with officials from CP to gain first-hand knowledge of the problems. CP Rail is to be commended for its efforts in upgrading the track to increase safety, and other groups like M-Trac are also to be commended for their concerns and constructive recommendations. We look forward to the final report of the task force within two years. This report will address such issues as the feasibility of re-routing or relocating dangerous goods shipments around Metro-Toronto.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I would like to compare performances. We have created an average of 33,000 jobs a month in this country, compared to 7,000 under the Liberals. We have created 630,000 jobs in 19 months, and 75 per cent of these were full-time jobs, compared with 404,000 in 55 months for the Liberals, of which 82 per cent were part-time jobs.

S.O. 21

During the last four and a half years the Liberals were in power, 581,000 more individuals were unemployed, but since September 1984, 229,000 less Canadians were unemployed.

Mr. Speaker, that is a performance. That is the result of our intelligent policies.

* * *

PUBLIC SERVICE COMMISSION

APPLICATION OF MERIT PRINCIPLE IN HIRING PRACTICES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, when tabling her annual report, the Chairman of the Public Service Commission said that the Government would be tabling amendments to the Public Service Employment Act by the end of this year.

As we all know, the Commission's mandate is above all to apply the merit principle in hiring public servants. Today, 55 per cent of the work done by the Commission has no connection with its mandate but is delegated to the Commission by the Government. The Conservative Government should tell us whether it intends to lighten the Commission's part of its burden and what changes we can expect.

At this time, the Commission is responsible for a number of activities that have no connection at all with its mandate. I am referring to training and development, language training, Interchange Canada, career assignment programs and many other administrative tasks. There are those who say there not only appears to be, but indeed, is a conflict when an agent of Parliament,an agent of this Parliament, receives orders from the Government. A thorough House cleaning is necessary so that the Commission can play its main role which is to maintain the merit system in our hiring practices.

* * *

[*English*]

TRADE

IMPOSITION OF U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, President Ronald Reagan has shown a grave error in judgment by taking action against the Canadian cedar shake and shingle industry. This Canadian industry received no Government subsidies, is not dumping, and cannot possibly be deemed to be competing unfairly against an American industry that has no source of raw materials from which to expand production. Actions like this will achieve nothing more than to denigrate the spirit of free trade negotiations. The Americans should consider reversing their decision as a show of good faith.

The strong, definitive action taken by the Prime Minister (Mr. Mulroney) has clearly shown that the Canadian Government is prepared to defend Canada against any action that would be harmful.

• (1410)

However, this is a sensitive issue, and cool heads must prevail. It is imperative that no retaliation is taken which might result in a trade war. In any actions which are taken, we must not cloud the real issue—the fate of the people involved in the cedar shake and shingle industry in British Columbia. Their jobs, their families, and their future are what really count.

* * *

DISASTERS

NEW BRUNSWICK FOREST FIRES—COMPENSATION SOUGHT FOR WOODLOT OWNERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, recent severe forest fires have devastated the forest industry in the Province of New Brunswick. Today much of the prime timberland in that province is wasteland, with over 120,000 acres destroyed. While the vast majority of lost timber reserves involves Crown land, some 300 to 400 private woodlot owners are now without their prime source of income. In all, some 10,000 to 12,000 acres of private forest reserves have now been lost for many years to come.

While the federal Government has publicly offered sympathy to private owners, no Government assistance has been offered. I ask the Government to look into this very serious matter with compassion, and to provide adequate compensation immediately to these unfortunate private woodlot owners whose livelihoods have been destroyed through no fault of their own.

* * *

MEMBERS OF PARLIAMENT

ACTIVITIES OF MEMBER FOR WINNIPEG—FORT GARRY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, all Canadians should be concerned about the activities of a Member of this House of Commons, the Liberal Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). This Member, well known for his frequent and scathing attacks on the policies of the United States Government, has now approached an American congressional committee to obtain information on Canada's role in the case of lobbyist Michael Deaver.

However, in so doing, the Hon. Member for Winnipeg—Fort Garry is co-operating with the same Congressmen who

are attempting to block tighter controls over acid rain. It would appear that we have a Canadian politician in—

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members know that the Chair is in some difficulty when comments verge into comment on another Member. Policy matters I can allow. The Hon. Member may want to consider the precedents, and I will recognize him tomorrow.

* * *

UNITED NATION

SPECIAL CONFERENCE ON AFRICA

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I am sure all Canadians join with me in welcoming the Special Conference of the United Nations on Africa. This will be the first time that the United Nations will have addressed itself to the needs of one continent. I hope the conference will include not only justifiable concern about the environment, but justifiable concern about the militaristic policies of many Governments in Africa. These policies mean that $11 billion per year are spent on military equipment by Governments which preside over the affairs of people who are going hungry.

In the armed forces of African countries there are in excess of 1,800,000 men. If a fraction of that money were devoted to food production, there would not be a need for the crisis conference which we are about to convene.

I hope our Government and our representative to the United Nations will ensure that this item is on the agenda of that conference.

* * *

IMMIGRATION

DEPORTATION OF BATTERED WIFE HALTED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, a week ago Friday I informed the House that Employment and Immigration Canada had sent a letter to Mrs. Helga Muselmann of Hawkesbury, telling her that she and her children had to leave Canada because her husband was in breach of a ministerial permit which allowed them to enter the country. The crime in question was that the man beat up his wife. She rightfully reported him and therefore they had to leave Canada.

I am happy to say that the Minister of State for Immigration (Mr. McLean) has since changed that decision. I want to thank him and his assistant, Mrs. Kay Stanley, for seeing the light and realizing that this situation was absolutely intolerable. I am pleased that they had the good sense to change that decision.

ORAL QUESTION PERIOD

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—B.C. PREMIER'S LETTER

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns President Reagan's decision to impose a 35 per cent tariff on British Columbia shakes and shingles, putting at risk at least 10,000 direct and indirect jobs in that province. In a CTV interview yesterday, the Secretary of State said that he told Secretary Shultz that the decision was "a shock to us", that it "came as a surprise to us" and "to our Embassy". How could this be correct if at least two weeks ago, as I am informed, the Premier of British Columbia sent a formal written communication to the Prime Minister warning him of this impending decision and asking him to intervene with the President to head it off? How come this communication was ignored and this comes as a surprise to us?

• (1415)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Premier of British Columbia, as is his duty, and he exercises it very vigorously, had expressed concern about a range of threats in the American Congress to the lumber industry in British Columbia and in Canada. We have been acting to try to reduce or prevent those threats from taking effect. My comment yesterday related to the specific action announced without any precise warning to the Government of Canada.

Mr. Broadbent: Precise warning?

REQUEST THAT PRIME MINISTER SEEK SUSPENSION OF U.S. TARIFF

Hon. Herb Gray (Windsor West): Mr. Speaker, I have another question for the Secretary of State for External Affairs. I am informed that Premier Bennett's communication relates specifically to the 35 per cent duty that was impending on British Columbia shakes and shingles. Will the Secretary of State get the Prime Minister to call President Reagan immediately and ask him to suspend that 35 per cent tariff decision, and all other pending and intended trade actions against Canada, including Canadian lumber, as a condition of the free trade talks with Canada continuing? Will the Prime Minister take that step to protect Canadian interests?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one thing that has become abundantly

clear is that now more Canadians, I would think even members of the Official Opposition, know how virulent is the force of protectionism in the United States—

Mr. Broadbent: We always knew.

Mr. Clark (Yellowhead): —and how important it is for us to have a system that works more effectively than the system that is now in place. That is why we attach such a high priority to the question of seeking, through negotiations with the United States, to put in place a better system than one which leaves Canadian producers of shingles and shakes, and other Canadian producers, in some kind of jeopardy.

The Prime Minister has communicated to the President. I have Communicated to Secretary Shultz. We are now considering a wide range of other measures that the Government of Canada might take, including assistance to those producers in British Columbia who might be affected.

Mr. Frith: UIC.

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Hon. Herb Gray (Windsor West): Mr. Speaker, why is the Prime Minister afraid to call his supposed good friend, President Reagan? If he doesn't know the phone number, I will give it to him. It is 456-1414. Why won't he pick up the phone and make that call? Why is the Government standing idly by while some 10,000 British Columbia jobs are going down the tube because of the way this Government is bungling our trade relations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we believe that the President has Canada's message.

STATEMENT ATTRIBUTED TO TRADE ADVISER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is also for the Secretary of State for External Affairs. The Minister ought to know that Canadians are wondering today which is more bizarre, the U.S. tariff action or the Government's contrived and phoney response to it.

Mr. Crosbie: Sit down.

Mr. Tobin: How can the Minister expect Canadians to believe anything other than British Columbia interests were sold as the price for Senate Finance Committee votes for free trade, when this morning we have a member of Canada's International Trade Advisory Committee to the Minister for International Trade, Professor Alan Rugman of Dalhousie University, saying, according to *The Chronicle-Herald*, Halifax, that the shingles decision was no surprise? How can a Government adviser in Halifax be aware of something of which the Government in Ottawa claims it is ignorant?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I have made clear in answer to the House Leader of the hon. gentleman's Party we were, of course, aware that the United States was considering action in this field. We were surprised that the action came in the form it did and without notice to Canada.

POSITION OF UNITED STATES PRESIDENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Did the President of the United States or the President's representatives at any time indicate to the Government of Canada that in order to acquire the votes to send free trade talks to the Senate Finance Committee a price would have to be paid? Was it indicated to the Government of Canada that the price was B.C. cedar shakes and shingles? Did the Government of Canada express strong opposition to that kind of position by the United States Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, if he has been listening in this House of Commons, knows that the answer to his first two questions is in the negative. He would also know that to pretend otherwise is to do a great disservice to the truth.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Secretary of State for External Affairs and it is on the same subject matter. The Government knew that the Americans had to reach a decision by May 24 at the latest on shakes and shingles. The Premier some two weeks ago specifically addressed the subject matter of shakes and shingles, and I assume also that the heads of the companies directly involved in British Columbia were also concerned about that. Given its importance to thousands of workers in British Columbia, did the Minister get in touch with his equivalent in advance? Did the Prime Minister get in touch with the President in advance? Did our ambassador call in advance? Who was down there fighting for jobs in British Columbia before the decision was made?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we were all there fighting for jobs in British Columbia and other—

Mr. Broadbent: Specifically on shakes and shingles?

Mr. Clark (Yellowhead): Yes, on the question of shakes and shingles representations were made by a variety of Canadian government officials to American authorities. We are now proceeding with consideration of a range of responses which might be open to Canada in order to make sure that a decision we regard as an erratic act does not become a pattern and put in further jeopardy the understandings agreed to by the

President regarding trade with Canada when he signed the Quebec Declaration.

SOFTWOOD EXPORTS—IMPENDING U.S. DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, obviously we on this side of the House hope the Government is successful in getting the American President to reverse that decision. However, I have a question about another decision which will affect thousands more jobs than even the shakes and shingles. I refer to the U.S. decision which has to be made before June 9 on the softwood lumber industry. This decision, to be made at the administrative level, to go ahead or not with a tariff, will affect thousands of jobs. Given that, has the Canadian Government now told the Americans that as a condition for continuing these talks they must say no to an additional tariff on Canadian softwood lumber?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have made very strong and direct representations, as I have personally, regarding the softwood question. However, let me be clear. We in this country now face a growing threat to jobs across the country from protectionist pressures in the U.S. One way to deal with that threat is to try to put in place a new trade arrangement. The NDP is suggesting that we should not protect those Canadian workers. I will not accept that.

Mr. Broadbent: All Canadians, particularly those in B.C., will see how phoney that answer is.

REQUEST THAT TRADE TALKS BE SUSPENDED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Minister is concerned about these jobs, if he wants to put President Reagan to the test of living up to his commitment to free trade, will he say to the U.S. that there will be no continuation of these talks unless the Americans are prepared to stop taking countervailing action against Canadian products during the talks, specifically not take action against softwood lumber which will throw thousands of Canadians out of work?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the NDP has simply rephrased his question. He is asking us to suggest to the Americans that unless they take a particular action on softwood we should cut off talks whose result would be in the interest of Canada.

Mr. Deans: May be.

Mr. Clark (Yellowhead): We should maybe cut. Now they are changing their position.

Mr. Deans: No, may be in the interest of Canada.

Mr. Clark (Yellowhead): Maybe we should cut off the talks. There may be some confusion in the NDP. There is none here. We believe it is in Canada's interest to try to put in place, through trade talks with the U.S., a system better than the one which now puts at risk our softwood producers, cedar producers and others. We believe the status quo has to be changed and can be changed. We intend to try.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF SOUTH AUSTRALIA STATE'S PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker: May I bring to the attention of Members the presence in our gallery today of Mr. John Klunder, M.P., Chairman of the Parliamentary Public Accounts Committee of the State of South Australia.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRADE

TARIFFS IMPOSED BY UNITED STATES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. First of all, I would like to remind him that ever since the *Polar Sea* cruised through our territorial waters in the Arctic, the Americans have known that Canada was vulnerable and could be attacked without fear of reprisals.

I would like to ask the Secretary of State for External Affairs, who was one of those who let the ship go through, what he intends to do. What does he have in mind, after all the talk we have heard for two or three days, to make the Americans understand that free trade negotiations cannot be allowed to continue, considering the steady rain of tariffs being showered on Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can advise the Hon. Member that first of all, today we are considering certain measures that are open to Canada, both measures within the purview of international trade and measures designed to help Canadian producers who are affected by the U.S. action.

Second, we are continuing negotiations for the purpose of reaching an agreement with the United States, so that in future, Canadians who today are threatened by protectionist forces in the U.S. will be better protected.

REQUEST FOR CLARIFICATION CONCERNING QUESTION POSED BY MEMBER FOR WINDSOR WEST

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I realize we have to negotiate with the Americans, but we should not go into this with our eyes closed. I want to ask the Secretary of State for External Affairs: How could he answer my hon. friend from Windsor West, who on April 28 asked him about the letter President Reagan sent to Senator Packwood, which referred to the possibility of imposing import

duties on lumber: "The Hon. Member is raising a set of fears that are groundless", if he didn't have his eyes closed? That was your position April 28. Did you wake up since? We told you so!

Right Hon. Joe Clark (Secretary of State for External Affairs): The answer was an answer to a specific question which concerned an unjustified allegation.

• (1425)

[*English*]

REQUEST FOR ACTION TO REVERSE U.S. DECISION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday the Secretary of State for External Affairs told *Question Period* on CTV the Americans were trying to spook us last week to prove what tough negotiators they were. After the Minister's weekend of sending his bright boys in the Ministry out to look for answers, what specific detailed actions is the Government going to take to reverse those moves made against us and our 4,000 producers in B.C.?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure the Hon. Member wants to retain a reputation for honesty, which he has worked for through his career and brought to the House. He would not want to leave the impression that I did not accept, from references to any American attempts to spook Canada, the action to which his question relates. As I have indicated earlier in the House today, twice, I think, we are considering a range of appropriate responses for Canada. Some are in the field of international trade, some might offer assistance to those Canadians who are affected. They will be considered by the Priorities and Planning Committee of the Cabinet of Canada tomorrow morning.

REQUEST THAT TRADE TALKS BE SUSPENDED

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, that answer might have done on Friday; it does not do on Monday. You need to give us specifics. Does the Minister not see that the most effective, immediate way to counter this bizarre and eccentric act, as he has called it, is to suspend the free trade talks with the United States until U.S. unilateral moves are ruled out for the future? Wouldn't that give us the most bang for the buck right now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has risen in this House several times since this debate began, suggesting that we stop a negotiation that could result in advantages to Canada. In this case what we have—

An Hon. Member: A confirmed spokesman for the NDP.

Mr. Clark (Yellowhead): —we now have another member for the Canadian Labour Congress indicating to us that the New Democratic Party position was right. Let me make it clear that what was demonstrated clearly on Thursday is the vulnerability of Canada to protectionist forces in the United States. We have to take action and we must seek to try to protect Canadians better against those kinds of protectionist forces than they are protected now. We must try to negotiate a better trade arrangement. The NDP should be supporting that, not simply leaving Canadian workers exposed.

• (1430)

PRESIDENT'S LETTER TO U.S. SENATOR

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On May 8 President Reagan wrote Senator Robert Packwood and said in part:

—I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem . . . I will take such action as may be necessary to resolve this problem consistent with U.S. law.

Will the Minister not agree that 4,000 British Columbia families have paid the price for Senator Packwood's signature on the fast track free trade agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, I would not.

GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, last Friday the Government said it would have swift and prompt retaliatory measures ready for this week. Yet today the Chairman of the PC caucus, the Member for Mission—Port Moody, is advocating no retaliatory measures—

Mr. Speaker: Order. This is a preamble. Just a supplementary question.

Mr. Frith: What is the position of the Government on this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for the fourth time in 15 minutes in this Question Period, the answer is that the Government of Canada has been considering a range of responses—some commercial, some that might offer assistance to those Canadians who are affected. Those responses will be considered by the Priorities and Planning Committee of Cabinet tomorrow morning. Then we intend to act on them as quickly as would be effective.

This happened Thursday night. The Government of Canada responded on Friday morning. At this time we are preparing a range of other responses that might be open to us. We intend to continue to defend and protect the interests of Canada.

EFFECT ON WORKERS IN MISSION, B.C.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. One thousand five hundred of Mission's population of 22,000 work in the shake and shingle industry. All of them face an imminent lay-off from work, adding to the already 25 per cent unemployment rate in Mission. In view of

these facts, can the Minister not now at least give us some idea of what the Government will do, perhaps in co-operation with the province and the municipality, to ensure the export markets of the shake and shingle industry in British Columbia?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will deal with that question in the House for the sixth time. We are considering actions now and expect to be in a position to announce them fairly shortly. Some will take effect internationally, others are actions which might bring assistance for those British Columbians who are affected. I should take the opportunity to express my very real appreciation for the help by the Member for Mission—Port Moody in these discussions.

Some Hon. Members: Hear, hear!

An Hon. Member: He looks embarrassed.

REQUEST FOR EXPORTS GUARANTEE

Ms. Pauline Jewett (New Westminster—Coquitlam): He looks embarrassed because he has been able to do nothing since the Minister will not say to the industry, which has been most competitive, has never had a subsidy and has operated under free trade—

Mr. Speaker: Order, please.

Ms. Jewett: He will not say to that industry—

Mr. Speaker: Order, please.

Some Hon. Members: Sit down.

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

Ms. Jewett: Yes, Mr. Speaker. Will the Minister not say to that industry that, because of the facts I just mentioned, the Government will guarantee its exports in the U.S. market?

Some Hon. Members: Oh, oh!

An Hon. Member: What a question.

Mr. McDermid: Thank God you are in opposition.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the actions we are considering are designed precisely to do whatever is open to Canada now. They are to try to protect and help Canadians in that industry, and also to try to return the United States to a commitment to freer trade and a commitment not to take these kinds of actions against Canada.

FISHERIES

APPREHENSION OF SPANISH TRAWLERS—REPORTED BLOCKADE THREAT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Marine Radio reported this morning that 40 foreign boats are to form a blockade tonight to prevent the Canadian Fisheries patrol vessel *Leonard J. Cowley* from bringing two Spanish trawlers to justice in St. John's. Is the Government prepared to give a naval escort, as it should, to prevent such a blockade from forming, or is the policy of the Government one of wait and see, which could endanger the safety of our Fisheries officers?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, of course the Hon. Member would know that every necessary measure would be taken to bring our Fisheries officers safely back to Canada. However, he should also know that when Members of Parliament engage in irresponsible blabbering, extracting from fragmentary—

Some Hon. Members: Oh, oh!

Mr. Siddon: —extracting from fragmentary information and gossip, they are jeopardizing the very safety and success of the mission in question.

Some Hon. Members: Hear, hear!

VIOLATIONS OF CANADIAN LAW

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the number of reported violations—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Perilous George.

Mr. Baker: —the number of reported violations by foreign countries has multiplied by more than 12 times over the past year. The prosecutions have increased by only a small margin. Yet you prosecute a Newfoundland boat for being a half inch too short—

Mr. Speaker: Order.

Mr. Baker: My supplementary question is directed to the Minister. Will he give Canadian boats the same leeway as he gives foreign boats? Canadian boats don't want to kidnap Fisheries officers; they want a share of their resource that foreigners are destroying.

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, in fact, these are the very reasons why the Government is using stringent measures to enforce effectively the 200-mile economic limit where some of the richest groundfish stocks in Atlantic Canada are to be found. The Hon. Member talks about violations. In 1984, under the

Government of which he was a member, there were 24 violations with collected fines totalling $13,000. In 1985 the same number of violations lead to fines approaching $1 million. That is the the Government that left us that sorry state.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Where were you when you were needed? That is when you should have been howling and yowling and jowling.

An Hon. Member: You got the shakes, Crosbie.

Mr. Crosbie: Blabbermouth Baker.

Mr. Rossi: There is the big fish himself.

Mr. Speaker: Order, please.

Mr. Tobin: There is just as much noise—

Mr. Speaker: Order, please, the Hon. Member for Humber—Port au Port—St. Barbe.

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EXPORT ON CEDAR LOGS

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the U.S. protectionist tariff action against Canada's cedar shake and shingle industry, will the Minister take action to prevent raw materials such as cedar blocks and logs from British Columbia being imported into the United States, effectively transferring the Canadian shake and shingle production and Canadian jobs across the border and, if so, what action will he take?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada and the Province of British Columbia already have mechanisms in place to control the export of logs to all countries. We intend to enforce that mechanism vigorously and completely. I can give the Hon. Member the assurance that the Government will not permit the Canadian shake and shingle industry to be exported across the border.

REQUEST THAT ISSUE BE MOVED TO TOP OF TRADE TALKS AGENDA

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, is the Secretary of State for External Affairs considering giving specific direction to our free trade ambassador to bring the shake and shingle tariff issue to the top of the bilateral talks agenda?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we trust that we have done that and will be able to deal with that question outside the trade negotiations mandate. That is a responsibility of the Government of Canada, to which the Government of Canada is responding.

* * *

• (1440)

FISHERIES

INCURSIONS BY SPANISH FISHING FLEET

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Secretary of State for External affairs. It concerns the Spanish trawler incident. Would the Secretary of State for External Affairs indicate exactly what action is being taken with the Spanish Government to prevent any more of these incursions by the Spanish fishing fleet into Canadian waters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this has been a matter, as my colleague, the Minister of Fisheries and Oceans has made clear, which has caused very serious strain on the relations between Canada and Spain. I will be meeting on Friday, I believe, of this week in Halifax with the Spanish Foreign Minister. Certainly this issue is at the top of my agenda. I hope we can take advantage of the very unpleasant incident which happened over the last weekend finally to achieve a resolution to a problem which was rampant during the former Government—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —which continues now and with which we want to deal.

PROTECTION OF CANADIAN WATERS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. One is cerainly tempted to ask whether or not the Canadian Navy has sufficient strength should the Spanish fishing armada attempt to blockade the return of those vessels. In reality, what is required is some monitoring during the interim period by the Canadian Navy. Is it the intention of the Government to provide naval vessels to protect Canadian waters until we have a firm agreement with the Spanish on this matter?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as I announced in my answer to a previous question by the Hon. Member for Gander—Twillingate, all necessary measures at the present time are being taken. Those who would wish to sensationalize this issue at a time when silence and trust are important, are jeopardizing the safety and success of that mission.

Some Hon. Members: Come on.

Mr. Guilbault (Saint-Jacques): Oh, do your job.

* * *

TRADE

CANADA-UNITED STATES AUTO PACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister for International Trade. Almost six months ago provincial Premiers and the Prime Minister agreed to "establishing a common basis of facts and analysis in advance of free trade discussions". Does the Minister believe that that commmon basis includes forcing the Ontario Government to appeal, through the freedom of information route, for a censored version of the impact of the free trade talks on the Auto Pact?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as the Hon. Member well knows, the provinces and the federal Government, under the auspices of Mr. Reisman, have been meeting on a regular basis several times a month. There has been an excellent exchange of information and, to the best of my knowledge, the provinces are quite satisfied with the information they have received to date.

IMPACT OF TRADE NEGOTIATIONS ON ONTARIO

Ms. Sheila Copps (Hamilton East): Mr. Speaker, obviously the Minister for International Trade does not know the facts. I would like to ask him to comment on the fact that when the federal Government sent an information package to the provinces eight items, eight reports, were denied the Province of Ontario, including even the censored version of the Auto Pact study. Again, can he tell us whether he feels it is full disclosure and participation by the provinces to force them to apply through Freedom of Information to get information on the critical impact on jobs in the Province of Ontario?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only once again repeat for the Hon. Member that I am not aware of any concerns expressed to us by the provinces about a lack of information from the federal Government.

* * *

TERRORISM

ATTEMPTED ASSASSINATION OF PUNJABI MINISTER IN BRITISH COLUMBIA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Justice. What protective action was undertaken by Canada when our security services became aware of the presence in British Columbia of a high-ranking Indian Government official from the Punjab?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, unfortunately the high-ranking official to whom the hon. gentleman refers—who, I assume, was the person who was shot yesterday—did not make any request for security to the Government of Canada, nor did he advise the Government of Canada he was visiting Canada. He arrived on May 15. Therefore no security protection was provided because his presence in the country was not known to either the Department of External Affairs or to the Department of the Solicitor General.

ENTRY TO CANADA OF FOREIGN GOVERNMENT OFFICIALS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it not normal practice for high-ranking officials from other countries to notify the Canadian authorities prior to their entry into the country? Is it not further normal practice when the passports of persons entering the country show they are officials of Governments that they are at least noted in the journals and notification is given to the Department of External Affairs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a very regrettable affair. I have, on behalf of the Government, and I am sure of the Parliament of Canada, expressed to the Indian High Commissioner by telephone this morning our very great regret about the matter, and our further regret that neither the Indian Government nor the Canadian Government was informed by Mr. Sidhu of his intention to come to Canada or his presence here. Mr. Sidhu, when he applied for a visa to come to Canada, was not then a member of the Cabinet of the Punjab, so there was no way through our records that we would have been able to learn of his intention to come to Canada.

I have indicated informally to the Indian High Commissioner my great personal concern that we have to put in place some system which offers more effective protection for people who might be coming here. May I also say that the Government believes it is part of the understanding of persons who come to Canada from other countries that they should leave old quarrels behind. That is also a view which is very actively supported by the overwhelming majority of the members of the Canadian Sikh community.

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MEMBERS OF PARLIAMENT

REPORTED ACTIVITIES BY STAFF OF MEMBER FOR WINNIPEG—FORT GARRY

Mr. Reginald Stackhouse (Scarborough West): Mr Speaker, my question is also directed to the Secretary of State for External Affairs. It has been reported that the staff of an Hon. Member of this House is actively co-operating with a committee of the United States Congress chaired by a

Congressman described as one of the most vociferous opponents of acid rain controls and one of the most hostile to Canadian interests. What concern does the Minister have that this exchange may work against Canadian-American co-operation in combating acid rain?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am, of course, concerned about the news reports published in *The New York Times* quoting an assistant of the Hon. Member for Winnipeg—Fort Garry as saying: "We are helping a congressional committee try to block acid rain legislation".

Mr. Gray (Windsor West): Read the rest of the sentence.

Mr. Clark (Yellowhead): Acid rain legislation has been something very vigorously sought by this Parliament for a very long time. There are problems enough in trying to achieve that kind of progress without Hon. Members of the House of Commons or their staff working to try to block progress for Canada.

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TERRORISM

ATTEMPTED ASSASSINATION OF PUNJABI MINISTER IN BRITISH COLUMBIA

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Acting Solicitor General. It also concerns the ambush and attempted assassination of the Indian Cabinet Minister in British Columbia yesterday. The Minister says the Government of Canada was not aware of his presence in Canada. I would submit that the senseless act of terrorism could have and should have been prevented. How can the Minister say that the Government of Canada was not aware of the Minister's presence in Canada when it was common knowledge in British Columbia that the Minister was in British Columbia, and the Indian Consul General in British Columbia was aware of the presence of the Cabinet Minister? Can the Minister explain?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member was in possession of information which might have indicted some threat to an official of the Minister of the Government of Punjab, who was here without having taken the precaution to advise either his High Commissioner or our Government, then I would have hoped that the Hon. Member would have advised relevant officials so we could have taken action to prevent the kind of event which occurred on Vancouver Island.

We did not know. Apparently the Hon. Member did know. If he did, I think he had a duty to let us know.

Mr. Nunziata: Mr. Speaker, I find it absolutely incredible—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —that the Government did not know of the presence of the Cabinet Minister.

ROYAL CANADIAN MOUNTED POLICE'S KNOWLEDGE

Mr. John Nunziata (York South—Weston): Will the Government not admit that the Royal Canadian Mounted Police knew some weeks ago that Sikh terrorists in British Columbia were plotting a terrorist act? Will he admit that the RCMP knew in advance that Sikh terrorists were planning to strike?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can only take that as notice. I doubt it would be appropriate for us to reveal on the floor of the House of Commons information which the RCMP may or may not have. But I would like to know when the Hon. Member became aware of the presence in Canada of this cabinet Minister from the Punjab.

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CHALLENGE '86

EMPLOYMENT FUNDING OF NON-PROFIT ORGANIZATIONS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration who was here this morning to meet with the delegation concerning Challenge '86 but could not bother to be here for Question Period.

Mr. Hnatyshyn: Order.

Some Hon. Members: Order.

Some Hon. Members: Next question.

Mr. Speaker: Order, please. The Hon. Member knows such a comment is out of order.

Some Hon. Members: Next question.

Mr. Broadbent: There is only one Speaker here, you guys.

Mr. Speaker: Order, please. The Hon. Member will have one question.

• (1450)

Mr. Keeper: My question to the Government is this. Why is it reducing the funding to non-profit community groups under Challenge '86 and the Canadian Jobs Strategy while it is increasing funding to private companies? Why is it financing job creation and training in the private sector by taking the money from non-profit community groups?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, there has never been any question of shifting funds from one sector to the other. It is true that there were more

applications from the private sector this year, but my colleague might be interested to know that in his own province of Manitoba the private sector was given $1.3 million to create jobs, against $2.812 million for the other sector. So I do not see why he too should be complaining.

[*English*]

Mr. Keeper: Supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for York East.

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LAW REFORM

INTRODUCTION OF POLLUTION CONTROL LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. Last week, because of our very ineffective pollution laws, a judge in Toronto was required to use contempt of court proceedings to deal with a polluter who continued to dump toxic chemicals despite previous court orders. When will the Minister introduce in the House effective pollution control legislation outlining offences and penalties which will deal with the matter, including jail terms, as recommended by the Law Reform Commission of Canada?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Law Reform Commission of Canada made a report on this subject last November. As a result of its report the procedure is that it will receive comments from interested parties, after which it will make a final report to the Government. It has not yet made that final report. I am sure the hon. gentleman would be pleased to pass his views on to the commission for consideration in its final report and conclusions.

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[*Translation*]

PUBLIC WORKS

PROCEDURE FOR AWARDING CONTRACTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works. Some time ago we heard about a contract award procedure used by the Hon. Member for Quebec East. Last week we all learned about the existence of a political agent of the Minister at the Montreal regional office, and finally an article by Mr. O'Neil in *Le Devoir* of Saturday mentioned a system of kickbacks—

[*English*]

Mr. Speaker: Order, please. The preambles are becoming longer and longer. I ask the Hon. Member to come to his question, please.

[*Translation*]

Mr. Boudria: Thank you, Mr. Speaker. Can the Minister confirm to the House the existence of these 5 per cent kickbacks, how long has this practice been going on, and who collects them?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, in light of the Hon. Member's last remark, I cannot confirm anything at all. I never heard of such a practice. If the Hon. Member is familiar with this system, he must have heard about it from his Party, not ours.

[*English*]

REQUEST FOR INVESTIGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is addressed to the Acting Solicitor General. Will the Acting Solicitor General immediately request an RCMP criminal investigation into the alleged 5 per cent kick-back scheme to fill Tory Party coffers as alleged in *Le Devoir*?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would ask the Hon. Member to reconsider the wild, spurious, general, vague and vicious charges which he is constantly spewing in this House without care, caution, or circumspect.

Mr. Broadbent: Sounds like you in opposition.

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HEALTH

BAN ON TOBACCO ADVERTISING REQUESTED

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the deaths of 35,000 Canadians every year due to tobacco-related diseases. Why is the Minister still shadow-boxing with the tobacco industry? Why is he pretending to talk tough about health warnings on cigarette packages? Why does he not deliver the real blow in favour of the health of Canadians, especially of children, and ban tobacco advertising altogether?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not shadow-boxing with the tobacco industry.

Mr. Rodriguez: Then what are you doing?

Mr. Epp (Provencher): What I am doing is sitting down with the tobacco industry to see whether it will take some

action. As I have indicated to the Hon. Member, I will wait until the end of June. Additionally, what I am saying to her and to the country is that the Government will then consider what action to take.

I am saying to her very directly that if she is an expert in this field at all, and if she has looked at the effect that the banning of advertising has on reducing the number of smokers, then she will know that it is painfully few. There are other steps which one has to take. It might be good visuals, and she often deals with visuals rather than actualities. I deal with realities.

HAZARDOUS PRODUCTS DESIGNATION INQUIRY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Minister will know that the group, Physicians for a Smoke-free Canada, has made a formal request of the Government to add tobacco products to Schedule II of the Hazardous Products Act—

Mr. Speaker: Order, please. A supplementary question without a preamble.

Ms. McDonald: Mr. Speaker, my question is simply this. Has the Minister taken a position on this matter? Will the Government place tobacco products in the Hazardous Products Act Schedule? If not, how many deaths does it require before the Government will treat tobacco as a hazardous product?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first, I want to point out to the Hon. Member just how important it is for comprehensive action. The Minister of Transport is co-operating with regard to public transportation. The Minister of Agriculture is co-operating in terms of tobacco farmers. In the Department of National Health and Welfare we have taken various actions. The Hazardous Product Act falls under the jurisdiction of the Minister of Consumer and Corporate Affairs. This is why we need a comprehensive Act. I wish the Hon. Member would begin supporting the comprehensive approach which the Government has taken.

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CHALLENGE '86

FUNDING OF SOCIAL SERVICE PROJECTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister for summer employment.

Some Hon. Members: Order!

Mr. Hnatyshyn: Expel him.

Mr. Allmand: This morning the Minister met with representatives of community service groups from across the country whose summer programs have been cut as a result of the Government's policy. What will the Minister and her Government do for the thousands of needy children, disabled and older people who will be without services this summer as a result of these cuts and quotas? What is her intention with respect to these people?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, this morning the Minister of Employment and Immigration and I met with some representatives of the Coalition for Challenge '86. In listening to the Hon. Member for Notre-Dame-de-Grâce—Lachine East what I do not understand is why he is totally against young students getting jobs which usually last longer, pay better, and in which they can really obtain practical experience.

Some Hon. Members: Oh, oh!

Mrs. Champagne (Saint-Hyacinthe—Bagot): This is being done through the private sector.

REQUEST THAT PRIORITY BE GIVEN TO SOCIALLY USEFUL EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I am not against that, and that is not true. Will the Minister not re-examine the Challenge '86 program in order to give priority to summer employment which is socially useful and which will provide essential community services, whether in the private or the public sector? Will she not consider that?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): In the Province of Quebec private sector, Mr. Speaker, 11,000 jobs were created at a cost of $13 million, and 13,000 at a cost of $22 million. Surely there must have been non-profit organizations in this sector which receive funds. Twenty-two million dollars were earmarked for Quebec.

[*English*]

FUNDING OF NON-PROFIT ORGANIZATIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is for the Minister of State for Youth. We have heard her refrain before. Will the Minister not answer the question posed which was also asked of her this morning? What will the Government do about the some 100,000 young people served by these non-profit organizations? What will she do for them? We know that jobs are being produced; but we want the Minister to answer a simple question. What will happen to those 100,000 youth, disabled and others who will not be served because of the Government's policy?

Mr. Allmand: Right on! Answer the question.

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, this is a Ministry of Employment. We are creating jobs for our young people to enable them to pay tuition, to

obtain some practical experience, and to enable them to make the transition between school and work more easily upon graduation. This is what the Challenge '86 program is all about. This is what it is succeeding in doing better than any program which has ever existed.

Mr. Allmand: Baloney!

Mr. Hnatyshyn: Expel him!

Mr. Speaker: A very brief supplementary question.

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, does the Minister not think it is just as important to serve those in society who are being served by these non-profit organizations—those who are least able to help themselves—as it is to provide funding for university students and college students?

• (1500)

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, as of May 21 almost $77 million had been given to the non-profit sector.

Mr. McCurdy: Answer the question.

Mrs. Champagne: Obviously some needy people in those groups to which the Hon. Member is referring have received some money and are creating the jobs which will be needed to help those young people and children during the summer.

Mr. Speaker: I have received notice of a point of order form the Hon. Member for The Battlefords—Meadow Lake.

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POINTS OF ORDER

STATEMENTS BY MEMBERS—ACCEPTABILITY OF CONTENT

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I would like to issue an apology to the House. In referring to the activities of an Hon. Member, in language no worse than is used by members of the Opposition when referring to Government Members and cabinet Ministers, I was ruled out of order, presumably in conformance to Standing Order 59 which refers to language which is disrespectful or offensive. If indeed I used offensive or disrespectful language, again no different than that used by members of the Opposition, I would like to offer an apology to Hon. Members of the House.

Some Hon. Members: Hear, hear!

Mr. Speaker: That was creative. The Hon. Member will find that there is more to it than that and that is why I indicated to him that he might want to read the precedents. I might refer him specifically to the comments made by the Lefebvre Commission which indicated what the Chair should and should not accept during statements by Members, and that is a somewhat different matter.

SECRETARY OF STATE FOR EXTERNAL AFFAIRS—RESPONSE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order arising from Question Period. In response to a set-up question put by one of the Government Members, the Secretary of State for External Affairs (Mr. Clark)—

Some Hon. Members: Order!

Mr. Speaker: It is exactly the same issue of casting reflections. Does the Hon. Member have a point of order?

Ms. Copps: Mr. Speaker, with respect to questions about the staff of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), the Secretary of State for External Affairs was misleading in his response—

Some Hon. Members: Order!

Mr. Speaker: Order, please. The Hon. Member has not said that the Minister was deliberately misleading the House; therefore, what she has said is not unparliamentary. However, I take it she is going to bring up a point of order about what was said. She knows that that is not a point of order but is a question of debate. Therefore, does the Hon. Member have a point of order?

Ms. Copps: Yes, Mr. Speaker, given that I am accepting that it was an inadvertent mistake, the Minister stated in the House that we are helping a congressional committee—

Mr. Speaker: Order, please. Would the Hon. Member resume her seat? We go through this every time. Does the Hon. Member have a point of order? If it is simply a matter that she does not believe that what was said is correct, that is not a point of order. Does the Hon. Member have a point of order?

Ms. Copps: Yes, Mr. Speaker, I just want to complete my point of order in that the Minister should—

Mr. Speaker: Order, please. The Chair has not accepted that the Hon. Member has a point of order on the basis of what she has said.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that a Ways and Means Motion to amend the Customs Tariff

and to amend an Act to amend the Customs Tariff, laid upon the Table on Wednesday, May 21, be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Finance) moved that Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, be read the first time and be printed.

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

* * *

CANADA-NEWFOUNDLAND ATLANTIC ACCORD IMPLEMENTATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss Carney that Bill C-94, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments, be read the second time and referred to a legislative committee.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to participate in debate on Bill C-94, particularly because I have the opportunity to rise following the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson), unfortunately interrupted by lunch hour and Question Period.

The Hon. Member told the House a few hours ago that the Atlantic Accord represented a panacea for all of Newfoundland's problems. He said that with the historic Atlantic Accord, Newfoundland would finally mature and come into its own in Confederation and countless jobs and billions of dollars would flow to the Province of Newfoundland.

I say that I am pleased to speak following the Hon. Member for two reasons. The first is that it was interesting to listen to him and to understand the extent of the enthusiasm of Conservative Members and the extent to which they will go to try to rationalize this incredible package that was put together by the federal Government and the Government of Newfoundland.

All Members of Parliament will recall that a few short years ago the Premier of Newfoundland, Brian Peckford, was very vocal in putting forward Newfoundland's offshore position when a Party of another stripe was in power. He travelled the country, toured the land. He made himself available to the national press and he laid down Newfoundland's position.

Let us examine the position Mr. Peckford put to the previous Liberal administration, a position to which he required agreement or he would not sign a deal, as compared to what is contained in Bill C-94. That will be an interesting exercise. Let us see what the Premier got from this Government that he could not get from the previous Government, and let us see how consistent the Premier has been.

First we all recall that the Premier of Newfoundland said when it came to the offshore Newfoundland that his first requirement for signing an agreement with Ottawa would be that Newfoundland's ownership of the resource be recognized explicitly. Not only must Newfoundland's ownership of the resource be recognized explicitly, but it must be entrenched in the Constitution, never to be challenged again. That was the position taken by the Premier at that time. What did he receive in this document that he subsequently signed? The document recognizes that the offshore belongs to all the people of Canada, not to Newfoundland. That had been condition number one.

The Premier's condition number two, logical man that he is, was that if Newfoundlanders own the offshore, 100 per cent of the revenues that flow from it should go to Newfoundland. That was a logical step for the Premier to take having declared ownership of the resource. What did he get in this agreement that he signed with the current Government? Did he get 100 per cent of revenues? He was promised 50 per cent of the revenues from the back-in provision but the back-in provision on Canada lands has since been cancelled. He got 50 per cent of nothing. On the revenue-sharing agreement, we still do not know what the revenues will be, or if there are to be any at all given the current state of the offshore. That was condition number two.

The third thing the Premier said was that the offshore is very important to Newfoundland. He went on to say that Newfoundland was terrified of the fantastic and incredible impact of rapid development, that it could not handle the billions of dollars that would flood the province, and that it could not handle the number of jobs that would be created. He said that Newfoundland wanted to control the pace of development in that province, and that he did not want the economy to heat up too quickly. He felt that with 29 per cent unemployment, Newfoundland did not want too much development at too fast a pace. Therefore Newfoundland would insist that it control the pace of development.

• (1510)

What did Newfoundland receive from this agreement, from Premier Peckford and his buddy of the same blue stripe? It was a blue day when the agreement was signed. Newfoundland did not get control over the pace of development. It got Clause 35(2) which guarantees that Ottawa or the Minister of Energy shall control the pace of development. The Minister of Energy, Mines and Resources (Miss Carney) will determine whether Canada's security of supply has been met for a period of five years. That is contained in Bill C-94.

What else did the Premier of Newfoundland demand as part of the agreement with the previous Liberal Government? He demanded that Hibernia crude oil be used in processing facilities in Newfoundland, and that the raw resource should

be used to create a petrochemical industry in that province. He said that it must be part of the agreement. However, what did he sign with the Government of today? He signed Clause 41 which includes a guarantee of supply for a plant called Come-By-Chance that has been closed for the last 10 years. How valuable an asset is the Come-By-Chance plant to which the Government of Canada was to supply Hibernia crude? It was so valuable that the President of Petro-Canada said that he would sell it for a dollar if he could find a buyer! We know that the plant will not use Hibernia crude.

What did the agreement indicate about the possibility of developing new or additional facilities to become involved in the petrochemical industry some time down the road, perhaps in five years or twenty-five years? It indicates that it could only happen when the existing capacity and needs of all other plants in Atlantic Canada have been met. There is no security of supply for Newfoundland in Bill C-94.

I agree and have always agreed with the principle that offshore resources belong to the entire country. That was the Liberal position. Because of where the resource is located, the benefits from offshore should first flow to Newfoundland and Newfoundlanders. That was also our position. The resource should be jointly managed and controlled for the benefit of the country and the benefit of the province. That was our position as well.

Mr. Gurbin: Why didn't you bring in a deal?

Mr. Tobin: Because Mr. Peckford was incapable of signing a reasonable deal. When he was in political trouble he got himself into a position where he had to tell Newfoundlanders, "Let us re-elect Brian Peckford because Brian Peckford can sign a deal with Brian Mulroney". The Prime Minister (Mr. Mulroney) made sure that he put a deal to Mr. Peckford a month before the provincial election. Mr. Peckford, knowing that he dare not go into a provincial election without some kind of agreement, took anything he could get, and what he got was absolutely nothing.

How do we examine Bill C-94? Do we examine it in relation to the current oil patch? Do we examine it in terms of the reality that the projected investment in the oil patch for this year has dropped from $11.2 billion down to $6 billion, or nearly a 50 per cent reduction? Do we examine it in face of the fact that job projections now indicate that 4,000 jobs will be lost in that industry in 1986? Do we examine it in face of the fact that where we once had 14 rigs operating on the East Coast in the offshore, we now have only six? Do we examine it in the context of the industry five months or six months ago when the world price of oil was double what it is now? If we examine Bill C-94 in the face of current reality versus the euphoric mood in which it was written, we discover that it is no longer relevant. Bill C-94 is irrelevant.

A few days ago in the House we dealt with second reading stage of Bill C-92, an Act to set up a tax credit scheme for exploration off the East Coast of Canada in the offshore. It replaced PIP, under which Canadian companies operating in the offshore received more than $40 million worth of assistance for every $50 million worth of high risk frontier exploration. What has replaced that program? It has been replaced by a new tax credit scheme. In place of $40 million worth of tax credit for $50 million worth of expenditure, $4.5 million will be given. That is a loss of some $35 million on a $50 million per unit exploration program.

In its haste to respond to American demands that Canada's oil patch be passed back to the corporate boardrooms of the United States, the Government of Canada gutted the National Energy Program. It did not review, retool, or fine tune it to make it more relevant to changing conditions. Instead it gutted the program. It got rid of the Canadian ownership aspect of the program, the incentives to ensure exploration in the High Arctic, in the Beaufort Sea, off Sable Island, Nova Scotia, off Labrador, at Ben Nevis, and in Hibernia. That is what the Government did. It removed Canadian oil companies which were becoming a window on an industry vital to the country, an industry that provides the fuel which drives the engine of our economy. It removed those Canadian interests and put corporate planning and policy-making back into the hands of those people who sit in boardrooms in glass and steel towers outside Canada.

What do those people who sit in boardrooms in glass towers outside the country say about the Hibernia development, the tar sands in Alberta, the Beaufort Sea, or the area of non-conventional oil exploration? They are saying, "there is not a quick buck to be made and we are out of it". What are they saying about Canadian security of supply, having resources at our disposal to ensure that never again are we victims held hostage by OPEC? They are saying, "there is not a quick buck to be made and we are out of it".

What about Canadian citizens owning a piece of a Canadian resource and Canadian content in the oil and gas industry? Those same people are saying that the companies are now going into bankruptcy because of the policies of the Government of Canada, that they are in big trouble with their banks, and that they can buy them cheap. That is the kind of short-sighted, doctrinaire, market-place philosophy which the Government has followed.

No one is rejoicing the passage of the Atlantic Accord in Newfoundland today. I call it the "Atlantic squeeze". The Premier of Newfoundland will not even bring in the parallel legislation which is to be passed in the Newfoundland Legislature. He had two days or three days of debate on it, and he got such heat in the legislature and such negative press that he pulled it back out again. The great Atlantic Accord is being treated like a pea in a series of cups. No one knows when the correct cup will come up and the Atlantic Accord will reappear in all its finery.

The people of Newfoundland are feeling a sense of lost opportunity about the Newfoundland offshore. They are almost feeling the sense of a death in the family. However, no one has yet declared that the patient has died and that the funeral date has been set. Because of the narrow, parochial,

political position of the Premier of Newfoundland, who wasted an opportunity to move forward with development, Hibernia is not going today. In 1986 we live in a dramatically different world from the world in which we lived twenty weeks ago, two years ago, or five years ago. We now have a world price for oil, in the current fiscal regime set up by the Conservative Government, where Hibernia is not going. We are faced with losing a tremendous number of skilled people, individuals who have been drawn from all across the country, many from my own province, highly skilled, highly trained in the oil and gas industry. We are faced with losing those people across the face of the earth. That pool of talent is being dissipated because the Government has decided that it is the corporate boardrooms south of the border rather than the needs of Canadians that will determine energy policy in Canada.

• (1520)

We in Newfoundland who had but a thread of a dream, who had but a thread of the possibility that revenues from oil and gas could do for our province, perhaps empathize more than anybody else with what is happening in Alberta. That is a province that was using oil and gas revenue to build on other sectors in Alberta, using non-renewable resource revenues to build on traditional revenues for traditional resources, but is now facing an economy in shambles, and is confronted with a Government that says, "I am sorry, the philosophy of the day says that the market shall dictate whether or not you work, my friend. The philosophy of the day says OPEC's manipulations shall decide whether you pay the mortgage, my friend. The philosophy of the day says your future and Canada's oil and gas industry shall have its agenda decided south of the border or in the Middle East". That is the context in which we in Newfoundland receive this flawed Bill. We are not applauding.

The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) would be very interested to know that there is a gentleman in Newfoundland, a university professor, Dr. Doug House, who wrote a book entitled "The Challenge of Oil". This gentleman is held in such high regard in Newfoundland circles, in particular by Premier Peckford and his Cabinet that they named this gentleman Chairman of the Royal Commission on Employment and Unemployment in Newfoundland. He has been travelling the province for the last year talking to Newfoundland business, labour and citizens about the problems of chronically high unemployment. This gentleman has the Premier's confidence suffice it to say.

Dr. House, who obviously enjoys the confidence of the Government, and we presume he has some confidence in the people he is now serving, has identified a number of major flaws with Bill C-94 and the Atlantic Accord. He points out the absence of any participation by Governments in the sharing of revenues. Section 40 of the accord refers to the Crown share which would be shared equitably with Newfoundland. Of course, the Minister of Energy, Mines and Resources and her Parliamentary Secretary have subsequently eliminated the Crown share. Newfoundland's share in Dr. House's terms ends up being "Fifty per cent of nothing."

Dr. House points out the absence of adequate provisions for a downstream processing industries, refining and petrochemicals. Under Clause 41 of the proposed legislation Newfoundland's ability to get access to crude from Hibernia is extremely questionable in the very best of circumstances.

Dr. House points out that the commitment by companies operating offshore Newfoundland, if and when that ever happens, to conduct research and development, education and training in Newfoundland is weak. In his view, the province and the federal Government, in particular the Newfoundland Government should have sought more control over this vital area because of its tremendous potential for jobs downstream.

Those are not my words, Mr. Speaker. Those are not the partisan words of one who wants to find fault for the sake of finding fault. Those are the words of the Chairman of the Royal Commission on Employment and Unemployment in Newfoundland, a gentleman who I believe has been given a formidable task, one that requires a rare amount of courage and who enjoys the confidence of the Premier who did not negotiate but was forced to sign this deal, a Premier who was told: "take it or leave it".

Mr. McDermid: You don't force Brian Peckford to do anything.

Mr. Tobin: I will make a prediction. The same Premier who was brow beaten into taking this deal because it was the only one available just before an election when he needed something positive to announce is the same man who is saying today in Newfoundland that the Newfoundland railway shall not close. Mark my words, Mr. Speaker, before the conclusion of this session of this House at the end of June the Government of Canada will be announcing with the agreement of the Premier of Newfoundland the closure of the Newfoundland railway. It is the same Premier who said that factory freezer trawlers are a blight on the fishery of Atlantic Canada, who lamented the subsequent decision to allow factory freezer trawlers which destroyed the inshore fishery in Atlantic Canada.

I ask one thing in conclusion, Mr. Speaker. I recognize that despite the flawed nature of this Bill the Government will use its majority here and the Government will use its majority in Newfoundland to pass it. I simply beg, "Do not entrench in the Constitution this flawed, flawed and short-sighted document".

Mr. Blenkarn: Mr. Speaker, does the Liberal Party believe that the Atlantic Accord should not haved passed? Is it the policy of the Liberal Party that we should go back to the situation where the Government of Canada, in the court decisions, had complete control of the offshore resource and whatever Newfoundland got was by grace of the Government of Canada and had no rights in that offshore? Is it the Member's view that the Liberal Party would like us to go back to the position prior to the Atlantic Accord?

Mr. Tobin: I am delighted the Hon. Member has asked the question, Mr. Speaker. It is obvious that he has not read the Bill. I would like to help him be more conversant. First, a brief history lesson for the Hon. Member. It was not the Government of Canada that initiated court action on ownership of the Newfoundland offshore. It was the Government of Newfoundland which began by referring the matter to the Supreme Court in Newfoundland asking, in the Premier's words, "Our court"—as if a court were political—to rule on "our ownership" of the offshore. "Our court" much to the chagrin of the Premier said no. "Our court" said Ottawa owns, the people of Canada own the offshore.

The second history lesson for the Hon. Member is that since we did not initiate the court action, the Liberal Government never took as a policy the notion that total control and ownership belonged to Ottawa and Ottawa only. We were attempting to negotiate a joint agreement. What we have ended up with is a Bill that gives ownership to Ottawa which the Hon. Member somehow suggests is terrible, and to the people of Canada, a Bill which gives Newfoundland as yet an unknown share of the revenues.

I would simply tell the Hon. Member that I find his sentiments, providing they were properly placed and supported by historical fact, interesting. I find them somewhat supportive but history will not bear out the scenario the Member has supplied. I hope I have been of some value to the Member in making him a better Member of Parliament, in giving him more understanding of that great Province of Newfoundland and in giving him more understanding of the contribution of the last Liberal Government.

Mr. Blenkarn: We had the contribution of the last Liberal Government, Mr. Speaker, and we continue to get the contributions of this Member who continues to twist and turn and twist and turn. He is the greatest twister and turner in this House.

An Hon. Member: No, but he is close.

Mr. Blenkarn: It is clear that the Member does not understand his own history or at least he changes his own history to suit his own facts as he needs his facts changed. The fact is the Government that he supported fought hammer and tongs to make sure that Newfoundland lost that court case in the Supreme Court of Canada. The Government could have walked away from the court case and given the rights to Newfoundland but the Government didn't. We had to have an Atlantic Accord. We had to make a deal to give Newfoundland the rights it should have. After the court case, we could not, without a constitutional amendment, change the terms, so we had to give Newfoundland all the rights and privileges which the resources in that 200 mile limit have. Does the Member and his Party want to take that away from Newfoundland? Is the Member going to vote against the Bill? Is he going to say: Newfoundland, you cannot have it; that belongs to the people of Canada and you shall not own it, you shall not enjoy it? Is that the way he wants to represent his province? Strange, Sir. Strange.

• (1530)

Mr. Tobin: Mr. Speaker, when I was a young boy my mother always told me that if you are going to get in these little spats out in the school yard be sure it is an even match. I feel somewhat guilty doing battle with an unarmed man.

Mr. Gormley: So speaks the intellectual giant of the House of Commons.

Mr. Tobin: Not an intellectual giant but one who is concerned about the issues affecting his province, and one who makes sure he does his homework before he rises to spew forth, like an unguided missle, all kinds of irrelevant comments.

The Hon. Member says we could have walked away from the court case. Why did we not give it to Newfoundland? He says that in the face of a Bill from his Government which entrenches ownership of the offshore not for Newfoundland but for the Government of Canada. Can you imagine?

Mr. Robichaud: Incredible.

Mr. Tobin: Incredible. You should have walked away, you nasty Liberals. Meanwhile we are debating a Bill which gives ownership not to Newfoundland but to the Government of Canada. I think that is right. I think most Newfoundlanders think that is right because they are Canadians and damned proud of it.

Let me deal with another of the foolish statements the Hon. Member made. He asked if I was going to vote against this Bill and, in doing so, take away Newfoundland's ownership of the offshore and the revenues that flow from it. The fact of the matter is that in voting for this Bill I would be voting for taking away the ownership of the offshore from Newfoundland, because in this Bill ownership is federal. In voting for this Bill I would be voting not to give Newfoundland all the revenue, because in this Bill all the revenues do not belong to Newfoundland. The majority of them are probably going to Ottawa.

Mr. McDermid: How do you figure that?

Mr. Tobin: I say to the Hon. Member quite honestly that I suspect that somewhere between that confused tangle web of facts that he weaves there are some good intentions. Good luck next time out.

Mr. O'Neil: Mr. Speaker, the issue of which the Hon. Member speaks is of course the same issue which has dominated Nova Scotia's resource development since the early 1960s. It was Robert Stanfield who raised this issue as a Premier at a constitutional conference in 1963. Successive Liberal Governments rejected the policy of the Conservative Party which was to give control of offshore resources to the coastal provinces. That was not a simple symbolic gesture by this Party. It was recognition that control of offshore resources represented an

opportunity for the coastal provinces to take their economic place in this country. Successive Liberal Members of Parliament from Nova Scotia and Newfoundland stood idly by or sat silently in their seats in the House of Commons while successive Liberal Prime Ministers said, no, you shall remain on the welfare rolls. At the same time that gas was and is being taken from Lake Erie and other international waterways, we in Nova Scotia and Newfoundland are told, no, you are not good enough to get the same rates.

Will the Hon. Member dispute the fact that the question of offshore jurisdiction was put at issue by the federal Government in a labour arbitration case and it was subsequently decided by the Supreme Court of Canada as a constitutional decision and not subject to change by the House of Commons?

Mr. Tobin: Mr. Speaker, I find it absolutely amazing that a Member from Nova Scotia would enter this fray. Again we have a gentleman who, without understanding the risk at which he puts himself, stands and talks about how successive Liberal Governments were so nasty to the provinces. He conveniently forgets that the Premier of Nova Scotia, Mr. Buchanan, signed an offshore oil and gas development agreement with the Prime Minister of Canada, Pierre Elliott Trudeau. The last time I looked he was a Liberal. How can the Hon. Member stand up and talk about successive Liberal Governments being impossible, and then in the same breath acknowledge that the former, current, but perhaps not future, Premier of his province signed a deal with a Liberal Government? That is beyond comprehension.

Let me ask the Hon. Member a question. I heard the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson) saying that we in Newfoundland held out, fought hard and got Bill C-94 as a reward. We did not sell out like Nova Scotia. Does the Hon. Member agree with his Conservative colleague that the Premier of Nova Scotia sold out Nova Scotians when he signed the deal with the big bad, nasty and mean Liberal Government?

Mr. McDermid: Yes. If you look at the deal, you would think so.

Mr. O'Neil: I was hoping the Hon. Member would ask that question. It is obvious his research is incomplete. The offshore agreement with Nova Scotia provides that if a so-called better agreement is reached with another province, then the Premier of Nova Scotia and his Conservative Government, which will continue in office for some time, shall have the option to assume that better agreement. We have the best of both worlds. We have had development and now we are going to get any better deal on the table.

Mr. Deputy Speaker: Resuming debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wanted to say a few words about the Atlantic Accord. There is no doubt that we recall very vividly the relationship which developed between the provinces and the federal Government, specifically between the leadership of Pierre Elliott Trudeau and the provinces. There is no doubt in anyone's mind that the relationships were extremely exacerbated. There was no feeling of co-operative federalism. There was no sense of working together. There was no recognition by that Liberal Government of the rights of the provinces with respect to their resources. We all remember the acrimonious debate between the Atlantic provinces and the federal Government over the offshore petroleum resources. The analogy was drawn that western Canada had complete control over the resources under the ground. Yet Atlantic Canada was not treated in the same way concerning those provinces' offshore resources.

There was a great deal of hope in Atlantic Canada, particularly in Newfoundland, and we in the NDP all jumped for joy when oil and gas was discovered off the coast of Newfoundland. We all hailed that as the avenue for Newfoundland to become self-supporting. As a matter of fact, we were reminded that in the not so distant past Alberta lived on the dispensation of the federal Government. It depended almost entirely on transfer payments. That is the same situation Newfoundland finds itself in today. As I said, we were all very optimistic about those resources because they seemed to be the key to Newfoundland becoming self-sustaining and independent of the federal hand-out which we call the transfer payment. Unfortunately, the Government of Canada at that time, the Trudeau Government, got into a jurisdictional dispute with the Premier and the Government of Newfoundland.

Mr. Tobin: All by himself?

Mr. Rodriguez: Pardon?

Mr. Tobin: Peckford was not part of the dispute?

Mr. Rodriguez: The federal Government said it owned the resources and the provinces said no, they are provincial resources. That was the dispute. We in the NDP said those resources belong to the province. We recognized that in our 1979 convention when we passed a federal resolution which became the policy of the NDP. We recognized that the provinces should have offshore jurisdiction. There was no hesitation to support the Clark Government and the Mulroney Government in recognizing that those resources belong to Newfoundland.

• (1540)

We agree with the general principle of this Bill. It recognizes the need for genuine provincial involvement in the exploitation of the Newfoundland offshore. Having said that, we are now into a new ball game. We have a situation where world oil prices have plummeted. Newfoundland is incapable of proceeding with respect to developing those offshore resources. Well, the Member shakes his head. In fact, the price of petroleum has dropped. What is the incentive for any development to take place if the world price for oil is between $11 and $12 U.S. a barrel and it is going to cost you $15 to $22 to produce it?

We recognize that. We socialists have no problem recognizing that since the province is entitled to develop, the province has a right to those resources, and it is the responsibility of the central Government to help the province.

Therefore, the question has to be raised, what specifically is the federal Government doing to assist Newfoundland? Nothing. We know it is withdrawing the Petroleum Incentive Program. Nothing. The PIP program has been withdrawn in the previous Bill. Nothing is being done now.

The Atlantic Accord becomes an empty shell. It is as hollow as bamboo. It has all of these sub-titles which have no meaning at all: "Joint Management", sub-heading, "Decisions In Relation To Offshore Management". It covers "Suspense Of Vetos", "Ministerial Directives", "Public Review Pricing", "Revenue Sharing". Revenue sharing—if you have not got any revenue what are you going to share? All of those impressive sub-titles in this Accord mean absolutely nothing.

The offshore activity has died over the last year. This Conservative Government has done nothing to restore that activity, nothing whatsoever. The need for some decisive action on the part of the federal Government is quite clear. What has it brought before Parliament? It has brought before Parliament an Accord that offers nothing specifically to Newfoundland, not a thing. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) shakes his head. I wish that he could point out specifically in this Accord what it is that the federal Government intends to do to assist Newfoundland to develop the offshore.

The hopes were high, and there is a considerable investment already in the infrastructure surrounding the offshore resource, but unfortunately with the downturn in price nothing is happening.

Even the newspapers in Canada recognize the problem. The local paper from Newfoundland, the Halifax *Chronicle-Herald*, points out that last week in Newfoundland—and this was dated April 30, 1986—organizations representing 700 companies told reporters that spending on offshore exploration would plummet to $100 million in 1987. Both companies, Mobil and Chevron have already announced major cut-backs in exploration expenditures in 1986 and both carry heavy debt loads.

In light of that, what is the federal Government doing? No one could say now that there is acrimony between the leadership of the federal Government and the leadership in the provincial Government. They both belong to the same political Party.

Mr. McDermid: That has never stopped Peckford before.

Mr. Rodriguez: The Conservative Member for Brampton—Georgetown (Mr. McDermid) casts aspersions on his colleague, the Premier of Newfoundland. He said, "That has never stopped Peckford before". Well, it takes a Tory to know a Tory.

Mr. McDermid: Be honest, John.

Mr. Rodriguez: That is what you said.

Mr. McDermid: I didn't cast aspersions on him at all, I was praising him.

Mr. Rodriguez: That is fake praise.

Mr. McDermid: He stands up for what he believes.

Mr. Rodriguez: One would think that the Hon. Member and the Government opposite, sharing as they do the same philosophical bent as Mr. Peckford, the Premier of Newfoundland, would be more sensitive to the problems which Newfoundland faces.

Mr. McDermid: Do you agree with everything Ian Deans says?

Mr. Rodriguez: Mr. Peckford is not facing a Pierre Elliot Trudeau; he is facing a lot of his own stripe. He is facing a Conservative Prime Minister. What is it that this Government is doing for the people of Newfoundland with respect to their offshore resources? What are you doing for them? Why are you sitting back and allowing this potential to go down the tubes?

Mr. McDermid: We are not.

Mr. Rodriguez: Well, you are. I welcome you to get up and state categorically what it is that the federal Government is prepared to do with respect to assisting in the development of the Newfoundland offshore. All the indicators are that the Newfoundland offshore is going downhill rapidly. When we socialists said that there was no free market and that in fact one had to establish a procedure whereby the producers and those who work in the industry would have assurance of the price of oil and gas, the Government said, "Oh, no, you have to go to the market-place". The Government scrapped the National Energy Program and went with the Western Accord, which puts oil prices on world prices.

What has happened since then? The world price is gone, but not because of any kind of market activities or market factors. It all has to do with the machinations of the market. It is the big producers, Saudi Arabia, and whoever else, manipulating the market. It has nothing to do with the true market forces as the Tories would like to think. It is a political question. It is one or two world oil producing nations trying to gain dominance in the market. That is the way they want to go. Saudi Arabia is attempting, once again, to establish its control over energy pricing in the world. That is the reality. Why should Canadians suffer as a result of actions taken by countries that are trying to establish a monopoly? We in the New Democratic Party answered that question long ago when we recognized that there is no free market or regulated market. Let us stop playing those games and ensure that Canadians are not exposed to that kind of whim and fancy in the yo-yo effect of the so-called free market.

• (1550)

Mr. Keeper: It is a cartel.

Mr. Rodriguez: There is no doubt about it. We chose not to belong to that cartel, so we have a responsibility to ensure that those workers in the industry and those producers in the industry have guarantees for continuing to exploit that resource and maintain economic activity.

This is extremely important in the case of Newfoundland. The oil industry offshore Newfoundland was to be its hope and dream. How can we forget Premier Peckford's impassioned pleas at those First Ministers Conferences dealing with the Constitution when he stated that this was the great opportunity for Newfoundland finally to exercise ownership and control over the offshore. It was an opportunity for Newfoundlanders to get out from under the welfare blanket of the federal Government.

Mr. Keeper: It's a pig in a poke.

Mr. Rodriguez: As the Hon. Member says, it turned out to be a pig in a poke. The Atlantic Accord does not speak to the specific problem which the petroleum industry is experiencing now.

The federal Government has a responsibility to the people of Newfoundland to ensure the continuation of incentive programs for the exploration and development of resources offshore Newfoundland and Labrador. This exploration and development must take place regardless of the sheikhs and others who are attempting to muscle each other out of the oil industry. Canadians must have priority, and the Government has a responsibility to support the exploitation of those resources off Newfoundland, regardless of the artificially low world oil price.

Of course, there are Conservative Members who represent Newfoundland ridings. For example, the Minister of Justice (Mr. Crosbie) certainly has a loud voice, but I do not hear it being raised on behalf of Newfoundland. He seemed to be able to have Air Canada move its central operations from Gander to St. John's, but we do not hear him when it comes to a tough question like this. The Government will say that it does not have enough money to support programs for the exploitation of these resources on the East Coast and off Newfoundland. However, where does it find the billion dollars to bail out the banks? Where did "squander woman" find the $1 billion? The Government found that billion dollars but it cannot find the money for these projects.

Mr. Thacker: What bank was bailed out?

Mr. Rodriguez: You bailed out the depositors with $1 billion.

Mr. Thacker: That is different.

Mr. McDermid: Do not forget that the unions got their share.

Mr. Rodriguez: Why can you not find the money to bail out the petroleum industry in Newfoundland?

Mr. McDermid: Listen to the NDP talk about bailing out the energy industry.

Mr. Rodriguez: It would be bailing out the people in Newfoundland, I remind the Parliamentary Secretary. It is obvious that the Government does not care what happens to the quality of life in Newfoundland.

Mr. McDermid: Newfoundlanders do not believe that.

Mr. Rodriguez: You want to continue to hand out the welfare cheques because that is what the Tories believe in.

Mr. McDermid: That is what the NDP wants. That is socialism.

Mr. Rodriguez: In spite of all their yelping and yowling, the Tories really believe in continuing the master-slave relationship between the central Government and Newfoundland.

Mr. McDermid: That is the whole NDP philosophy.

Mr. Rodriguez: In spite of all its rhetoric, the Government is not realy interested—

Mr. McDermid: Nonsense.

Mr. Rodriguez: I suggest that the Parliamentary Secretary go to Newfoundland and tell Newfoundlanders what the Government is offering them. All it is offering is this hollow document. Once the supply lines have been closed and the drilling rigs have been removed, what will the cost be to start it up again in a year?

It seems to me that the Government does not even apply some good old common sense to what is happening. I say that the Conservative Party does not give a hoot about the people of Newfoundland and their future.

Mr. McDermid: Mr. Speaker, I always enjoy listening to my hon. friend, the Hon. Member for Nickel Belt (Mr. Rodriguez). Apart from the fact that he is full of bull and bad manners, his speeches are always colourful.

The New Democratic Party holds itself out as very forward-looking and one that can supposely anticipate what will happen.

The Hon. Member talked about the price of oil today when we know full well that Hibernia, which is very important to the people of Newfoundland and the rest of Canada for security of supply, will not come on stream until the late 1980s and early 1990s. Anyone will say that oil prices will be higher at that time. This field will carry on well into the 21st century when, of course, conventional oil supplies will become more scarce and the prices will inevitably rise.

Why is the Hon. Member being so negative about Hiberia and its development by saying that nothing is happening when

he knows full well that much is taking place, not only between the two Governments but between the parties who will be developing that particular field?

Mr. Rodriguez: Mr. Speaker, on the contrary, we on this side of the House are being positive. We are saying that the Government is negative. It is not providing the money to support its provisions in the Accord. It has consistently eliminated incentive grants and cut back on financial support for the exploitation and development of those resources offshore.

The Government is negative. It is telling the people of Newfoundland that they can postpone their hope for improving their quality of life and standard of living and can continue to live off the federal Government's dole until the 21st century. We are saying that the Government must continue to support the activity at Hibernia and the offshore in general because it is essential, not only to the dreams of the people of Newfoundland but to their pocket-books as well. We in this country have always made that kind of investment in the future. When the railroad was built there was a considerable amount of investment. Millions of acres of land were given to the CPR. It was Sir John A. Macdonald's dream. Do we have to tell the Tories about their own history? That was an investment made with a considerable amount of Government and public support in terms of money and land.

• (1600)

We are talking about the same kind of dream. This is part of that national dream. I think the national dream today is that every provincial Govenment carries itself and holds its head high in terms of its relations with the rest of the country. That is the dream and it is a positive dream.

Mr. Tobin: Mr. Speaker, I have a brief comment to make and a question to ask of the Hon. Member for Nickel Belt (Mr. Rodriguez). First, I listened to the Parliamentary Secretary say that those people in Newfoundland should not be too pessimistic, that one of these days, in 10, 15, 25, or 35 years, the price will be right and those good people in Newfoundland who are standing on the beach looking at the seagulls flying around where the oil rigs used to be will be able to work once again, and if it is not they and their children, perhaps it will be their grandchildren.

Mr. McDermid: The people in Newfoundland must love to hear you talk about them in that way.

Mr. Tobin: I find that sort of nonchalant view, that sort of *laissez faire* attitude, let the people stay where they are for the moment view, is about as ridiculous as my suggesting that the Newfoundland taxpayers should give up supporting the operation at Mirabel airport until it becomes profitable. I do not hear Hon. Members opposite proposing that it be shut down. I find their view as narrow and as un-Canadian as suggesting that the people growing wheat out west for which there is currently not a good price and market, should hang up their hoes until the price comes back. I would never suggest that, neither would anyone in Newfoundland. I find it as ridiculous and narrow as anyone telling the dairy farmers in Ontario, who receive $2 million or $3 million in subsidies a year, to quit milking their cows, to store the milk in the udder until such time as milk prices increase. I would never suggest that because we understand that all three of those activities are essential ingredients in what makes this country what it is. That is the mosaic of Canada.

Mr. McDermid: I rise on a point of order, Mr. Speaker. I did not say we should not develop Hibernia. I said we should continue. I said it would not come on stream until 1990 or 1991. That is the difference. The Hon. Member is misleading the House.

Mr. Deputy Speaker: The Hon. Member may complete his question or comment.

Mr. Tobin: Thank you, Mr. Speaker. As I said, being from Newfoundland with our high rate of unemployment and our desire to be part of this great country called Canada, we appreciate the mosaic which makes Canada what it is. We appreciate the wheat farmer in the Prairies and we want to support him now when he needs help. We support the dairy farmer in Ontario now when he needs help. We support the industrial products industry in Quebec, some of which has not yet reached its full potential, and we stand behind them now when they need help. We want to make our contribution to Canada and we expect the Government of Canada to stand behind us now when we need help.

Does the Hon. Member for Nickel Belt think that there is any industry, particularly those interest groups I have named, which would stand for that kind of logic or rationale coming from the Government? Does he honestly believe there would be anything on the front lawns of Parliament but a pile of rubble if that kind of philosophy were imposed on the wheat farmers or the people who work at Mirabel airport?

Mr. Rodriguez: Mr. Speaker, I think the Hon. Member has hit it right on the head in relation to the Mirabel example. The Parliamentary Secretary said he did not say we should not develop Hibernia but we will not let it come on stream until the 2lst century.

Mr. McDermid: I did not say that.

Mr. Rodriguez: There are myriads of examples. That is what Canada is all about. The examples used by the Hon. Member are very appropriate. We in various parts of the country support the endeavours of Canadians whether they live out west, in British Columbia, or in Ontario. We may very well have to support the shakes and shingles industry. I said in the debate on Alberta oil that we were supporting a floor price for oil. We would want to do that. I do not think we should say: "Oh, well, the price is not right", because when will the price be right? It might be in 15 years' time, but by then the industry will be exposed to another round of monopoly pricing

by the world producers of oil. Brazil is coming on, and so is the offshore in Peru. So what do we do when the price starts to fall again? Do we say: "Remember the 15 years we told you about in 1986? Well, you have to wait another 15 years"? We do not have the time in Atlantic Canada. Time is fast running out. If the concept of Canada works, it works because the people of Canada work.

Mr. Deputy Speaker: Resuming debate.

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

DUTIES RELIEF ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-98, an Act to consolidate various enactments that provide for drawbacks, reductions, refunds and remissions of duties, other than export drawbacks for which provision is made in Sections 82 to 87 of the Customs Act, to amend the customs tariff and to repeal or revoke the enactments so consolidated, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, first, I should apologize to the House for the length of the title of this Bill and its cumbersome and undescriptive nature. However, it is a very important Bill and I am very pleased to introduce it in the House today. This legislation, to be known as the Duties Relief Act, provides for reductions or removal of duties and excise taxes under certain conditions. The Bill is based on a Ways and Means motion tabled as part of the Budget of May 23, 1985.

Before proceeding to outline the provisions of the Bill, it might be helpful if I indicated the context in which these measures have been developed over some considerable time.

[*Translation*]

The imposing of customs duties on goods imported into Canada is an important tool of our trade policy. One of the objectives of the customs tariff has always been to promote investment, production and thus employment in Canada. The Tariff gives Canadian manufacturers the benefit of a cost advantage, which helps them compete with goods that are similar to or substitutes for the products they manufacture.

There are cases, however, when it may be inappropriate for Canadian manufacturers to pay duty on their imports. In recent years, after consultations with Canadian industry, a number of programs were set up when it was found desirable to grant a remission of duty to certain manufacturers, subject to certain conditions.

• (1610)

[*English*]

The proposed legislation will bring together, in one statute, sections from other Acts as well as various regulations, all of which provide for duty relief programs of considerable benefit to Canadians in manufacturing and other industries. Although the individual measures have been in force for some years, this is the first time they have been incorporated into a single piece of legislation.

To be able to make effective use of these measures, which until now appeared in a variety of legislative instruments, required considerable time and effort by companies to ferret out just what the provisions were and to determine whether they were applicable to their particular circumstances. While the experts knew where to look, business people without this expertise were at a distinct disadvantage. Similarly, those seeking to package the federal Government's programs found the current system difficult to utilize.

[*Translation*]

This initiative is in line with the Government's commitment to make its services easier to understand and use. The proposed legislation will be easier to administer and will help Canadian companies use the provisions respecting custom duty and excise tax to better advantage. In this respect, it should be well received by local and provincial Governments, especially British Columbia which has asked for these customs procedures to be adopted so that it can attract new investment.

[*English*]

I would now like to turn for a few moments to the clauses of the Bill itself which take account of differing circumstances. Clause 4 provides authority for the Governor in Council on the recommendation of the Minister of Finance (Mr. Wilson) to reduce or remove duties on materials, at the time of their importation, to be used in Canadian manufactures. This authority has been used on many occasions to allow manufacturers to import materials not available from Canadian sources at reduced rates of duty in order to better meet import competition.

Under Clauses 5 to 8, duty is refunded only after the imported goods have been used for the purposes specified.

Clauses 9 to 15 provide for the inclusion of the machinery program in the Bill without any change in the scope of the program. However, there will be a streamlining of procedures which will implement a recommendation of the ministerial Task Force on Program Review tabled with the May, 1985 Budget to reduce the paper-burden and delays.

The machinery program, which has been in effect since January, 1968, serves the needs of users and manufacturers of machinery. It provides for the remission of duty on machinery which falls under the program and which is not available from Canadian production. It also ensures that Canadian manufacturers receive the protection provided by the statutory rates in the customs tariff as soon as they can demonstrate a capability to produce the relevant machinery. The criteria for determining availability are set out in the Bill.

Under the current procedure, duties are remitted by Order in Council on a weekly basis. Under the procedure proposed in the Bill, the Minister of National Revenue would publish a list of "not available" and "available" machinery. Such a list will significantly reduce the present requirement for the processing of thousands of applications under the program. Relief will be granted immediately on goods at the time of their importation simply by reference to the "not available" list. Consequently, it will not be necessary, other than in exceptional circumstances, to submit and process specific applications. As a result there will be fewer cases of companies paying duty and then claiming a refund.

Clauses 16 to 19 of the Bill allow processors to obtain relief from duties on goods which are brought into Canada for processing and then exported, if certain conditions are complied with. This means that Canadian firms do not have to tie up large sums of money in duty for long periods of time, which, of course, adds to their costs and makes their products less competitive abroad.

Clauses 24 to 28 permit Canadian firms to send goods outside Canada for repair, to have equipment added or to be further processed and to pay duty only on the value of the work done abroad. One of the conditions to be met is that this work could not have been done in Canada.

The other specific provision I would like to mention at this time is one which corresponds to a section of the Financial Administration Act. Under Section 17 of that Act, the Governor in Council may remit any tax, fee or penalty. In addition to some of the programs I have mentioned earlier, this authority has been used to help such industries as manufacturers of construction equipment and of semi-conductors. It is proposed that there be a separate authority—Clause 37—to deal specifically with the remission of duties and excise taxes.

In summary, I think Hon. Members will appreciate that the new legislation will be beneficial to Canadians and Canadian companies. It will be less difficult to administer and it should encourage Canadian companies to take full advantage of the duty and excise tax provisions which are there for their benefit. It will also be of considerable use to all levels of Government and, I think, to the private sector, as we approach people who want to invest in Canada in order to make this a favourable country in which to invest.

Finally, what I am proposing today is very much in keeping with our philosophy and the commitment of the Government to make our services to business and to the public easier to use, easier to understand and more beneficial in terms of the operation of the country.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand)—Official Languages—Supreme Court decisions—Request for introduction of constitutional amendment. (b) Federal-provincial conference agenda; the Hon. Member for Western Arctic (Mr. Nickerson)—Energy—Exco Energy Corporation— Plight of creditors; the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)—Shipbuilding—Moratorium requested on importation of vessels constructed abroad. (b) Request that Government announce policy.

GOVERNMENT ORDERS

[*Translation*]

DUTIES RELIEF ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall: That Bill C-98, an Act to consolidate various enactments that provide for drawbacks, reductions, refunds and remissions of duties, other than export drawbacks for which provision is made in Sections 82 to 87 of the Customs Act, to amend the customs tariff and to repeal or revoke the enactments so consolidated, be read the second time and referred to a legislative committee.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, on behalf of my Party, the Liberal Party, I should like to comment briefly on Bill C-98 to consolidate the various customs duties regulations. Mr. Speaker, may I say at the outset that we are in favour of the principle of this Bill. The Government has been at it since last year, but all it is doing is continuing the work which was initiated when the Liberal Party was in office, namely consolidating and simplifying this old procedure. We agree with the principle of the Bill, and since it is highly technical we hope that the committee study will enable us to make various recommendations pertaining to a number of statutes so that the law will be more easily enforceable by the Government, and more readily understandable to professionals and businessmen.

Mr. Speaker, we agree and will debate the matter in committee, but before resuming my seat I should like to emphasize that the principle of other similar Bills had been

adopted. For instance, if my memory serves me right, I think it was Bill C-59 to amend the Customs Tariff, especially with respect to mail going through customs. Mr. Speaker, we had adopted a measure under which any letter weighing less than 30 grams could be delivered without inspection. As I recall, hardly a few weeks ago the TVA network referred to a service . . . Since May 20 Revenue Canada has been following a new policy in major Canadian cities so that some parcels can be delivered directly to householders and the invoice for delivery and duties is mailed later. This is a source of inconvenience concerning the speedy delivery and inspection of these parcels. The TVA channel showed us on television that there was a large backlog of parcels. Because of cuts in delivery personnel, they were passed without inspection, without considering the 30 grams the Minister and his officials, when they were here before the committee, had assured us would be respected. That it is not the case, however, because of the backlog of parcels for delivery. This is how pornography and in some cases even drugs are being distributed freely across Canada. Mr. Speaker, we all know what a situation like this can lead to.

Mr. Speaker, not long ago, we were told that at the airport in Toronto, customs officers had received instructions from their immediate supervisor not to inspect certain goods and to stamp them as having been inspected, in order to speed up the process, since the Government was still cutting staff.

Mr. Speaker, I would like to make it clear to the House today that although we agree with the principle of this Bill, we must get the message across to Canadians that we can't afford to let everything go and lose control, and that while it is a good thing to try and simplify the administration of our customs legislation, it is also very important to exercise a certain degree of control.

Before I finish, Mr. Speaker, I would like to point out that there is a provision in this legislation that the Department of National Revenue may establish a list of the machinery and equipment produced in Canada and a list of the machinery and equipment that is not. I think we should remember there are many small companies that manufacture machinery and equipment and often cannot afford to advertise. I therefore hope the Department will find a way to ensure that our small manufacturing companies will not be penalized and that every importer of machinery and equipment will have a complete list so that he can check whether certain types of equipment or machinery are already being manufactured in this country.

As I said before, Mr. Speaker, we agree with the principle of this Bill, and we intend to examine the details during debate in committee.

• (1620)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, much of this Bill is certainly not very controversial and I doubt the House will spend much time debating the measures of Bill C-98. In essence, the Government wishes to clean up some of the various regulations that exist.

There are some things, not in terms of specifics but in terms of philosophy and motivation behind Bill C-98, with which I do have some concerns. I suspect that the Bill paves the way for free trade zones. There is much in this Bill that would address the various problems that would have to be overcome if we were to establish free trade zones in Canada.

In the past, the Province of British Columbia passed Bill 49 entitled the Special Enterprise Zones and Tax Relief Act, offering special tax status to corporations investing in such zones and surrounding communities. The foundation of much of the thinking of the Bennett Government on free enterprise zones originates with the influential Fraser Institute, the institute that has been advocating free trade zones.

In free trade zones, the normal labour and environmental legislation often does not exist. According to the people who have conceived of free trade zones, and particularly those from the Fraser Institute, a free trade zone is a little geographic space that is thrown back into the 18th or 19th century. Normal tax laws, social policies, labour legislation, environmental protection legislation and all the more modern laws no longer have effect. This allows raw capitalism to operate without any hindrance in these particular areas.

We can see by reading the various clauses in this legislation that the Bill comes very close to paving the way for free trade zones. For example, in 1983, an External Affairs paper entitled *A Review of Canadian Trade Policy* contained the following statement:

> Canada does not have free-trade zones but it does have a number of tariff policy instruments which achieve essentially the same objectives.

The two programs referred to were the inward processing remission order, and the various temporary tariff items which provide duty-free entry for specific components required in Canadian manufacturing. Indeed, the legislation before us today puts together the various bits and pieces of rules and regulations so that they form a more orderly pattern, thus allowing for the introduction of free trade zones somewhere down the line.

We are also concerned with the general direction being taken by Customs and Excise. I know that this is not directly related to Bill C-98, but I will take this opportunity to raise this matter in the House of Commons today. We are afraid that the various measures the Government has taken in the name of saving taxpayers' money has degraded the level of service provided by Customs in Canada. For instance, no longer are Customs officers looking at individual pieces of mail and parcels that come into Canada. Rather, these parcels of imported goods are sent directly to the recipients without being inspected by Customs officers. The recipients are then required to go voluntarily to Customs to make their declarations and to pay whatever duties are necessary. This method is being undertaken on a trial basis in Montreal and the figures show that the estimated loss of revenue caused by this new practice

is far greater than the cost to the Government of employing the various Customs officers.

At the Toronto airport, management decided to allow all sorts of imported goods to be released from bonded warehouses without proper inspection and paperwork. About a month ago, I had the opportunity to tour the Customs facility at the Toronto airport. That facility is one of the largest such facilities in Canada and certainly the Toronto airport is the busiest when it comes to receiving goods into Canada. Customs officers at that airport face very bleak working conditions. There is very little natural light. There are rows and rows of computers, a very inhuman working environment. The employees are required to process mountains of paper every day. Sometimes a computer spits out a particular invoice or entry form because it has not been filled out properly. The goods involved are in the country and are released from the bonded warehouse, but the paperwork still has to be corrected. Perhaps a wrong tariff item was used or some paperwork did not quite fit in. A few months ago a pile of paperwork had accumulated, with entry forms which were improperly filled out or whatever, and management decided to release all the goods. It decided not to figure out the individual items or the incorrect entries. It more or less decided to forgive the whole batch, and we really do not know how much it has cost Canadian taxpayers.

• (1630)

If one's import forms are incorrectly filled out and they end up on top of the big pile with which Customs can no longer deal, it certainly appears that Customs will look the other way. In other words, it appears that there will be one law for one individual and another law for another; it depends upon the draw, so to speak.

Certainly the cut-backs which have affected the Customs Department have resulted in there being demoralized Customs officers across the country. Canada can be proud of the job which the Customs and Excise has done. From speaking with Customs officers at various points across the country, I can tell Hon. Members that the morale is very low. They feel they do not have the ability nor the resources to enforce Canadian law.

I should like to draw the attention of Hon. Members to the fact that other serious problems exist in our Customs Inspection Branch. They have to deal with so much paper every day that very often they do not have the opportunity of properly inspecting and being on top of what is coming into the country. Certainly my office and I are looking into instances in which illegal automatic guns and weapons have been coming through Customs without proper inspection. There is no one in Customs, certainly not in the Toronto airport, who is an expert on guns and knows which guns can or cannot be allowed into the country. Most Customs officers have to deal with a mountain of paper every day. Therefore, very few of the cases of automatic and semi-automatic weapons being imported into Canada are receiving proper inspection. I draw this matter to the attention of the House because it is another indication of the serious problems in Customs and Excise today.

I urge the Government to take heed of my remarks this afternoon and to understand that there are some serious problems. Hopefully it will back away from its gung-ho approach to cutting back on the resources of Customs and Excise. I hope the Government gives it proper study and indeed determines the cost effectiveness of sending out parcels to individual importers without them being expected by Customs people. It should also study the loss of public revenue which this entails and compare it with what it would cost to pay the salaries of some extra Customs officers.

I ask it to take heed of the situation at Toronto airport where the staff has not been increased over the last number of years. However, the traffic coming through that airport has dramatically increased, so we find individual Customs officers are totally overworked and do not have the expertise they require to deal with items such as automatic weapons and other weapons which could prove to be illegal. As I said, I hope the Government heeds my warning this afternoon and takes a closer look at what it is doing to our Customs officers, those men and women who are required to uphold Canadian laws.

I have no immediate objection to Bill C-98, other than my concern that its motivation is to help set up free trade zones in the country. Certainly we in the New Democratic Party will oppose that move. We do not believe that Canada can solve its economic problems by returning to a 19th century model. Canada's economic strength and well-being lie in people being able to work and to receive decent wages from that work, so that they have the power to purchase the goods and services which they need to live good and decent lives. Certainly cheap labour in free trade zones will not help Canada in achieving its goal of economic prosperity for all.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. de Jong: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Clark (Yellowhead): Mr. Speaker, I rise on a point of order. It would appear that the surprising dispatch with which the House had dealt with the two Bills before it has found us in a situation where the Hon. Member for Scarborough West (Mr. Stackhouse), who was to introduce a Private Member's Bill, is not yet in the House.

Mr. Blais: He is on his way.

Mr. Clark (Yellowhead): I think everyone in the House would recognize and underline the tremendous importance to

this place of Private Members' Bills and of Members being given full opportunity to introduce those matters about which they are concerned. I understand that the Hon. Member in question is now taking the final preparatory steps to ensure that he will be able to make a very effective presentation to the House of Commons.

Mr. Boudria: Just what does that mean?

Mr. Clark (Yellowhead): I am sure he anticipates being in a position to have this Bill receive the same kind of speedy attention as was accorded the Government measures recently approved by Hon. Members here.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on the same point of order.

Mr. Gauthier: Mr. Speaker, on the same point of order. I would like to take advantage of this opportunity to inform the House we are all quite aware of the importance of Private Members' Bills and that it is going to be pretty difficult in a few moments to proceed with that part of today's business.

Just the same, I would like to ask the Chair whether it has any new developments to divulge to the House on that important issue, namely, when a Member's name is drawn and appears on the list and the date is set. I wonder whether the chair has had time to consider a system for rescheduling the Member's turn, maintaining his right to be heard in this House and debating the motion or question tabled in the House by that Member.

Mr. Deputy Speaker: The Chair has indeed reflected quite a bit on the question raised by the Hon. Member for Ottawa—Vanier. it has for some days been hoping, and still hopes, that Members will reach a consensus on this question.

I was informed there would be a meeting today of the House Leaders of all three parties, and in that case, I hope they will reach a consensus.

However, should they fail to reach a consensus, I should be willing to hand down a ruling on which, I hope, the Members of this House will be able to reach agreement.

• (1640)

[*English*]

Mr. Deputy Speaker: Is there unanimous consent to call it five o'clock?

Some Hon. Members: Agreed.

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CONSUMER AFFAIRS

HIGH INTEREST RATES CHARGED ON CREDIT CARDS

Mr. Reginald Stackhouse (Scarborough West) moved:

That the Standing Committee on Finance and Economic Affairs be empowered to study the question of excessively high interest rates charged by the issuers of credit cards and charge cards.

He said: Mr. Speaker, I appreciate the opportunity to debate this motion. It is true that under the new rules governing the House a committee now has the power to initiate such investigations, which was not the case when the motion was written. It is still relevant for the House to give direction to its committees, which are extensions of the House. It is true that the committee can carry out this mandate with much more enthusiasm and commitment knowing that it has the authority of the House behind it.

I have submitted this motion to the House and I hope it will receive support from all quarters. It concerns a major consumer problem. Two-thirds of the adults of Canada now use credit cards. The average adult has three of these cards. About 40 per cent of credit card users pay interest charges. Are they receiving justice? I put the question to you, Mr. Speaker, that while interest rates affecting consumers and investors have gone up and down in the main, interest rates on charge cards and credit cards have not. The bank rate goes up and down but the interest rate on credit and charge cards remains the same year after year. For example, MasterCard issuers, such as the Bank of Montreal, the National Bank, the Victoria and Grey Trust, raised their interest charges a few years ago to 21 per cent when the bank rate was very high. Since then the bank rate has come down but the charges to consumers have not. Canada Trust charges 18.45 per cent. The Royal Trust began issuing its MasterCard last fall with a discount rate of 14 per cent. This rate has now been raised to 14.75 per cent yet in the same period of time the bank rate has fallen.

Are those rates too high? That question has already been answered by a competitor of MasterCard, namely VISA. It has issued ads which said, "Are you fed up with paying high interest rates on your MasterCard accounts?" The industry has put the question which I have raised before the House today. Obviously charges are too high.

We must also ask the question to issuers of VISA cards. In addition to an annual or a transaction fee, VISA charges now range from a low of 15.9 per cent to 18.6 per cent by four banks, the Bank of Nova Scotia, the Bank of Commerce, the Royal Bank, and the Toronto Dominion, in spite of the fact that the bank rate has come down. It is not only the issuers of MasterCard and VISA that are imposing charges far above what is justified by the rate issuers have to pay for the money they use, but gasoline credit card charges are much higher still. Companies such as Sunoco, Imperial, Texaco, Shell and Gulf as well as PetroCan—which used to say "It's ours"—now

charge 24 per cent. But the real biggies are the department stores, such as the Bay, Eaton's, Sears and Canadian Tire which charge 28.8 per cent. They impose high charges constantly, consistently and invariably in spite of the fact that what they pay for the money they borrow, as the foundation of their credit, goes up and down. Are they aware that inflation has come down and the cost of borrowing money has dropped from a high of 21 per cent, which might well have justified the high rate they charged a few years ago, to a bank rate of 8.43 per cent today?

Mr. Orlikow: Why doesn't the Minister of Consumer and Corporate Affairs (Mr. Côté) do something about it?

Mr. Stackhouse: We invite the NDP to join us in putting the question: are those companies justified in charging rates without some explanation that will give Canadians confidence that the rates are justified? That is the purpose behind my motion, Mr. Speaker. It is a motion that will direct the subject to the Finance Committee and give it the opportunity and the mandate to do a thorough investigation.

I am aware that companies claim that the cost of administration and various other related costs require them to charge them to customers. Maybe they do, but let them show cause. Let them put forth evidence that will support the apparent high, I believe excessively high, interest they charge credit card users. Let them not treat consumers as though they were mushrooms fit only to be in the dark. Bring the question into the light. Let us have some respect for Canadians. Companies should give reasons, solid, hard, factually based reasons, to show that their policies are justified. It is not enough for management to say: "We need this money because the cost of credit and administration is so high", without supporting those claims with evidence.

Representatives of management have called me since I first went public with the issue. It was from the government side of the House that the issue first came before the public and Parliament.

Some Hon. Members: Oh?

Mr. Keeper: Why don't you bring it forward as a government motion?

Mr. Stackhouse: The NDP may not like that, but it is a fact. The point is that these companies—

Mr. Keeper: Mr. Speaker, I rise on a point of order. Not only is the Member wrong when he says that the interest rate issue was first raised on that side of the House as a government matter—

Mr. Gustafson: That is debate.

Mr. Deputy Speaker: The first part was certainly not a point of order.

Mr. Keeper: Neither was the Member's comment. Let me come to the point, Mr. Speaker. The Member makes reference to himself being a Government Member and raising the matter of interest rates. This is Private Members' Hour. If the Member wants to act as a Government Member, let him bring forward a public Bill.

Mr. McDermid: Get up and debate the subject then.

Mr. Stackhouse: A Member on this side of the House—which was the phrase I used—was the first to introduce the subject of credit cards, not interest rates in general. I invite the support of the Hon. Member for Winnipeg North Centre (Mr. Keeper). I welcome it. When and if a Bill is introduced, I will be glad to have his support there, and I am sure consumers will be happy to have his backing.

I put this subject before the House and I hope the issue will be sent from here to committee, not only because consumers have a right to know but because Parliament has a duty to ask why these interest rates are being charged.

Mr. Keeper: What about the Government?

Mr. Stackhouse: Parliament is not only a place for passing legislation, it is also a forum in which the concerns of the public can be debated, studied and where the light of scrutiny can be shone upon them. People will know that those who represent them are expressing their concerns. This has been then traditional role of Parliament.

In centuries past it was always a practice, when the Crown asked for financial support, for the Commons to reply that the people's grievances must be heard. Here we have a serious long-felt grievance. On behalf of people who have written to me from coast to coast I bring it to the floor of the House and ask Members of the House to support my motion in this regard so we can study the matter thoroughly. Here is a grievance, if ever there was one. Issuers of credit cards are paying less for the money they borrow. The receivers of credit are paying more for the money they borrow. Where is the justice? Let Parliament find the answer to that question. The banks, oil companies and department stores have their lobbyists who rightly and openly come before us. We are the lobbyists for the consumers, and I hope all sides of the House will join together in supporting consumers today.

• (1650)

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I want to congratulate the Member for bringing this motion forward. On May 22 the Minister said that the interest charges also include service charges. I believe the banks are charging interest, not service charges. Their service charges are covered by the merchants. People should know that every merchant, whether he be a restaurant owner, barber shop owner or tailor, has to pay a percentage fee. It could be 3 per cent, 4 per cent, 5 per cent or 1 per cent. The fee is negotiated in accordance with the volume of business paid for by credit card. Whatever the banks are charging to the consumer is therefore purely interest. I agree with the Hon. Member when he says that MasterCard charges 21 per cent. VISA charges

18.6 per cent. The oil companies charge 24 per cent, and the department stores charge 28.2 per cent. Definitely there is something wrong. We know interest rates have gone down, so how much handling charges can they have? Talking about handling charges, if it costs so much, how come the banks are advertising so much? How come the banks encourage people to use their cards?

If memory serves me right, when credit cards were instituted you used to pay a fee. Some respected credit card companies still charge a serious fee. Every month you get a statement you have to pay the full amount. There is no question of deferring your payment. VISA and MasterCard tell you on your statement that the minimum payment is $10 or whatever. You can pay that and they charge you interest on the balance. We are not dealing here with just a credit card, it is a personal loan. Everyone with a credit card has a line of credit. You can buy whatever you want and at the end of the month you can pay in full. They do not charge you interest if you pay in full because they are getting handling charges from the merchant. That is why I say it is an interest charge and not a service charge. If you pay at the end of the month there is no interest. They are collecting a service charge from the merchant. However, if you only make a partial payment, they charge you interest.

I think the banks are taking advantage of this credit line they created for consumers. It gives them a lot of business. Just consider the number of credit cards issued. Practically everyone today, including myself, use credit cards. However, when people borrow money, business people or whoever, they do not have to pay interest rates like that. Why should the consumer have to pay those interest rates?

I agree that the Government should look into this. The Minister said he is looking into it, but he is off on the wrong foot because he believes that the interest rate includes service charges. That is not the case. I repeat, service charges are paid by the merchant.

[*Translation*]

—I want to say these interest rates are unacceptable. We agree. We support the Hon. Member's motion, and I hope the Committee on Finance and Economic Affairs will be able to conduct and inquiry and summon before the committee representatives of the banks and credit card companies and ask them to explain why they still have to charge rates of as much as 18.6 per cent, 21 per cent, 24 per cent or even 28 per cent. This is unacceptable, when we realize that today, the interest on a personal loan varies from 10 to 12 per cent.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am pleased that the Hon. Member for Scarborough West (Mr. Stackhouse) has brought this matter to the House. We certainly will agree to let this matter go to committee. However, I have to say to the Member that he was lecturing the wrong people. I do not think there is a single Member of this House who will defend the banks or the oil companies or the department stores, all of whom are ripping off the customers who do not pay their monthly accounts immediately. The people who refused to take any action when this was raised by Members of Parliament are the Minister of Consumer and Corporate Affairs (Mr. Côté), the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall). When they were asked about this, their response was that, first, they are quite prepared to leave it to the market to decide what interest rates should be. As well, without any investigation or question, they adopt the defence of these companies that they are not overcharging. There is no investigation by the Ministers concerned or their Departments. That is why I say that the Hon. Member has brought this question to the wrong place.

Last November 20, when interest rates came down again, we asked the Conservative Government, when it was boasting about low interest rates, low interest rates for whom? We pointed out what was happening to people who do not pay their outstanding bills immediately. They had no answer. There was no action. I point out to Members of the House that there are 16 million credit card holders in Canada, half of whom pay off their balances each month and do not pay any interest. Who are they? They are people in the middle and upper-income brackets. I am sure there is not a Member of Parliament who does not pay his or her account every month without being charged interest. That leaves 8 million people who pay 18 per cent to 21 per cent interest if they do not pay up at the end of the month. They pay 24 per cent for an oil company credit card and 28 per cent for a department store credit card. The Hon. Member gives some credit to VISA. I understand that VISA charges a service charge, a dollar a month whether you use it or not.

Mr. Boudria: No, 25 cents a transaction.

Mr. Orlikow: If the Hon. Member is going to give credit to VISA, we better see what that adds up to.

Let us look at the reality. These rates have not essentially changed for consumers since September, 1984, when the Conservative Government, of which the Hon. Member for Scarborough West is a Member, took office. From September, 1984 until today interest rates have dropped from 12.28 per cent to 8.43 per cent. These robbers are still charging the same rates they established in 1981 when prime money rates were well over 20 per cent. What has the Government said about this? Members, including the Member for Scarborough West, have asked the Government, and both the Minister of Finance (Mr. Wilson) and the Minister of Consumer and Corporate Affairs (Mr. Côté) say they will not interfere with the market. The market magic will fix everything. What has it fixed?

• (1700)

The market has provided us with gold cards at $75 a year, great for high-income earners who pay off their bills every month. The market has allowed organized retailers to cut their costs in retailing with credit cards by reducing the charge to

the retailers for using cards to less than 2 per cent. They have not passed that on to the consumers. Consumers have not received anything in the way of reduction, even though the New York Federal Reserve Bank in the United States calls this type of financial dealing "the single most profitable of all loans made by major banks". Of course, they are individuals, they are people in the lower income brackets and they have no political clout. So the American and Canadian Governments have let them get away with it.

The question which we should ask is, what would the Government have done differently if it really wanted to ensure that consumers receive a fair share of the lower interest rate on their charge card purchases? This is the kind of question the Member for Scarborough West should ask his Minister. It could have investigated thoroughly whether the costs of operating the charge cards are as high as the banks say they are. The Minister of Consumer and Corporate Affairs just took their statement that they were not overcharging as gospel truth and refused to do anything about it.

Our information is that about half of the charge card costs are administrative and half are for the cost of money. If the cost of money has declined, as we know, and as every Conservative Member wants us to know, because of the great policies of that Government, if they declined by 3.85 per cent from September until now, then the card holders could have had the interest rate reduced by 2 per cent, because that is half of the reduction in the interest rate. That would have saved the bank credit card holders over $100 million a year. If you add to that the overcharging by the trust companies, the oil companies and the department stores, we are talking of probably close to $200 million. We are talking about huge amounts of money, and the Government has been quite content to take the credit card companies' word that they are not making much money, or that the market will somehow work in the consumer's favour. Second, the Government, if it felt that consumers' interests were being sacrificed to those of almost everybody else, could have acted on the consumers' behalf and begun a rigorous examination of consumer credit and sought some legislative relief. We do not need another study. That is again just putting off dealing with this very serious problem.

One solution which we favour, and which the Government should be looking at, is a ceiling rate for credit card interest, which would show that the market is sensitive as interest rates come down or go up. An interest rate ceiling on cards pegged to the amount that banks actually pay for their money would be very helpful.

We ought to have heard from the Government some sound consumer advice about the cost of credit. We should not be saying that the market will decide, when the market is rigged against the poor consumer. There has been a real rip-off of hundreds of millions of dollars which the Government has permitted. We should be urging consumers to find alternative sources of credit. We should encourage them to form credit unions of their own where they do not exist. We have begun to educate the people so they do not get ripped off too much by the income tax discounters. Why do we not begin to educate the people who get into trouble because of buying too much and get caught in this credit card squeeze?

We will support this motion going to committee, but to us it is just another way of postponing any serious, real action on what is a disgraceful situation, the rip-off of hundreds of millions of dollars every year by the banks, by the oil companies and by the department stores. That rip-off should be dealt with now, not a year or two from now when the Finance Committee has debated this issue again.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I wanted to say just a few brief words on this particular motion put forward by my hon. friend from Scarborough West. I would like to begin by applauding and heartily congratulating the Member on this motion in his personal attempts, both in Question Period in this House and in debate, in addressing this question of credit card interest rates.

This particular Member has, in many respects, assumed this as one of his personal issues. I know it probably comes as a great satisfaction to him today to hear Members from all Parties address this matter in a non-partisan fashion. I think there is certainly a feeling among all three Parties that the matter of credit card interest rates must be dealt with.

To deal specifically with interest rates, this matter has obviously come to the attention of the public after at least three to four years of great fluctuations in rates where they hit a peak bank rate approaching 20 per cent and then, of course, fluctuated from there. It has really been only in recent months, since the election of this Government, that we have seen interest rates begin to stabilize and, in fact, drop. I was very pleased to hear the Member from the New Democratic Party refer to a bank rate now under 9 per cent. This gives considerable urgency to the matter when we have a bank rate at 8.3 per cent, and the disparity between that bank rate and credit card interest rates is probably the greatest in many years.

Dealing with the argument of a relative rate for credit cards, it is obvious that credit card rates will be higher than established loan rates, somewhat higher than the prime rate, as I think all Members agree there is an administrative cost built in.

Clearly the motion of the Member for Scarborough West (Mr. Stackhouse) to have this matter referred to the Finance Committee is a timely measure. The committee structure of this Parliament under the new reform now gives the standing committees the ability and the opportunity to examine issues within the general ambit of a particular portfolio responsibility. What better way to examine this issue that affects millions of Canadians than to have the Finance Committee examine it?

I do disagree with my friend from the NDP who said that to have the issue studied by the Finance Committee is an unrealistic way of addressing it. When one looks at the Finance Committee and the reputation it is beginning to

develop in this Parliament, I think one cannot criticize it for failing to address issues front and centre.

To have the Finance Committee study this matter is a timely and a relevant approach. I think it is the right approach. Again I congratulate the Member for Scarborough West for addressing this very important issue of credit card interest rates, and on behalf of my constituents I support wholeheartedly a study of it by the Finance Committee. I urge support for the Hon. Member's motion and I agree with it fully.

Mr. Deputy Speaker: Prior to giving the floor to the Member for Glengarry—Prescott—Russell (Mr. Boudria), may I point out that the Hon. President of the Privy Council (Mr. Hnatyshyn) has designated tomorrow as an allotted day, therefore, the item that was scheduled for Private Members' Business will be put at the bottom of the order precedent, this without prejudice to any ruling that we may make at a later date.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I also welcome this opportunity to take part in the debate on the motion moved in the House by the Hon. Member for Scarborough West (Mr. Stackhouse).

[*English*]

First of all, Mr. Speaker, I would like to congratulate the Member for bringing forward this motion to our attention this afternoon. I want to draw your attention to the very important component of this motion which refers to the excessively high interest rates charged by the issuer of credit cards and charge cards. Indeed, the really important ingredient of the motion before us today is to recognize, as the Hon. Member has, that these rates are excessive and totally unacceptable. The wording of the motion sends a very clear message to the Finance Committee about the work that is required of it.

• (1710)

While I am not proposing an amendment, I hope the Finance Committee will take other costs into account when it studies this motion. I hope the Hon. Member will agree that the entire costs of credit cards should be studied. I am not only referring to interest rates on credit cards but also to the consumer fees that are charged in many cases. For example, one credit card company charges 25 per cent for every transaction up to a certain amount. Other credit card companies charge a fee at the beginning of the year, with no subsequent fees. A variety of fees are included in one form or another, which really add to the cost for the consumer who is purchasing a variety of goods.

The Hon. Member for Scarborough West (Mr. Stackhouse) will probably be a member of that Finance Committee and I hope he takes that suggestion into account when the committee studies this matter.

I think Parliament should look into the impact that credit cards have on pricing. This refers to fees that are charged to businesses. If a retail store knows that it will have to pay 4 per cent in order to have the service of a credit card company and knows that half of its business will be conducted by credit card, obviously it will increase the price of its merchandise by 2 per cent in order to recover its cost. This represents another cost to the consumer that is not often mentioned.

[*Translation*]

Mr. Speaker, I recall going south of the border several times and in some American cities people who do not use credit cards are given discounts. For example, a gas station will offer a 2 or 3 per cent discount to customers paying cash rather than using a credit card. This is the kind of initiative they take in some American states, but so far I do not remember ever seeing the same kind of offer here in Canada. In my opinion this would be one of the main issues which should be reviewed by the parliamentary committee which will study the credit card system and the excessively high rates charged by the issuers of these cards, as our colleague from Scarborough West so clearly indicated.

To conclude very briefly, Mr. Speaker—because hopefully the motion will be adopted this afternnon and be considered by the parliamentary committee which deals with financial matters—I would like to echo my other colleagues in commending the Hon. Member for Scarborough West for bringing this motion before the House today and suggesting that the question of excessively high interest rates charged by the issuers of credit cards be considered. Indeed we hope that the fact that we are debating this issue in the House today might encourage the issuers of credit cards to lower their interest charges. In my judgment it does not make any sense at all that banks can lend money at 12 or 13 per cent, and yet issuers of credit cards charge 18, 21 or 24 per cent. Worse still, some department stores charge 28 per cent to finance the cost of the products they sell.

As we know, a less enlightened consumer will often be tempted to use a credit card instead of borrowing from a bank or trust company. I would suggest this may be too convenient a way for him to buy what he wants, but later on he realizes that his purchase is financed at these excessively high rates. I believe it should be hoped that all consumers would use their credit cards constructively, such as using it for a month and then paying the total balance at the end of that month. But, unfortunately, the economic condition of some of our constituents are such that often when they need something, they use their credit cards to purchase it and unhappily cannot afford to pay in due time. For those people especially, we should do what we can to reduce interest rates, as suggested by our colleague, the Hon. Member for Scarborough West.

It is therefore my hope that when we do consider the matter, we will be looking not only at interest rates as suggested by the Hon. Member, but also at the impact on prices that the whole credit card system has, and finally indirect costs. I am referring to the monthly charges or the once-a-year fee

required from credit card holders, and also to the costs to businessmen who use such a service. Because often the businessman is almost snared in. He has no choice whether he will honour the card or not. He knows that many customers will use their cards, so he has no choice—he must use the service, even though sometimes credit card issuers charge costs that are sometimes much higher than what they should be.

It is therefore my hope that the parliamentary inquiry will have all the scope needed.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to rise on the motion introduced by my colleague for Scarborough West. I would simply emphasize the fact that in its present form, the motion would empower the Committee on Finance and Economic Affairs to deal with a matter it can now deal with on its own initiative.

Indeed, since the new Standing Orders were introduced recently, committees of this House can consider matters coming under their jurisdiction without a specific reference from the House of Commons.

Although it adds nothing to the powers of the Committee, I suggest the motion put forward by the Hon. Member for Scarborough West reflects the importance of the matter to him.

The vote that will certainly be held, Mr. Speaker, will allow Members of this House to express their personal interest for the matter raised by my colleague.

I think this is the approach the Committee on Finance and Economic Affairs should take when considering the result of the vote and before deciding whether or not it would be appropriate to take the matter under consideration, as it can do.

Another thing which needs to be pointed out, Mr. Speaker, is the fact that basically the matter of credit card interest rates falls under provincial jurisdiction, so it would be up to the provinces to take action should they feel that current rates are excessively high. An affirmative vote by Members of the House would certainly give them a significant and additional incentive to do so.

Still, Mr. Speaker, the House would be well advised not to anticipate the findings of the study which the Committee on Finance and Economic Affairs might choose to undertake. That is why I think the word "excessively" used in the motion implies that the House is already convinced that the interest rates are too high, even before the Committee on Finance and Economic Affairs has had an opportunity to study the question.

Mr. Speaker, I would therefore propose an amendment to the motion of the Hon. Member, substituting the words "the current level of" for the words "the question of excessively high". This amendment would not change the basic idea of our colleague from Scarborough West, nor would it express a value judgment. Therefore the motion would read as follows, Mr. Speaker:

That the Standing Committee on Finance and Economic Affairs be empowered to study the current level of interest rates charged by the issuers of credit cards and charge cards.

I hope my colleague will accept this proposition, for I would be pleased to support the amended version of the motion of my colleague from Scarborough West.

Mr. Deputy Speaker: The motion proposed by Mr. Blais, seconded by Mrs. Duplessis, is as follows:

That the motion be amended by deleting the words "the question of excessively high"and substituting therefor—

Mrs. Duplessis: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Louis-Hébert (Mrs. Duplessis) on a point of order.

Mrs. Duplessis: Mr. Speaker, I am not the seconder of this motion. The seconder is the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway).

Mr. Deputy Speaker: So be it. The motion proposed by Mr. Blais, seconded by Mr. Greenaway, reads as follows:

That the motion be amended by deleting the words "the question of excessively high"and substituting therefor the words "the current level of".

Mr. Gauthier: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: I don't want to hold up debate on this subject because I agree that the motion as drafted was in order and in fact, I think this is a study that is long overdue. I simply want to remind the House that there are certain ways of doing things in the House of Commons, and I feel this particular amendment might be ruled out of order by the Chair if it would refer to specific citations in Beauchesne's Fifth Edition. However, Mr. Speaker, before arguing the relevance of the motion or the amendment, I would like to say to the previous speaker that, of course, committees are empowered to examine matters referred to them by the House of Commons, but I wish the House would also recall that the powers of committees are limited with respect to other matters—and we can see this in Standing Order 96(1) and (2)—which concern the department and the department's responsibilities. As the Hon. Member said himself, this is a matter that primarily concerns the provinces, that is the power to set interest rates. So I will not read how the committee could examine this matter of credit cards for which interest rates are charged that are judged to be excessive.

Mr. Speaker, I simply want to ask the Chair, and I will be brief, to refer to Citation 437(1) and (2), Beauchesne's Fifth Edition, and—

● (1720)

[*English*]

If I may be allowed to use the English text, which is the one I have before me, I will quote Citation 437(1):

An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

Citation 437(2) reads:

An amendment may not raise a new question which can only be considered as a distinct motion after proper notice.

The reason I raise it is that I believe that by taking out the word "excessive"—

[*Translation*]

Removing the word "excessive" practically destroys the core of the motion. I feel this broadens the debate and takes away the weight, the power and—

Mr. Boudria: *Raison d'être.*

Mr. Gauthier: *raison d'être* of the motion, which, according to everything I heard today, is the point Hon. Members have been trying to make. They feel there are rates that are excessive and which are imposed by the issuers of credit cards.

And in that connection, Mr. Speaker, I cannot agree to having the question put on this motion without asking the Chair for a ruling, after perhaps considering Citation 437(1) and (2), and indicating to me whether or not you agree.

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

Mr. Deputy Speaker: On the point of order, I need not hear the hon. Member for Bellechasse, if that is what he was raising for. First of all, I want to thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for giving me advanced notice of his opposition to the procedural form of the motion moved by the Hon. Member for Bellechasse. I have read Beauchesne's Citation No. 437, but with all due respect to the Hon. Member for Ottawa—Vanier, I think that the amendment proposed by the Hon. Member for Bellechasse is indeed in order, and I base my decision partly on Citation No. 425, and partly on a close examination of Citation No. 437.

The debate therefore is on the amendment, and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have just indicated in this House how important it is for us to consider this matter, in view of the fact that interest rates are excessively high. The agreement of all members of this House in the previous debate was to the effect that interest rates are excessively high. What would be the purpose of this examination if the key words added by the Hon. Member for Scarborough West (Mr. Stackhouse) were removed?

[*English*]

Paraphrased, the new motion would read: "—be empowered to study the question of interest rates charged by credit card and charge card issuers". This issue has come to our attention because the Hon. Member for Scarborough West (Mr. Stackhouse) has referred on many occasions in this House to the fact that these interest rates are unacceptably high, not because we have decided all of a sudden that the House should have a debate purely on this issue but for other reasons. This issue has come to the floor of the House of Commons because one Hon. Member has, on repeated occasions, asked questions about this topic of the Minister of Consumer and Corporate Affairs (Mr. Côté) and has today again in his remarks talked to us about these excessively high interest rates. He has not talked about the excessively low interest rates, nor about current interest rates. We are concerned about the high interest rates charged on credit cards. That is the reason for our debate for the last 45 minutes.

I must say that I disagree with the Hon. Member for Bellechasse (Mr. Blais) and his proposed amendment this afternoon. If this amendment passes, he has ruined the good work of his colleague seated immediately behind him, the Hon. Member for Scarborough West. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) earlier in the House spoke of the work of the Hon. Member for Scarborough West and the mission he had to bring to the House the cases of these excessively high interest rates. If it was so important, then why is it now the view of certain Hon. Members that it is no longer relevant? I fail to understand it. Perhaps other Hon. Members can explain to me why they have to be afraid of telling the issuers of credit cards that they are charging excessively high interest rates? I ask you, Mr. Speaker, has any one of your constituents ever complained to you about the excessively low interest rates charged by issuers of credit cards?

[*Translation*]

But if such people exist, Mr. Speaker, there are none in my riding; perhaps there are some in the Bellechasse riding, I don't know, but not a single constituent in my Glengarry—Prescott—Russell riding has ever come to me to complain that the cost they had to pay to credit card issuers were too low. All my constituents agree that they are too high and they all support the motion moved by the Hon. Member for Scarborough West to the effect that they were excessively high. This being said, Mr. Speaker, I must object to the amendment moved by the Hon. Member for Bellechasse, and I dare hope that when the Hon. Member for Scarborough West meets him behind the curtains, he will give a piece of his mind to the Hon. Member for Bellechasse for moving such an amendment.

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of Mr. Blais, seconded by Mr. Greenaway:

That the motion be amended by deleting the words "question of excessively high" and inserting the word "present".

• (1730)

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 259*)

YEAS

Members

Andre	Greenaway	McDermid
Attewell	Gurbin	McInnes
Bertrand	Gustafson	Moore
Bissonnette	Hardey	Nickerson
Blais	Hawkes	Oberle
Brightwell	Hicks	O'Neil
Brisco	Hnatyshyn	Oostrom
Caldwell	Holtmann	Pennock
Cardiff	Jardine	Plourde
Champagne (Saint-Hyacinthe-Bagot)	Joncas	Porter
Cooper	Ladouceur	St. Germain
Crofton	Landry	Sparrow
Crosbie (St. John's West)	Lesick	Speyer
Crouse	Lewis	Stackhouse
Dantzer	MacDonald (Kingston and the Islands)	Stewart
Darling	Mailly	Thacker
Epp (Provencher)	Malone	Tupper
Forrestall	Marin	Vézina
Gass	Mazankowski	Wenman
Gormley	McCain	Wilson (Swift Current-Maple Creek)—61.
	McCrossan	

NAYS

Members

Allmand	Boudria	Gagliano
Althouse	Duplessis	Gauthier
Benjamin	Epp (Thunder Bay-Nipigon)	Hopkins
Berger	Foster	Kaplan
Blaikie	Fraleigh	Keeper
Blenkarn		MacLellan
McCurdy	Prud'homme	Taylor
Nystrom	Redway	Turner (Ottawa-Carleton)
Orlikow	Robichaud	Young—26.

• (1805)

Mr. Deputy Speaker: I declare the amendment carried. On a point of order, the Hon. Member for Scarborough West (Mr. Stackhouse).

Mr. Stackhouse: Mr. Speaker, may I have unanimous consent that the vote on the main motion be taken now?

Some Hon. Members: Agreed.

Mr. Boudria: Mr. Speaker, I would like to second that suggestion.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion as amended?

Some Hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, I would like to submit that in the future, when we vote on a Private Members' Bill, we should vote by row and not according to Party. We are not voting on a Government measure but on a Private Member's measure. I hope the Chair will consider that in the future.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, on the same point of order. I thought it was a shame that this historical occasion was marred by the fact that we took the vote according to Party instead of according to rows. I would have attempted to get up on a point of order in the middle of the vote but I did not. I think next time around that should not happen at all.

Mr. Deputy Speaker: The points made by the two Members are well taken by the Chair. The problem this time is that the sheets on which we record the votes—

[*Translation*]

—showed the names according to parties.

[*English*]

The points are well taken and the matter will be taken care of.

The question is on the main motion as amended. All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Mr. Blenkarn: Nay.

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

I declare the motion carried.

The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

OFFICIAL LANGUAGES—SUPREME COURT DECISIONS—REQUEST FOR INTRODUCTION OF CONSTITUTIONAL AMENDMENT. (B) FEDERAL-PROVINCIAL CONFERENCE AGENDA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on May 1 the Supreme Court of Canada rendered three judgments on minority language rights which, regretfully, cut back on what were perceived to be, and in some jurisdictions this was the practice over the years, constitutionally entrenched rights. These judgments dealt with cases originating in Quebec, Manitoba and New Brunswick.

• (1810)

In the Quebec case, Duncan MacDonald, a Quebec Anglophone, argued that by virtue of Article 133 of the Constitution of 1867, he had the right to a court summons in the English language, whereas he had been summoned to court by the City of Montreal in the French language only.

Unfortunately, the Supreme Court ruled that Article 133 gave the state, that is the city, a province or the federal Government, and in this case the City of Montreal, the right to choose the language of summons before a federal or Quebec court, and not the citizen called to answer before the court.

This is a regrettable and illogical judgment. Surely the rights entrenched in Section 133 of the Constitution, which allow for the use of French or English before the courts, are to benefit individuals and not the state. When I asked the Minister of Justice (Mr. Crosbie) about this matter on May 5, and in particular whether he would propose a constitutional amendment to fill the gap left by the Supreme Court judgments, he answered, first of all, that no rights were lost by these judgments, which is absolutely ridiculous. Everyone that I have met and read on those judgments agreed that rights were lost, including the Commissioner of Official Languages.

Second, he answered that he would propose ordinary legislation to deal with the situation, but not constitutional amendments. Ordinary laws are not enough because they can easily be changed and do not prevail over other legislation. They do not provide for entrenched rights. I am not surprised by the attitude taken by the Minister.

When the MacDonald case was being argued before the Supreme Court of Canada in December of 1984, his Department argued, in a factum that he signed, the very position that the court adopted on May 1, 1986, a few weeks ago, namely that Duncan MacDonald did not have the right to a summons in English.

This not only represents narrow bureaucratic thinking on the part of the Minister and the Government, but it is a very offhanded way of dealing with entrenched language rights, which are supposed to help ordinary citizens. It is also another broken promise by the Conservative Party, in this case made to the official language groups and minorities in Canada, that their language rights would be protected.

Once again tonight I ask the Minister of Justice or his Parliamentary Secretary, who is here representing him, to use good, common, political sense and to propose a constitutional amendment which will truly guarantee these important rights to our language minorities.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, let me state immediately that the federal Government is deeply committed to greater protection for official languages in the area of the administration of justice that goes beyond the minimum constitutional requirement regarding the use of English or French before the courts. The progressive official languages policy of this Government is based on ongoing improvements in this indispensable area of our national life.

As the Hon. Member knows, the Government expects to bring forward, before the end of the year, new legislation to revise the Official Languages Act. We are working on proposed amendments that will not only ensure that this Act is in full compliance with the Constitution, but will strengthen and enhance language rights so that this vital piece of legislation truly reflects our progressive policy.

The Hon. Member can rest assured that we intend to fully address the questions that were in issue in the Supreme Court case to which he has alluded. Special care is given to measures to enhance language rights in the administration of justice and, in particular, in proceedings before federal courts and tribunals.

ENERGY—EXCO ENERGY CORPORATION—PLIGHT OF CREDITORS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, when we were debating in this chamber in 1980-81 the national energy policy and the PIP grant system, I recall bringing to the attention of the House the potential for abuse. If the Government is going to cover 80 per cent of the costs of the taxpayers of Canada, it is not hard to adjust the costs one way or another so that, in fact, the taxpayers end up paying just about everything.

• (1815)

I do not know whether this has been done in the case of Exco Energy Corporation. That matter might eventually be decided by the courts. However, last December, mainly on behalf of the creditors, I asked what was happening with

respect to the Exco fiasco and if there was going to be anything left for the creditors when the dust settled. The reply at that time was, in fact, a non-reply because the matter was under investigation by the RCMP.

It is my information that the RCMP investigation was completed some time in February. Since that time a wall of silence has descended over the whole affair and we know no more about it than we did last December.

I recall in March, 1985, talking with the PIP administration people and asking them to conduct full and complete audits of Exco Energy, formally known as Forward Resources. I believe I was in touch with them before that time because there was a common suspicion in the area in which they were operating that something was untoward. There were reports of exploration programs that cost five or six times what would be the cost for a normal, prudent operator.

Eventually—some time last year—they were not able to meet their commitments. I understand that they owe approximately $7 million in the Northwest Territories alone and considerably more than that in the Province of Alberta, and perhaps in British Columbia and Yukon. The bankruptcy of Exco has been responsible, at least in part, for a series of bankruptcies in the Northwest Territories, including Beaufort Foods, BeauTuk Marine and Buffalo Air. It is a domino effect which commonly occurs in these situations. Hardships are widespread among many people who are creditors of Exco or creditors of the creditors of Exco.

There are many unanswered questions that I hope the Parliamentary Secretary will address in his reply. First, we would like to know whether Al Langard, one of the principals involved in Exco, is back in Canada. It was said that he had left the country, but let us hope that he is back. Did the RCMP investigations reveal any wrongdoing? The investigations are over and we have not heard anything.

Will any charges be laid in connection with Exco? Was any of the cash or other assets of Exco transferred to other corporations such as AJL Investments Ltd. immediately before the bankruptcy occurred? Did Exco make application for and collect more in the way of PIP grants than it lawfully had coming to it?

Are there any PIP grants still collectable by Exco or the trustees of Exco? That is an important question because if there is anything left for the creditors, it will probably be paid out of PIP grants that are payable to Exco. I understand that a $10 million payment was made some time last year. That was seized by the bank. The bank considered itself first on the list and took the $10 million. There was nothing left for anyone else. If there are further Government payments to Exco, will they go to the creditors or will something of a like nature happen again?

• (1820)

What the creditors really want to know is, as I asked in December, when the dust settles, will there be anything left for them at all? Those are the questions I sincerely hope the Parliamentary Secretary will be able to answer.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I always enjoy the questions coming from my friend, the Hon. Member for Western Arctic (Mr. Nickerson). They are very thorough. I can tell him right now that I can answer some of the questions he posed and others I cannot. It is difficult to discuss this entire matter with any degree of candidness. It is currently under RCMP investigation and the subject of a case before the Federal Court of Canada. However, I would like to make the point that the federal Government does appreciate that a number of small businesses in the Northwest Territories and Alberta are facing financial difficulties as a result of the Exco Energy case.

Many Members of the House may be aware that last year the creditors of Exco Energy Limited, or Forward Resources Limited, as it was formerly known, voted to place Exco into bankruptcy. As a consequence of this action, the affairs of the company are now in the hands of a trustee who will distribute the realizable assets of the company.

As Members of the House will also be aware, Exco trustees have just filed a suit in the Federal Court of Canada against the federal Government claiming failure to pay $26 million in PIP grants, resulting in damages of $110 million. It should be noted that concurrent with the bankruptcy proceedings, the RCMP investigation is proceeding to determine whether or not charges will be laid against the company. Naturally, we cannot comment on either the court case or the investigation.

With respect to the Petroleum Incentives Payment moneys owing to Exco, I wish to state that officials within the Petroleum Incentives Administration have been conducting an intensive audit since the spring of 1985. Well over 90 per cent of the audit has now been completed. Audit results to date indicate that no additional moneys are owed to Exco by the PIA. In fact, results would indicate that the federal Government is also a creditor of Exco.

The audits were presented to the trustee on a well-by-well and program-by-program basis as they were completed. The trustee has been invited to respond to the audit findings prior to final decisions being taken on them. The trustee has never responded to the audit findings, although some were presented to him over six months ago, and has chosen to serve the Crown with a statement of claim in the Federal Court for $26 million in PIP incentives and $110 million in damages. The Crown filed its statement of defence on May 15, 1986.

In light of the legal action in the Federal Court, the Crown has no choice but to proceed with its claim in the bankruptcy proceedings. As the criminal investigation of the RCMP is still under way and the civil action is before the courts, I must decline comment as to the case. I am sure the Hon. Member will understand the predicament in which we find ourselves.

Adjournment Debate

SHIPBUILDING - MORATORIUM REQUESTED ON IMPORTATION OF VESSELS CONSTRUCTED ABROAD. (B) REQUEST THAT GOVERNMENT ANNOUNCE POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the opportunity this evening to raise once again the failures of the Government in the area of shipbuilding policy. On April 25 I put questions, first, to the Secretary of State for External Affairs (Mr. Clark), and then to the Minister of Transport (Mr. Mazankowski), pressing the Government to develop a policy for shipbuilding. I pointed out at the time that the Minister was undoubtedly aware that most of the work being done in Canadian shipyards is Government work for the Coast Guard and the Navy and that commercial work is almost ended, leaving yards like the ones in Collingwood and Thunder Bay to likely soon be without work.

I would like to expand a little on that because the situation in the Great Lakes yards is among the most serious which faces us.

Port Arthur Shipbuilding, of course, in my riding, is not simply a building yard. It expects work to appear at various points in time as repairs have to be carried out. It is a yard which has building capacity, however. Since it belongs to the same company which owns the yard in Collingwood, there is a possibility that if the Government had the right policies, we might see work being carried out at Portship and at Collship as well. I have skilled workers in my riding, as there are in Collingwood, who would be more than happy to undertake this work.

• (1825)

As a result of the lack of policy of the Government, what we find instead in one yard after another is workers who see the completion of contracts drawing near. They are concerned about the future. At Collingwood that is the situation which stares workers and the community in the face for this summer. In the St. Lawrence Valley, the yards at Lauzon and Sorel face these types of short-term anxieties. In fact, at Lauzon we have had the satisfaction of seeing a CN Marine contract for a second *Cariboo*-type ferry boat placed.

Just last week a large delegation of shipyard employees and members of Sorel and other communities came to Ottawa to plead on behalf of Marine Industries Limited for more work for their yard. This is the situation that faces one yard after another. There is a good deal of work in progress in some yards. As the Canadian Patrol Frigate Program comes into work in Saint John, and to some extent the St. Lawrence Valley, we will see work toward the end of this decade. However, the Government has done nothing in the area of policy to ensure that there is more than this government work being done.

We have seen very little government work added to that which the last Government put in progress. We have not seen any activity with respect to the statement of the Prime Minister (Mr. Mulroney) in August of 1984, when he was the Leader of Her Majesty's Loyal Opposition, to say that a top priority of a PC Government would be to create a more viable and prosperous shipbuilding industry. We have seen no action on the specific promises given at that time that a Progressive Conservative Government would apply the normal 25 per cent duty on foreign-built fishing vessels over 100 feet in length imported into Canada. We have seen no action on the promise that a Progressive Conservative Government would extend concessionary financial terms to domestic customers of Canadian shipyards. Nor have we seen any action from the Government on a doubling of the rate of duty for the temporary importation of foreign vessels.

Instead, what we have seen is something that is of enormous concern to people in the industry, something that surfaced in the context of the anxiety at Sorel. What came to light was a letter from the President of the Versatile Corporation, which owns Versatile Davie and Versatile Vickers in the St. Lawrence Valley, as well as Burrard Yarrows Corporation in Vancouver and Victoria, to the Minister of Industry and Commerce in Quebec. In the letter was a suggestion that this Government, instead of developing a shipbuilding policy to create work, had instead authorized him to begin discussion toward a rationalization of the industry.

He states in the letter that at a meeting in Ottawa with the former Minister of Regional Industrial Expansion and the Minister of Consumer and Corporate Affairs (Mr. Côté), it was decided that a rationalization should be authorized. He was asked to lead in that rationalization. This is from the President of a corporation which owns two of the yards. He was asked to undertake what could well be a closure of the yard at Sorel. The same letter, which, ironically was dated a week before my question here in the House of Commons, states in part:

> It was pointed out to me at that time that owners of shipyards in other provinces were also being asked to consider similar procedures.

He points out in the letter that shipbuilding in Canada not long ago employed 14,000 workers. The number has now fallen to 6,500 workers, and it is anticipated that we will soon have only 4,000 workers employed.

• (1830)

It is absolutely essential to have some of those policies put into effect so that we do not have to look at a rationalization which the Government is pushing. A rationalization may occur in the industry independently, but let the Government take the lead by establishing a moratorium on the imports of ships for domestic use. Let it lead by introducing concessionary financing for Canadian domestic ships. Let the Government act on the promises it made during the election campaign to apply a 25 per cent tariff on fishing vessels over 100 feet. Let it accelerate both the naval program and the *Polar VIII* ice-breaker program begun last September.

The Government's stand in this area is pathetic. It has had a record of no action and of promises not kept. I say this time after time. I hope to God that we hear something today as my

constituents and residents of other communities across the country are waiting for action. When are we going to get it?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, at least the Minister does not tend to be hypocritical. My colleague has raised a very important issue, one to which we are devoting very close attention. The Acting Minister of Regional Industrial Expansion (Mr. Mazankowski) is seized of this question and has been aware of it for many years, as the Hon. Member, if he appreciates the history of this Chamber, will understand. The matter has been raised in depth on a number of occasions with the unions, management and the entire marine industry in Canada. The future of our shipyards is one on which I need no lecture from the Hon. Member.

I suggest that there is no easy solution. The Government has already made an enormous contribution to the survival of this industry by providing through its own orders the great bulk of business now on the order books. It has already shown flexibility in its contractual dealings with the shipyards. For example, it agreed to renegotiate its contracts with Halifax Industries Limited so that the company could complete orders it already has with the Department of Transport for some Coast Guard vessels with ice-breaking capabilities.

The Government will continue to support the shipyards through public procurements. The *Polar VIII* ice-breaker program, the program to which my colleague referred, is under study and the patrol frigate program is under way. These two programs alone will provide some 10,000 person-years of employment to this very hard pressed industry.

To assure the future of the shipyards for the long term, they must also obtain commercial work. In the face of the collapse of world demand, coupled with the addition of new capacities in countries such as Korea, competition is fierce in all the markets of the world. We must, therefore, make sure that Canadian shipyards work at very high levels of efficiency without imposing an economic burden on the users of Canadian built ships. I am sure my colleague understands that.

For these reasons, the Government will be undertaking discussions and will be continuing discussions that are already ongoing over the course of the summer with the industry, labour and the provinces to solicit proposals for dealing with the future of the shipbuilding sector. The Acting Minister of Regional Industrial Expansion will be prompt to advise his colleagues in the House and the industry as soon as a solution can be found. To that end, we invite the views of the distinguished Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.35 p.m.

HOUSE OF COMMONS

Tuesday, May 27, 1986

The House met at 11.00 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government response to 25 petitions, Nos. 331-438 to 331-462 inclusive.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Pursuant to Standing Order 84(1) I would like to lay on the table in both official languages notice of ways and means motions to amend the Petroleum and Gas Revenue Tax Act. Pursuant to Standing Order 84(2), I ask that a day be designated for consideration.

* * *

[*Translation*]

COMPETITION TRIBUNAL

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, as chairman of a Legislative Committee, I have the honour of tabling, in both official languages, the Legislative Committee's report on Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, with amendment.

[*English*]

This Legislative Committee has sat extensively during the months of April and May, and on many occasions, for whole days at a time.

[*Translation*]

Thirty interest groups and individuals appeared before our Legislative Committee, and about 100 amendments were proposed. Half of these were accepted. We therefore believe this is a fair and equitable report that takes into consideration the proposals submitted by the witnesses who appeared before the Committee and by Committee members who were most diligent in their work and in attending the Committee's proceedings. The result is that a stronger and more comprehensive Bill can now be reported back to the House.

[*English*]

In closing I would like to say that acting as chairman for the committee has been an enriching experience for me personally, and I would like to take this moment to thank all the staff of the Members, the House of Commons and the Library, who made the work of the committee flow so smoothly.

[*Editor's Note: See today's Votes and Proceedings.*]

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PETITIONS

REQUEST FOR REPEAL OF TARIFF ITEM

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present two petitions today, one respectfully calls upon the Parliament of Canada to repeal tariff item 99201-1 of the Customs and Excise Acts, which violates the freedom of expression provisions in the Charter of Rights and Freedoms.

REQUEST FOR REMOVAL OF POSTAL STATION

Mr. Don Blenkarn (Mississauga South): A second petition, which calls upon the Parliament of Canada to remove the Clarkson Postal Station in Mississauga because it cannot accommodate the staff or the traffic congestion which ensues on the site where the post office is located.

[*Translation*]

REQUEST FOR REVOCATION OF CHANGES TO UI REGULATIONS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have the honour of presenting today a petition from people in my riding who are residents of Cap-Pelé, Robichaud and Barachois and are asking to have the changes in the unemployement insurance regulations repealed.

Motions

[*English*]

DECOMMISSIONING OF LIGHTHOUSES—REQUEST FOR INQUIRY

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have again the pleasure of presenting a petition to the House from many thousands of people who live on the coast of British Columbia who are seriously concerned about the closure and automation of lighthouses along the coast. They view this as a dangerous action by the Government and urge that a public inquiry be called to assess the dangers and damages done by this program. They note that search and rescue will be diminished, lack of communication, lack of accurate weather reporting, and they urge the Government and the Minister of Transport (Mr. Mazankowski) to call a public inquiry into this matter.

REQUEST TO REVOKE CHANGES TO UI REGULATIONS—BENEFITS

Ms. Sheila Copps (Hamilton East): I would like to present one of several hundreds of petitions from the residents of Victoria, British Columbia, who are calling upon the Government to revoke the recent changes to the unemployment insurance regulations which negatively affect former members of the Canadian Armed Forces, former members of the RCMP and other police forces, firefighters and other men and women who are forced in midlife to seek new employment.

POSTAL DELIVERY SERVICE TO NEW RESIDENTIAL AREAS

Mr. Simon de Jong (Regina East): Mr. Speaker, I have the honour to present, pursuant to Standing Order 106, a petition organized by Mr. Ed Tchorzewski (MLA for Regina North East) and signed by the residents of Park Ridge in the City of Regina. These residents pay taxes and pay the same price for postage as anyone else, but do not receive the service of door-to-door mail delivery. Canada Post's policy of not extending mail delivery to new residential districts means that the people who reside in Park Ridge, Regina, will receive less consideration than residents in more established communities.

Therefore, this petition of 196 citizens of Park Ridge are praying and calling upon the House of Commons to initiate a change in Canada Post's policy so that mail delivery services will be provided to those neighbourhoods that meet delivery criteria.

* * *

BUSINESS OF THE HOUSE

INTERNATIONAL RELATIONS—PRESENTATION OF FINAL REPORT OF SPECIAL JOINT COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties, and I think you will find a disposition to accept by unanimous consent and pass without debate the following draft order:

That, notwithstanding the Order of the House made on Wednesday, June 12, 1985, the Special Joint Committee on Canada's International Relations be empowered to present its final report not later than Wednesday, June 25, 1986; and

That a message be sent to the Senate to request that the Senate unite with this House for the above purpose.

Mr. Speaker: The Hon. President of the Privy Council (Mr. Hnatyshyn) has the unanimous consent necessary for the introduction of that motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Shall the motion be carried?

Some Hon. Members: Carried.

Mr. Speaker: Carried and so ordered.

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): At this point in time I would like to designate tomorrow as a further allotted day.

* * *

• (1110)

QUESTIONS ON THE ORDER PAPER

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. TRADE NEGOTIATIONS

On the Order: Government Orders

Consideration of an Opposition Motion—

That this House urges that the Government press upon the Government of the United States the unanimous views of the House of Commons as expressed in its resolution of May 23, 1986, and insist that the United States rescind the 35 per cent duties on British Columbia cedar shakes and shingles and guarantee that similar measures or other possible trade action will not be applied to Canadian products in the future if the present comprehensive trade negotiations are to proceed.—Mr. Tobin.

Mr. Speaker: By consent, the motion is moved by the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I so move.

I want to thank the House for the unanimous consent in allowing me to appear on behalf of the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) who will be following me in the course of the debate. I want to congratulate that Member from Newfoundland, who represents a very heavy forest industry in his riding, for having brought this to the attention of the House with such despatch.

The issue that absorbs us this morning and throughout the day concerns double-dealing by the President of the United States and the American Government because the imposition of a 35 per cent tariff against British Columbia red cedar shingles and shakes offends the very spirit and runs contrary to the very thrust of the current free trade negotiations between our country and the United States. The imposition of the tariff ran directly counter to the efforts of two Governments to enhance our respective access into each other's markets. In fact, as it affects B.C. red cedar and, indeed, the entire lumber industry, we already have a free trade arrangement that is now being offended rudely by a 35 per cent tariff. I might say that this tariff is so severe that at 35 per cent it is in effect a barrier that prohibits the entry of B.C. shingles and shakes to the American market.

This double-dealing also reflects the incompetence of the Government in the handling of our negotiations with the United States. We now have a situation where the Government and the Prime Minister (Mr. Mulroney) have no compass, no sense of direction and no sense of purpose. On the two occasions of the so-called Shamrock Summits with the President—where the only winner was St. Patrick and certainly not the people of Canada—the Prime Minister boasted of his special relationship with the President. He boasted of a closer relationship that he was fashioning between our two countries. Yet the President, the Prime Minister's partner, friend and confident, the man that he said was only on the other end of the telephone, was the one who used his presidential discretion and imposed this 35 per cent tariff on B.C. red cedar.

That special relationship was replaced by bombastic rhetoric, by promises of retaliation and by threats from the Prime Minister as he escalated his vocabulary to feign outrage and turn on his erstwhile partner. We have something to say about that because we will prove in the House that the Prime Minister was not surprised and had received full warning from the Premier of British Columbia well in advance of the presidential action.

The negotiations have been handled very badly. Prior to sitting down with the United States, the Prime Minister had already thrown away the Foreign Investment Review Agency, thrown away the National Energy Program and thrown away the book publishing industry. He had already received a weak commitment on acid rain and the President had made a unilateral deal with the U.S. Senators on our Canadian lumber industry in order to get free trade on the fast track.

Not only have the cards been thrown away, the timing for beginning the negotiatons was lousy. We have a $20 billion surplus with the United States. The average American Congressman thought that his or her real problem was Japan with its $50 billion surplus. Now they are looking directly at us and analysing our trade. This will not be a philosophical discussion with the United States, but a hard-nosed, eyeball-to-eyeball negotiation. The Americans will look at every item and every number and their objective in these trade negotiations will be to reduce our surplus of $20 billion down to zero. That is what they are trying to do with the shakes and shingles. That is what they are trying to do with lumber and fish. That is why they would like to reopen the Auto Pact. That is the message we are getting now from the President of the United States.

Of course, the negotiations were undertaken on the false premise, as we have heard from many of our independent institutes across the country, that the very fact of negotiating a trade arrangement with the United States would dissipate protectionist pressure in the U.S. Congress. That is a naive assumption. These negotiations seem to have done just the opposite. Focusing the attention of the American Congress on Canadian trade has perhaps even exacerbated those protectionist instincts or, at least, rather than being vaguely focused around the world against Japan or Europe, they have been focused on Canada as well.

We do not know how to respond to this issue from day to day. I am going to make a statement in another forum on the whole free trade subject. We set forth fully our position on September 26, when I spoke before Your Honour for an hour in the House of Commons. Our caucus met on January 19 when we again set out our position which carries the unanimous support of our caucus. We will further define that position when we assess the situation. However, we have not seen any facts.

[*Translation*]

There has been no clarification, no education of the public, no parliamentary debate to give Members of all parties a chance to contribute their insights, reflexions and opinions and those of their constituents. Not a single opportunity was given. Even the documentation provided by the Secretary of State for External Affairs (Mr. Clark) was censored. Every single page, and there were even a few pages missing entirely, every single page had been doctored prior to producing the documentation, so that Canadians are unable to judge the pros and cons, the advantages and liabilities, the cost and benefits of a future agreement. And provincial participation is practically non-existent. There is some confusion here. What do the words "full provincial participation" mean? The Premier of Ontario doesn't know, the Premier of Quebec doesn't know, the Premier of British Columbia doesn't know. These talks are being pursued in an amateurish, clandestine and absolutely incompetent fashion.

[*English*]

Our negotiators' lack of understanding of the American position has been absolutely negligent. Apparently we were

taken by surprise by the close vote and the opinions of the 20 U.S. Senators on the Finance Committee of the United States Senate. What was our embassy doing? What was the 100 person trade office, set up under Mr. Reisman, doing here in Ottawa? Why were we taken by surprise?

I suggest that the Government should not have been surprised about this issue as well. I am holding a copy of a letter to the Prime Minister of Canada from the Premier of British Columbia, the Hon. W. R. Bennett. It is dated May 7, 1986. I will read it into the record:

My dear Prime Minister:

As you know an investigation has been conducted under Section 201 of the U.S. Trade Laws regarding imports of wood shingles and shakes from Canada. The International Trade Commission has determined injury to U.S. industry and has forwarded recommendations to President Reagan.

The Commission is divided in its recommendations with one-half recommending no restrictions and the remaining three Commissioners recommending a 35 per cent tariff be applied.

The matter now rests with the President who has full discretion in deciding what action, if any, is to be followed. He is required to announce his decision on or before May 24, 1986.

I am deeply concerned that the President may in fact decide to impose a tariff, perhaps for extraneous reasons.

He may decide to show that he is not reluctant to act on Section 201 cases. Furthermore, in view of the difficulties surrounding the Senate Finance Committee decision to provide the President with fast track authority, he may decide to demonstrate a tough posture *vis-à-vis* Canada.

This matter is of great importance to Canada and, in particular, to British Columbia. The jobs of an estimated 4,000 workers across Canada are threatened. I urge you to contact the President directly so as to convince him not to act in any way against Canadian shingle and shake imports into the U.S.

• (1120)

The final two paragraphs merely reinforce that particular argument and the letter is signed by the Premier of British Columbia.

In other words, the Prime Minister was warned directly by the Premier of the province most intimately affected. He was urged to contact the President of the United States. We do not know what was done. We suspect nothing was done. Yet despite this knowledge, the Prime Minister feigned surprise and outrage. It was a phoney reaction. It was a manufactured reaction and cosmetic bombast. The Prime Minister knew about the issue. He should not have been surprised. He had been warned by the Premier of British Columbia.

We have a very serious situation in British Columbia involving the B.C. cedar industry. I met yesterday in my constituency office with a committee representing the entire lumber industry of British Columbia. It told me that this tariff has the following direct job and dollar effect on the Canadian economy; first, the loss of 4,000 direct jobs with an annual payroll in excess of $100 million; second, raw materials suppliers face the loss of revenues in excess of $100 million; third, transportation loss of revenues resulting in approximately $55 million; four, suppliers to the industry face losses in excess of $25 million; five, financial institutions face losses of revenues of $36 million on short-term financing, not to mention the long-term financing and the problem now facing the whole industry in terms of the availability and continuance of credit. These direct effects total more than $344 million per year. That is concentrated in B.C. cedar and the shingles and shakes industry, because white cedar was excluded, and related industries, which are directly involved. With respect to the indirect dollar effect, the industry representatives made the point very well.

The irony of the situation is that the action taken by the President is not going to help the American shake and shingle industry because it faces, as do our Canadian suppliers, a declining North American market. Cedar used to represent a considerable percentage of roofing in North America. It is now down to 3 per cent because of the competition of asphalt and tile. This will leave the American industry crippled because it is now going to be without raw material to manufacture its part of the industry. Moreover, it is going to be absolutely captive to the big lumber and logging companies of the United States, the Weyerhaeusers, the Georgia Pacifics, the Boise Cascades. It will now not have any competitive counterweight against the tremendous economic power it faces. The President's action will not help the American industry but it will absolutely cripple, even destroy, our lumber industry in British Columbia because at 35 per cent we do not have a tariff, we have a wall which cannot be climbed.

Is this a shot across the bow of the Canadian lumber industry? Is this a harbinger of things to come? The Canadian lumber industry has become a pawn in the trade discussions with the United States. I have already recited the letter from the President of the United States to the senior Republican Senator of the State of Oregon, Senator Packwood, Chairman of the Finance Committee of the U.S. Senate which piloted that fast track resolution. He is also the senior senator from the largest forest-producing state in the Union. He received a separate deal. That deal was consecrated in a letter we put before the House from the President to the senator saying to him, and to other senators, we suspect: "Don't worry, boys, about these free trade negotiations with Canada because the lumber negotiations will be kept separate and I, as President, will enforce the full weight of the American law to protect our lumber industry". And that is what has happened.

Now a countervail action has been filed by the American industry against our Canadian industry, not only in British Columbia but in New Brunswick, Ontario, Newfoundland, Quebec and right across the board. The law has not changed. Our industry won a countervail action in 1983. The facts have not changed. But perhaps there is connivance on the part of the administration that this time a countervailing action will succeed. The President still has until June 6 to use his discretion as to whether or not he will receive that petition from the American industry. If the President refuses the petition, the action does not go any further. If he receives the petition, the whole quasi judicial process in the United States proceeds inexorably towards some kind of conclusion. Of course, the Canadian industry suspects the worse. It suspects

that the attitude of the United States' administration has changed adversely against Canadian interests.

Our position on this issue can be summarized in this way. First, we want the Prime Minister to call the President of the United States directly on the telephone, use the advantages of that vaunted special relationship with the President and accept the President's invitation to call him any time he has a problem. We want him to ask the President two things. We want him to ask the President to reverse the 35 per cent duty on B.C. shingles and shakes and to exercise his discretion to refuse the countervail petition of the American lumber industry against the Canadian lumber industry. We want our Prime Minister to suggest to the President that while trade negotiations are continuing between our two countries, we negotiate with the United States—and it can be done simply by an exchange of letters between the President and our Prime Minister—a standstill agreement or what I have called a "cease and desist" agreement, so while any general discussion on trade are being taken between our two countries the unilateral harassment actions like the imposition of tariffs or countervailing actions on both sides of the border cease and desist.

If we do not get a satisfactory response from the President on these issues then, as my colleague, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) suggested in the House at the end of last week, we as a country should seriously consider reassessing these negotiations with the United States on trade, or suspend them until we get some understanding of what is going to happen by way of the unilateral harassment actions.

We do not believe that this is the time for retaliation. We believe this is a time for cool assessment by our Canadian Governments. This is a time for negotiation and a time for ascertaining the real mind of the President and of his administration. I am supported in that view by the President of the IWA, Jack Munro. I am supported in that view by the Premier of the Province of British Columbia with whom I spoke on Sunday. I am supported in that view by the Council of Forest Industries of British Columbia with whom I met yesterday, and I am supported in that view, I understand, by the Member of Parliament for Mission—Port Moody (Mr. St. Germain), the chairman of the Conservative caucus. That is the attitude we ought to take, not this sort of catch up ball which the Prime Minister and the Secretary of State for External Affairs (Mr. Clark) are trying to play in order to make them look tough after they have looked like patsies for the last year and a half. It is not going to work.

Finally, we want a statement from the Government that if the tariff persists there is adjustment for our industry and for our workers in British Columbia who have been been put absolutely out of business.

I know exactly what I am doing here, and if the Government had known what it was doing we would not have had to put this motion forward. That is our position. We look forward with great interest to what the Government will propose. We look forward with great interest to see how the Prime Minister responds. This issue could have been foreseen. It was highlighted to the Prime Minister. It was signalled to him by the Premier of British Columbia. Any feigned surprise will not wash. Any phoney, bombastic, cosmetic rhetoric just will not fly. We present this motion to the House with the utmost conviction and the utmost sense of outrage at the futile conduct of the Government throughout this whole matter.

• (1130)

Some Hon. Members: Hear, hear!

Mr. Speaker: Are there questions or comments? The Hon. Member for Mission—Port Moody (Mr. St. Germain).

Mr. St. Germain: Mr. Speaker, in a spirit of resolving a situation which is very traumatic and dramatic for western Canada, I appreciate the concern that all individuals and all Hon. Members have taken with respect to this issue that deals with an acute situation that has arisen, especially in my riding.

I have a couple of questions to ask the Right Hon. Leader of the Official Opposition. He alluded to the fact that this is an inappropriate time to commence free trade talks because of the $20 billion imbalance. What is the position of the Liberal Party? Does it have a position as a Party? Why has it not enunciated it before now? We have been listening.

Ms. Copps: Are you deaf?

Mr. St. Germain: I say to Hon. Members that we will not stand in our places and say that we will not listen to other people. We have maintained from the very beginning that we will consult and conciliate with every Canadian in seeking a resolve to some of the major problems which face the country, especially in terms of improving the plight of Canadians who seek jobs. My first question is, will the Hon. Member cleary enunciate the position of the Liberal Party? The Hon. Member says that this is an inappropriate time. I would like him to respond to the 300 protectionist Bills which are sitting in the Congress and in the Senate of the United States. Does he feel that they will just disappear or that some fairy godmother will come down and strike these things off the face of the earth? I would like him to respond to those questions if he could, please. I would like the tone of this debate to be positive so that we can all work toward a resolve.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I can understand the embarrassment which the Hon. Member feels. I sympathize with his constituents since they are very deeply affected by this issue. We are trying to find a solution.

First, the position of the Liberal Party was set forth in a one-hour speech I made on September 26 in the House of Commons. The Prime Minister introduced the resolution in a short, vague and ambiguous speech which took 15 minutes, and we have not heard from him since in the House of Commons.

Second, he can find our position in a caucus statement dated January 19 which carries the full force of our caucus. It was distributed to the House and to the media. It sets forth our position. I believe I will have an opportunity to render that even more precisely before the House rises.

I am saying that the position of the Opposition has been very clearly set forth. Our problem is, as it is the country's, that we do not know where the Government stands. There has been no statement of principles. There have been no facts which set it forth. We have not been told what is negotiable and what is not. We have not been told what is on the table and what is not. The provinces are in the dark. The Canadian public has no facts at all.

We believe the timing was bad because a $20 billion surplus is not the best opening gambit. Nor is it good timing to begin negotiations in an election year when key U.S. Senators and key U.S. Congressmen will not be able to look at this issue with the type of objectivity which one would expect and hope in a free trade arrangement.

In terms of the protectionist sentiment in the United States, the naivité of the Government was and remains, I suppose, that beginning negotiations would dissipate that protectionist sentiment in the U.S. Congress and those 200 Bills would just disappear. That has not turned out to be the case. My response to the Hon. Member is, what price does he want the country to pay to dissipate that protectionism? We are looking constructively at the discussions. We have laid out what we believe are the benchmarks. However, the negotiations have been handled so ineptly that the country is shaken to its roots by the incompetence of the Government.

Some Hon. Members: Hear, hear!

Mr. Fulton: Mr Speaker, I have two short questions to which I hope the Hon. Member will respond. Yesterday, when he met with the same group with which I met, he indicated that it was his position, and I assume the group thought that it was the position of his Party, that he wanted to have the comprehensive trade talks suspended until the 35 per cent duty in relation to shakes and shingles was removed. That is not what the motion suggests. I wonder whether you could clarify if that is your position that is, if the 35 per cent duty placed against shakes and shingles is not removed then you want those talks to terminate.

The second question is in relation to log and bolt exports to the United States. Mr. Clark is on the record as opposing the movement of any cedar logs or bolts—

Mr. Speaker: Order, please. The Hon. Member is starting to use "you" again. I remind him that questions are directed through the Chair. I think he knows he should also refer to the Right Hon. Secretary of State for External Affairs.

Mr. Fulton: I wonder if the Hon. Member could expand with respect to what is the position of the Liberal Party in relation to the log and bolt exports.

Mr. Turner (Vancouver Quadra): Mr. Speaker, when I met with the representatives of the shake and shingle industry I expressed our view exactly as I have expressed it this morning. First, we want the Prime Minister to test the President and the President's willingness to withdraw the tariff against B.C. red cedar shakes and shingles. Second, we want the Prime Minister to test the President as to whether or not he will exercise his discretion and refuse the petition on countervail against the Canadian lumber industry. Third, we want to know whether he would agree to some sort of cease and desist or standstill agreement with Canada while the negotiations are proceeding. Failing that, we would have to consider reassessing or suspending our free trade negotiations with the Americans. That was my position then and that is my position now. Let us stay with shakes and shinges and we will deal with the other matter on another occasion.

Mr. St. Germain: Mr. Speaker, the Right Hon. Leader of the Opposition has said that he opposes retaliations which would trigger a trade war.

Ms. Copps: So did you!

Mr. St. Germain: I oppose any action that would trigger a trade war. If the Hon. Member's position is one in which he seeks a solution to this problem, does he have a definitive position? I go back to this question because the Liberal Party should have a clearly enunciated position and it does not seem to have one.

Mr. Frith: Where have you been?

Mr. Guilbault (Saint-Jacques): Wake up, you've been sleeping too long.

Mr. Frith: Bye-bye, Gerry.

Mr. Speaker: Order, please. The Hon. Member knows that I have to allow time for a reply. Will he complete his question or comment briefly, please.

Mr. St. Germain: They said bye-bye in 1983 and 1984 and I proved them wrong then, and I will prove them wrong again.

Ms. Copps: You didn't have shakes and shingles hanging around your neck then.

Mr. St. Germain: The Hon. Member wants the Government's position which, without question, has been clearly enunciated. I ask him for the position of the Official Opposition. He says that he gave the position in a speech and that he clarified it further as he went along. I say this in sincerity. We want as much constructive criticism or as many constructive points as can be brought forward in this debate. It is an issue critical to British Columbia and to all of Canada.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I say to the Hon. Member that he ought to review what I said in the House on September 26. He ought to review our caucus statement as well. He ought to bring both documents into his own caucus

and ask the Prime Minister where he stands on all the issues we have outlined before the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Second, we will be as constructive as we can. On behalf of our caucus I believe I have put forward a very constructive proposal to the House this morning. I hope the Hon. Member will reinforce it through the very eminent position he holds in the caucus of the Conservative Party.

• (1140)

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to participate in this debate. I would like to begin by taking a close look at the motion before us. In my view, it does not address what has taken place; it wanders, and I think it is worth reading. It is as follows:

That this House urges that the Government press upon the Government of the United States the unanimous views of the House of Commons as expressed in its resolution of May 23, 1986—

The motion reads very well up to that point. It refers to the motion introduced by the Leader of my Party and unanimously supported by the House on Friday. The motion then goes on to read as follows:

—and insist that the United States rescind the 35 per cent duties on British Columbia cedar shakes and shingles—

It reads well to that point. However, it then goes on to say the following:

—and guarantee that similar measures or other possible trade action will not be applied to Candian products in the future if the present comprehensive trade negotiations are to proceed.

That is about as vague as one could possible word the tail-end of a motion. It basically means that the Liberal Party is not calling for a suspension of the trade talks at this time because Liberal Members do not view this as being a matter substantive enough to have those talks suspended.

I think we have to look at what the House did. We have to be very careful and methodical about how we will get the 35 per cent duty removed. I learned yesterday that the President has not yet signed that duty into law. The announcement was made by the White House, but there is still a vague opening. There is still an opportunity for us to remove the 35 per cent duty.

How do we go about removing the duty? The Cabinet is meeting today to look at placing retaliatory duties against oranges, for example, or products from Washington, Oregon, Idaho, northern California and other areas. We must ask ourselves how the U.S. administration will respond if those kinds of tariffs and duties are placed against their products. That will pound the final nails into the coffin of this issue. There is no way either Reagan or the U.S. administration will back off once those kinds of retaliatory measures begin.

I would encourage Members of the House to take some time to read about what happened in the late 1920s and on into 1930 when the Smoot-Hawley Bill was introduced in the United States and kicked off a trade war that had effects all the way around the world. Part of what precipitated the Smoot-Hawley process and the trade war was Canadian wood products. It is an extremely sensitive area and we have to look carefully at what has been said so far because we are beginning to see the personality of the Prime Minister (Mr. Mulroney) revealed.

We heard the statements made by the Prime Minister here in the House on Friday. As the Leader of the Official Opposition (Mr. Turner) has pointed out, the Prime Minister knew for three weeks that this was being precipitated. We knew that Paula Stearn, the Chairperson of the International Trade Commission Secretariat that looked at the shake and shingle issue, voted with the other two members of the commission that there be no countervailing duty brought against B.C. shakes and shingles, but the other three members of the commission voted for it. Then the President stepped in and here we have to deal with the whole question of good-faith negotiations between the President and Canada.

It is clear that there was not a clear launch to the negotiations. I will deal with that more extensively in few moments. Time and again, the Prime Minister has said that we have to give the benefit of the doubt in most of these situations to the President of the United States. Anyone who has ever played cards knows that the first time someone is caught cheating at cards, very tough action has to be taken because that person will continue to cheat while playing cards if he finds out he can get away with it.

The American administration managed to pillory a $250-billion B.C. industry without a peep from the Premier of British Columbia. He has not asked that the talks be suspended. He is waving in the wind on retaliatory action. The Prime Minister used the harshest words used in this century against the President of the United States but, so far as I have been able to learn today from people here in Ottawa, he has not had a response to that telex. There has not been a response to Mr. Clark's initiative with Mr. Shultz, nor has there been a response to any External Affairs or embassy initiatives.

We have here a very clear example of bad faith on the part of the President of the United States. I think we have to look back with care to earlier this month and recall the note scribbled on the bottom of the letter written to Senator Packwood saying: "Don't worry about lumber, Bob, we'll fix it".

Mr. Turner (Vancouver Quadra): Don't worry about timber.

Mr. Fulton: That's right, don't worry about timber. We should recall the letter of May 8 from the President to Mr. Packwood of the Senate Finance Committee indicating that they would try the bilateral talks process, giving us a full week to try the entire envoy process. How marvellous to have a full week in order to negotiate for the largest singly-traded bilateral commodity between Canada and the United States, a

$25-billion industry thrown to the rocks. The President went on to say, "or unilateral trade action will be taken". It has now been taken and the Prime Minister had better wake up to what is going on.

I hear the Leader of the Opposition, the Prime Minister, the Premier of B.C. and others talking about putting some kind of fund together to assist the shake and shingle workers who have in some cases already lost their jobs and in others are about to lose their jobs. Where will the shake and shingle market be diversified to? Will it be diversified to the Arctic? It will not be diversified into Japan, Great Britain or other areas of the United States. The fact is that there are some other stick-handlers in this game at whom we as Canadians had better take a close look.

The tile producers and asphalt shingle producers in the United States are a part of this action. As well, the Washington, Oregon, Idaho and northern California shake and shingle producers want our bolts and our cedar logs because they do not have enough raw product to maintain their own position in the market.

I would like to deal for a moment with market penetration because that is one of the hot issues being used by the Americans. They say that we have gone from a 50-50 relationship to a 75-25 relationship. The reason we have greater participation in their market is that we have spent new money on shake and shingle production in British Columbia. We have more raw product available to us. We have a more competitive production process so we may sell that product at $38 to $40 per square to the United States.

Let us deal with that argument head on. While the United States has taken almost 150 petitioning processes of one kind or another against Canadian products since the so-called free trade negotiations began, Canada has not taken a single one against the United States. We have not protected our potatoes, our fish and many other commodities adequately. The U.S. is winning part of the argument right now. The Americans know that because of the level of bank loans to some of the shake and shingle producers in B.C. those producers are going to need to at least move bolts or logs to the United States market, and that is of course exactly what those guys want.

I was pleased to hear what the Secretary of State for External Affairs (Mr. Clark) had to say on May 27. At that time he said that the Government will not permit the Canadian shake and shingle industry to be exported across the border. That view is supported by the shake and shingle industry coalition with which I met yesterday. That coalition has already written to the Province of B.C., and I assume that letter will soon be in the hands of the Prime Minister, taking the exact same position. The shake and shingle workers do not want those 4,000 shake and shingle jobs in B.C. simply exported across the border so the American shake and shingle mills can pick up our jobs.

We now know where Liberal Members stand. They do not think that this is enough of a bad-faith issue, a British Columbia issue or a Canadian issue, to call for the suspension of the trade talks on this issue alone. They are opposed to any kind of countervailing action or any kind of retaliatory action, but they have given themselves all kinds of escape routes rather than hitting the nail on the head. If at the very beginning of bilateral negotiations, such as those into which we have entered, we find that we are being dealt with in bad faith, as we have now discovered, we have to change the rules of the game and get back to square one.

I think it is worth while for Canadians to know just exactly who in the United States and who in Canada is interested in pushing for free trade talks. Since last September when the Prime Minister announced this initiative, I have never been stopped on the streets by anyone saying: "Jim, I want you to get in there and fight for these trade talks, they are going to get me a job". Do you know who in Canada is fighting for free trade? Do you know who is leaning on Simon Reisman and the Prime Minister? One simply need totter down to Bay Street and see who is going back and forth to Mr. Reisman's office, the $78,000-per-day operation, in their limousines. It is the big-seven families; the Bronfmans, the Reichmanns, Power Corporation, Conrad Black and Brascan. It is the big integrated operations that can move capital and branch plants easily back and forth across the border.

Who is for free trade in the United States? I should like to refer to the second page of Mr. Yeutter's evidence before the United States Senate Finance Committee. He referred to those U.S. industries which were most interested in seeing high Canadian tariffs eliminated—furniture, telecommunications equipment, home appliances, cosmetics, electronics, paper products, recreational boats, aluminum products, wall coverings, and leather. Then he pointed out that U.S. beer and wine interests wanted a good crack at the Canadian market, as well as poultry, eggs, dairy products, meat, and so on. There is the pressure.

• (1150)

How can we get a President and an administration that acted in bad faith during a process such as this to back off? How can we do it? I do not think it is by taking retaliatory measures against Washington, Oregon, Idaho, and California. I do not think that will assist at all. As I said earlier, it will pound in the last of the nails. It will also ensure that Secretary of Commerce Baldrige, on June 2, proceeds with the countervail action against Canadian softwood lumber.

The Leader of the Opposition said that it was just a shot across the bow of the Canadian lumber industry. My colleague reminded me that it was a direct hit, midships at the water line, for the shake and shingle industry. As it sinks, so too do our efforts in relation to the lumber issue. Contrary to what the previous speaker said, we know that case law has changed in the United States. Anyone in Canada interested in the forest industry who has not read the countervailing position, or the case law in the carbon black case from Mexico, had better read it pretty damn quick. If Secretary of Commerce Baldrige

and the President decide to proceed against the Canadian forest industry *per se*, we are in real trouble.

Backing that up, of course, is the fact that there is no longer 300 "Goosey-Lucy" Bills in the U.S. Congress. They have been amalgamated into one Bill, the Gibbons omnibus trade Bill, which is 485 pages long.

Let us think of the timing of this so-called great friend of Canada, President Reagan. Last Wednesday night that Bill went through with the support of the Democrats and the Republicans on a vote of 295 to 115, and it is before the United States Senate today. If it goes through this week, which is what is expected, as we learned in the forestry committee last Thursday, a countervailing duty could be brought against Canadian softwood products generically from coast to coast by July 4.

Let us think of the timing. In the same week the so-called free trade talks opened, a 35 per cent duty was imposed on B.C. shakes and shingles. Also in that same week there was the 295 to 115 vote on a 485-page Bill almost entirely directed against Canada. Let us think about exactly what they are after. It will affect the aluminum industry because its resource subsidy section goes after our entire resource base. It goes after 80 per cent of our trade with the United States. However, we talk about free trade, good faith, and trusting the President and the U.S. administration!

What has happened is that our new Government has not understood the politics of the issue and the depth of protectionism in the United States. I must say to my friends in the Liberal Party that I have been attending meetings continuously during the past year and I cannot recall a single occasion when any member of the Liberal Party came to those meetings. The motion before us is really a "Johnny-come-lately" motion. It is saying that suddenly the forest industry in Canada, the shake and shingle industry, is one of their most important concerns.

Mr. Frith: Cheap shots.

Mr. Gauthier: Yes, cheap shots.

Mr. Fulton: Mr. Speaker, they want to deny it, but anyone can look at the record of who has attended the meetings of the forestry committee or who has attended the meetings in Vancouver with members of the U.S. subcommittee on trade and other such meetings. Anyone can find out that they are very much a "Johnny-come-lately" on this issue.

Let us deal for a moment with what is happening to the shake and shingle industry, and then I will return to protectionism. There will be a 35 per cent duty for 2.5 years. The coalition members made clear that almost none of them could survive in that 95 per cent of their product went into the U.S. market. Thereafter it will be 20 per cent for two years and 8 per cent for the six months following, if the U.S. industry still needs it.

The big difference is that this is a 201 ruling and 332 is the big one at which we are now looking. Between now and next Tuesday, when Secretary of Commerce Baldrige will make his determination on whether or not to proceed, we should take the strongest possible action we can. We started well last Friday with the unanimous motion of the House, and I think the U.S. Congress and President Reagan will have heard about it. We should suspend those comprehensive talks right now and say: "No more of this bad faith; you promised a clean launch and you did not deliver".

Perhaps the Prime Minister thinks that we can sacrifice those 4,000 jobs. Almost all of them, or a good healthy chunk of them, are in Mission—Port Moody. Some are in my constituency on the Queen Charlottes and in the northwest, but most of them are between Hope and Vancouver and on Vancouver Island.

Perhaps that industry will be sacrificed. Perhaps the Prime Minister and the Premier of British Columbia will say that they will put together a package to save those workers' jobs or whatever. Those workers know that that is not possible. There is not a market into which to diversify; there is not another readily accessible product. That kind of approach would be used simply to calm the concerns of Canadians generally, so that the Government can say it took action, that it assisted shake and shingle operators, and that they do not need to worry.

I should like to refer to the figures which were quoted by the previous speaker. They were given to us by the coalition yesterday. They are staggering. They indicate 4,000 jobs and a total of $344 million in relation to payroll, raw material, transportation, and supplies, as well as another 20,000 jobs indirectly and hundreds of millions of dollars. It went on to point out that the entire industry had been reduced from approximately seven million squares in 1977 down to four million squares in 1985, and that the majority of the loss was in the traditional marketing states of California and Texas. That is where the big move is on in terms of tile and asphalt shingles.

Also the coalition pointed out something which is key to evaluating the issue. It pointed out that it was important to note that the existing United States industry was not dead and that the portion which did not survive was not killed by Canadian production. It was killed as a result of loss of market, lack of economical raw material, and failure to automate. Also it pointed out that every Canadian firm which did not automate and adjust to markets has been removed from production as well during the same period of time.

In terms of existing inventories, the coalition pointed out that the 35 per cent tariff would add $40 million to the cost of existing inventories of raw materials and manufactured goods which cannot be processed and shipped prior to June 6. Not only is a $250 million industry at risk, also at risk are their inventories and the 20,000 associated indirect jobs, most of which are in the Fraser Valley. The Government has a responsibility not to ballyhoo and talk tough.

I should like to refer to a question I put to the Prime Minister on May 21. In part my question was:

I think he is aware that on May 8, President Reagan wrote a letter to Senator Packwood regarding Canadian softwood lumber in which he stated: "—I intend to press for an expedited resolution to this problem independent of comprehensive negotiations."

I am sure the Prime Minister is aware that President Reagan controls the acceptance or rejection of the countervailing action through Secretary of Commerce Baldrige. Has the Prime Minister himself, through his office, by phone, or by letter, contacted President Reagan and asked that this countervailing action be stopped?

The Prime Minister did not do what I suggested. He went on to say:

Mr. Speaker, no. I think I responded to that question yesterday. We are satisfied that the mechanisms in place are designed not only to eliminate problems but to create a climate of confidence within which these problems can be resolved. That is exactly what we are trying to do—not by yelling at the problems, not by denigrating anyone, but by sitting down in a reasonable, positive, and strong way to resolve these problems on behalf of Canadians.

That was six days ago. On Friday the Prime Minister decided it was time to yell at the President. That is his initiative. We will discover over the course of this debate and over the next couple of days what will be the personality of the Prime Minister and his Government and whether they will retaliate. If so, that will finish the shake and shingle industry. If they offer some kind of $500,000 adjustment program through FLIP, LEAP, JET, FLOP or whatever, it will be a total failure. They should take the constructive action which is absolutely necessary in this kind of relation and dialogue with the United States, our largest trading partner, with $130 billion last year—the largest bilateral trade in the world. Our largest single industry is now at risk. One Canadian in ten or one million people are at risk. We have just lost 4,000 jobs. That was a dead hit by the President at midships, and that ship is going down.

• (1200)

I want to hear from the Government side whether or not the Government is prepared to take the kind of bold Canadian initiatives upon which this country was founded, which is to say to the United States: "You cheated at cards and you are not going to get away with it. We are suspending the free trade talks today."

Mr. St. Germain: Mr. Speaker, I do not agree with everything the Hon. Member put forward this morning, but he did put forward some things that are of great concern to all of us. As he pointed out, the newly concerned individual from the Liberal Party, the right hon. Member for Vancouver Quadra (Mr. Turner) has just arrived on the scene now that it is a national issue. It is important to note the answer he gave with regard to the exportation of logs and bolts. He said: "We will leave that for another day". What he is leaving for another day is possibly the exportation of jobs in Mission-Port Moody and jobs for Canadians right across the country. I would like the Hon. Member to give me his reaction to that. I am quite certain from the Member's speech that his concern is also the same concern as ours, even though the Official Opposition has decided to put it off for another day.

When the Hon. Member spoke of the penetration of the market I think he left a few questions unanswered. He quite rightly depicted the American industry and what is happening in the United States, but he failed to point out that the amount of shakes and shingles used has decreased. We basically maintain our level of production and shipments to the United States but the U.S. has lost its portion, and that is quite important. This has been a declining market, but inasmuch as it is a declining market I just wanted to set the record straight on it.

The Member said we should suspend the free trade talks, but the solution to this problem lies in free trade because that is what is in jeopardy. Will the Hon. Member comment further on this? It appears he wants to cut off his nose to spite his face. In spite of this Draconian action taken by the President of the U.S.—it may be unethical but I do not believe it is illegal because laws exist under which the Americans can take this action—I still feel that the free trade negotiations have to be addressed in a more responsible manner. I would like the Hon. Member to reply to the logs and bolts issue which is so important to jobs in British Columbia.

Mr. Fulton: Mr. Speaker, I am glad to respond to the Hon. Member's point. It is clear that the Liberals really do not know where they are at on a lot of these issues. The Hon. Member, I believe, was the one who put the question to the Secretary of State for External Affairs to make sure that the Government's position stayed solid and that there would not be the export of logs and bolts. I am sure the Hon. Member is also aware of the study just released from the University of British Columbia produced by Michael Margolick and Russell Uhler. This study was funded by the Canadian Forest Service. It points out that by lifting the restrictions on log exports, which would include cedar logs, not directly bolts, there would be a short-term increase of $40 million a year to the log exporters but a direct loss of 3,200 jobs in the wood processing industry. Part of this is the desire by some in the United States who are extremely short of raw product—and here I am talking about the states of Washington, Oregon and Idaho—who need bolts and raw logs because they simply cannot get them in their own areas. They would very much like to see exported logs go down in price and domestic logs go up in price, because they would be getting firesale prices on cedar throughout that whole area. Not only would the industry be benefiting from the 35 per cent duty placed against our producers but it would be getting firesale product. Anyone who applies any logic to that would realize that that would immediately provide for the movement of those 4,000 jobs, or perhaps more, directly across the border.

As far as the second point made by the Hon. Member regarding market penetration is concerned, I pointed out that the coalition reminded me that our participation has been reduced from seven million squares in 1977 to four million squares in 1985. The market has constricted massively because

of the penetration of competing products, such as tile and asphalt.

To take this kind of Draconian action, to use the Hon. Member's words "unethical action", requires the strongest kind of response, and here I come directly to the point made by the Hon. Member for Mission—Port Moody (Mr. St. Germain). Should this country continue this so-called free trade process at this time? Again I come back to the analogy of playing cards for the first time. Whether you are a dealer or a player and you catch someone cheating, what do you do? Are you going to punish someone else because someone cheats?

We were given a country to country guarantee that there would be a clean launch. The Senate Finance Committee got tied up and we ended up with a 10-10 vote. Some special offers were made and are now being delivered to Senator Packwood and other Republican lumber state Senators. It is simply a question of whether you are prepared to continue dealing with someone who has cheated in the opening days of a process. That is what this is. You can call it unethical, you can call it bizarre, as the Prime Minister does. You can throw out all kinds of other language, but you have to withdraw from a process and evaluate internally within your own bureaucracy and political system and not allow the Americans to do something? The pressure will come very quickly, as it did on generic drugs and other things. There will be enormous pressure on the President. That 35 per cent duty would be withdrawn by next Tuesday, I can guarantee you, if we suspended those talks today, Mr. Speaker. I can absolutely guarantee that. The pressure on the White House from those who want to negotiate is far bigger than this. There is $130 billion in trade on the table to be negotiated on an annual basis. To worry because there is legislation in the U.S. Congress is one thing, but to say what is being done unilaterally and politically on a whim to apply this kind of duty means you have to call the cheater at the game.

Mr. St. Germain: Mr. Speaker, I honestly believe that the Hon. Member tried to leave the impression that the Prime Minister was not aware of this issue. I can tell you, Mr. Speaker, as one who meets with the Prime Minister on a weekly basis and who chairs the national caucus, that this issue has been monitored from the day, that it arose on the scene in the U.S. and it has been an ongoing issue under discussion in our caucus. It is an issue with which the P.M. is totally current. He knows every aspect of it. We have kept the Prime Minister involved. The shock and the dismay the Prime Minister showed here last week was absolutely sincere.

Mr. Frith: Lies.

Mr. St. Germain: The Hon. Member aptly tried to present the fact that we were asleep at the switch. We were not. He knows that because I have been speaking with him on an ongoing basis. I know the Hon. Member has knowledge in this area. We have tried to work together. I want to let the Hon. Member for Skeena (Mr. Fulton) know that the Prime Minister knew everything about the issue. The Prime Minister knows more about shakes and shingles than many Canadians.

Mr. Fulton: Mr. Speaker, the Member puts some interesting information on the record. But I think he knows that this information has been put forward a number of times by myself, by members of the forest industry and by our own embassy people in Washington. I am convinced some of them are about to go down the tube, partly in relation to this issue, in a desire to shoot the messenger.

The Hon. Member for Mission—Port Moody was in Washington at the same time I was last year, and he heard what the Americans had to say. He knows they wanted far more resources, that they wanted to be able to get information out, not just to the national home builders, or to other groups in the U.S., but to get information out to the two million Americans who go to work everyday and get their pay packets from producing commodities for the Canadian market. We missed. I am saying this as a country. I am not going to lay all the blame on the Prime Minister , but his responsible Cabinet members, the Minister for International Trade (Mr. Kelleher) and the Secretary of State for External Affairs were not listening to our embassy in Washington. They were not listening to the Canadian forest industry.

• (1210)

After skating close to the edge the shake and shingle industry has now fallen over the edge. Next Tuesday will be the telling day in Canadian history. If Secretary of Commerce Baldridge says that he is going ahead with Bill 332 we will lose a million jobs in Canada. We lost 4,000 jobs last week and a million will be on the table next week. We have been asleep at the switch. We have not done our job in dealing with the grass roots political issue in the United States. Fifty per cent of the wood in Georgia, the largest softwood producing state in the United States, is from British Columbia.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am pleased to respond on behalf of the Government to the opening remarks of the two Opposition Parties. It is perhaps timely that I intervene because I am afraid that the huffing and puffing which has been going on may blow the House down and we would not want that to happen.

I welcome this debate because it has forced the Right Hon. Leader of the Opposition (Mr. Turner) to give an indication of the position of the Liberal Party with regard to the efforts which the Government has initiated to develop a more predictable and enhanced trade relationship with our neighbour to the south. The Hon. Member said that he spoke for an hour a month ago. At a future date to be determined they will try to refine their position further.

Their position in the first speech was that the timing is bad because we presently have a trade surplus with the United States and because they are holding mid-term elections. In the United States there is a presidential election every four years

and a mid-term election every two years. It is perhaps because of that Liberal logic that we have the problems which we are presently facing.

The timing is never good to make tough decisions, particularly when dealing with the most important trade relationship between any two countries in the world. The timing to take courageous decisions is never good. We know that the Liberal position is to stay away from the trade talks because the timing is bad. I would like the Liberals to tell us when the timing will be good. Perhaps that is why we have seen no action from them other than to antagonize the most important friends that we have had in the last 20 years, which have now put us in this position.

I would like the Hon. Member for Skeena (Mr. Fulton) to tell me whose jack-in-the-box he is today. Is he the jack-in-the-box of Bob White who says that we should get away from any trade talks? He says that he is okay because he has the Auto Pact and has told the Americans where to get off. However, the last word has not been spoken on that. Or, is he the jack-in-the-box of Jack Munro in B.C. who will be affected by this situation? Has the Member asked Jack Munro how he feels about getting more secure access for our lumber in the United States? Who is he defending in the House today?

We know their position. Under no circumstances do they want enhanced and more secure trade with the United States. They say: "To hell with our $112 billion of exports to the United States". I would like the Member to tell me where we will find markets to replace the market in the United States. You cannot always dump on your friends, call them cheaters and crooks, and then say that you did not really mean it and ask them to buy your products. That is NDP logic. They have nothing and want to share it with everyone.

The Government needs no urging from Members opposite to take all the appropriate actions to defend our trade interests in the United States or in any other market in the world. While members of the Opposition are only now waking up to the fact that the B.C. shake and shingle producers are vulnerable to protectionist trade actions in the United States, the Government has been taking action. Has the Right Hon. Leader of the Opposition, my friend who represents a riding in British Columbia, asked a single question in the House over the last eight months on this issue?

Mr. Frith: Yes.

Mr. Oberle: I say "no". We have taken action to defend our shake and shingle exports to the United States and to negotiate better rules to ensure that tariff and non-tariff barriers do not impede our exports to the United States. We have negotiated rules to protect Canadian exports, not only of shingles and shakes, but of lumber, hogs, steel, fish, potatoes, uranium and a whole range of other Canadian exports that are the subject of protectionist measures in the United States.

More than eight months have passed since the United States shake and shingle producers petitioned their Government for import relief under U.S. trade remedy legislation. We were aware of this situation eight months ago and we acted. We did not act only in response to a letter of May 7 from the Premier of the Province of British Columbia. We have been working on this issue for the last eight months. It is more than two months since the United States International Trade Commission recommended that the President impose a punitive tariff on imports of red cedar shakes and shingles. For over eight months the Government has been in the trenches working with the Canadian industry to defend our access to the United States market for shakes and shingles.

One might well ask where the Opposition was. Why have we not heard before of their new-found concern for protection of jobs which were at risk in the shake and shingles industry? The Government assisted the industry in developing the argument we presented to the U.S. International Trade Commission. I can assure the House that the Canadian Government's opposition to the International Trade Commission's recommendation was put to the U.S. Government forcefully and on many occasions.

The punitive tariff announced by President Reagan on May 22, which is to take effect on June 6, is not in our view an appropriate remedy to address the problems of the U.S. shake and shingle industry. They are not just destroying the Canadian industry, but their own industry as well. If they think that the British Columbia Government, or indeed the Canadian Government, would be inclined to send them the raw materials to revive their own industry, they will have to think again. The problems with the United States industry, are long-term and relate primarily to a shortage of domestic raw materials and competition from alternative products. Perhaps the exchange rate has become a problem for that industry as it has for other industries.

Western red cedar is for all practical purposes a non-renewable resource. The U.S. supply of old growth western red cedar, the raw material used to make red cedar shingles and shakes, is dwindling very rapidly. The United States International Trade Commission's report on the investigation estimated that the supply of old growth cedar in the United States would be totally depleted within 20 years. Some experts say that that will happen in an even shorter time frame.

Intense competition from other substitutable products such as asphalt tiles is reducing the shingle and shake market and will prevent significant price increases even if the very high tariff that has been imposed stays in effect. Changes in building and fire codes in many jurisdictions effectively prohibit the use of untreated wood shingles and shakes. In fact, as the Hon. Member for Skeena pointed out, our own shipments to the United States have been drastically reduced. Builders, architects and homeowners are switching to substitute products because of growing concerns about fire safety issues. The substitute products have a number of advantages over traditional wood materials, such as superior warranties, and are highly price-competitive with wood shingles and shakes.

For all of these reasons we argued forcefully in all of our consultations and representaions that tariffs or quotas would not address the fundamental problems of U.S. producers. At the same time U.S. border measures would create great hardship for those Canadians whose livelihood depends on our bilateral trade in these products. No Member of this House knows better than I the hardship which these protectionist measures will generate for the workers in this industry and their communities, primarily in British Columbia. Some 4,000 Canadians, as has been pointed out, are employed in the production of shingles and shakes. Over 90 per cent of the industry's production is exported to the United States. It is difficult to argue the precise impact of these protectionist measures on current production and trade levels. Estimates range from 10 to 40 per cent reduction. Only time will tell, but it is most certainly a cause for serious concern.

• (1220)

As Members of this House are aware, the Canadian Government's response to this protectionist trade action by the United States President has been swift and vigorous. The Government's objections have been conveyed directly to the president and to Secretary of State Schultz by the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark), as well as in a diplomatic note protesting the U.S. action in the strongest terms. The note is public and I am sure I do not have to read it out for Hon. Members.

I can assure the Member's opposite that the United States authorities are well aware of the resolution unanimously adopted by this House last Friday. Let there be no doubt also that the Government now has under active consideration a range of options which might constitute an appropriate response in the event the U.S. Government is not prepared to rescind these tariffs or offer acceptable compensation. Included in the range of options available to the Government would be some direct assistance for the British Columbia producers, who stand to be most seriously affected. My colleagues, the Secretary of State for External Affairs, the Minister for International Trade (Mr. Kelleher) will have this issue high on their agenda in meetings later on this week with their U.S. counterparts, Secretary of State Schultz and Ambassador Yeutter, the United States trade representative.

I would contend that the resolution we are debating today is shortsighted and unrealistic. When we speak of protectionism and trade and free trade we speak of markets. It was Adam Smith who said 200 years ago that a nation's ability to grow and expand economically in an industrial sense depends as much on its ability to consume as it does on its ability to produce. Canada is more dependent on trade with other countries than is any other nation in the world. Protectionism works in favour of those countries which have something to protect in terms of markets. We have a very limited market and, therefore, enhanced trade has to be our battle cry.

If the Opposition thinks that the Americans came to us begging to get into these enhanced trade talks they are wrong. It is in our interests to develop more secure and better access to foreign markets wherever they are, whether they are in the United States, in the new emerging Asian markets or in the European countries.

We are the only nation among the important industrial nations that does not have unimpeded and secure access to a market in excess of a hundred million people. We are the only outsiders in the industrial world. Unless we correct this problem and find more secure, predictable access to a market which meets a certain economy of scale we shall fade away as an industrial nation into obscurity and insignificance.

The Opposition is asking us to hold the trade negotiations hostage to specific trade irritants, when the trade negotiations are so clearly in our best interests. These negotiations, if successful, could reduce our vulnerability to actions like the tariff increase on shakes and shingles. It is unrealistic because it would be neither appropriate nor possible for either Government to implement some sort of standstill with respect to actions which are not discretionary under the existing trade laws.

Surely the Opposition would not suggest that Canadian producers could be unilaterally denied their right to seek relief from injury in case of dumping or subsidized imports while the trade negotiations are underway. Is the Opposition aware that the Ontario corn producers have requested a countervail investigation against subsidized corn imported from the United States? Canadian agricultural producers are acutely aware of the massive subsidies made available to the United States farmer in the new Farm Bill.

There are, of course, discretionary decisions. The action on shakes and shingles was a discretionary decision by President Reagan. We do not like it and we are dismayed by the decision. We find it impossible to understand. It makes no economic sense. It destroys their own industry as well. It is bad trade policy, and it is a breach of a political commitment not to introduce new barriers to cross-border trade. We would hope that this is an isolated case, an aberration that will not be repeated while trade negotiations are underway.

No case could illustrate better that the current international trade rules do not provide the certainty and security of access to the U.S. market which Canadians producers need to plan their future and to improve their investment position. We are all well aware that countervailing duty actions are a serious threat to our access to the United States. Over our heads still hangs this dark cloud on softwood lumber. The GATT permits the application of countervailing duties in situations where subsidized imports are found to be injurious to domestic producers. The GATT rules on subsidies and countervailing duties do not provide affected exporters with rights to compensation or retaliation except as a last resort flowing from recourse to GATT dispute settlement procedures.

In the case of the new countervailing duty petition on lumber, Members of this House are well aware of the Government's strongly held view that initiation of a new investigation cannot be justified. Neither the material facts nor U.S. law have changed since Canadian lumber producers were found by the Commerce Department in 1983 not to be benefiting from countervailing subsidies. The Americans do not understand our system, they are comparing it with theirs.

We in British Columbia, as the Hon. Member from Skeena knows, have to put in place a management regime which is consistent and conducive to the problems that we have in British Columbia. We still have massive virgin stands of timber which are becoming over mature and rotting away. The Hon. Member from Skeena and his friends think that the trees actually grow to heaven if you leave them standing long enough. A tree is a living thing, it has a life span, and when that life span is complete it is of no use to a shingle and shake producer or to a lumber producer, it dies. We in Canada and British Columbia must have a different management regime than what they have in the southern United States where they are dealing with fourth and fifth generation timber.

We have made plain to the Americans our intention to invoke GATT dispute settlement procedures in the event a new investigation is initiated. Our ambassador in Geneva was instructed to make a statement on May 22 to the GATT council. I have the statement here; I will not delay the House by reading it into the record, but I certainly would be prepared to table it. We have made a very strong case pointing out all the facts I have mentioned.

There is no doubt that protectionist pressures in the United States are strong and they are growing. Each of these investigations or tariffs, or trade restrictive actions, no matter what the outcome, takes its toll, both in legal expenses to fight U.S. protectionism and immeasureable damage to the Canadian investment climate.

Let me reiterate for the benefit of the Members opposite that the resolution we are debating is shortsighted. Trade negotiations are in Canada's interests. Last week's events are but one example of the shortcomings in the current contractual rules. The *status quo* is not good enough. We need a better set of rules for the conduct of our trade and economic relations with the United States.

• (1230)

The existing rules can be improved only through negotiations. There are two avenues along which negotiations can take place. One is bilateral, with our principal trading partner. The other is multilateral, under the GATT. The Government is pursuing both avenues.

Finally, let me reiterate for the benefit of those opposite that the Government recognizes the hardship and personal economic dislocation that could result from the 35 per cent tariff on cedar shakes and shingles in British Columbia and similar threats to our Canadian access to U.S. markets with other products. The Government has launched negotiations aimed at a better contractual basis for the conduct of our trade relations with the United States. If members of the Opposition are genuine in their concern for Canadian cedar shake and shingle producers, they will lend their support to our important initiatives and endeavours.

Mr. Fulton: Mr. Speaker, I have a number of questions for the Minister of State for Science and Technology (Mr. Oberle). I hope he will attempt to respond to my question about the shake and shingle and lumber issue.

The Minister is very much aware that we have had absolute unrestricted, unfettered, tariff-free trade with the United States in softwood lumber and shakes and shingles for half a century. I hope the Minister has not been permeated by what I consider to be incredible lunacy and naivety on the part of the Government. Will the Minister explain why he kept avoiding the history of the shake and shingle issue when we are involved in these trade negotiations? Can he explain this unilateral action which has been taken after a tie vote at the Internantional Trade Commission, including the chair having voted against applying any kind of restrictive duty on Canadian shakes and shingles? Why does the Minister believe that these negotiations will help after half a century of unrestricted free trade? What can be freer than free?

The U.S. is going after this particular industry. Will the Minister tell me how this issue will be resolved in the negotiations between Peter Murphy and Simon Reisman? The Minister knows full well that this issue will not be on the table. If we do not ensure that these duties are removed totally right now, they will be levied against the industry for five years.

Will the Minister explain what is freer than free trade and tell us whether the Senate is likely to give up such countervail powers? It has made it clear that it will not.

Mr. Oberle: Mr. Speaker, perhaps the Hon. Member has never heard it said that nothing endures more than change. The fact that we have had unimpeded and unfettered access to the U.S. for our lumber does not mean that this will always be the case. In fact, we now know that it is not the case.

This countervailing duty action began long before we started our negotiations on the enhanced trade issue.

Mr. Fulton: No. Four months after.

Mr. Oberle: Perhaps the countervail duties started as a result of a prolonged problem facing the United States in terms of balancing its trade, not only with Canada but with other parts of the world due to currency problems. In the last 10 or 15 years Canadians have had a very distinct advantage over American producers as a result of the spread in the currency exchange, which also allowed us to become most efficient and make great efficiency gains in our mills. The Americans are saying that enough is enough and that is why these actions have come about.

Previous governments should have had our foresight to see this and recognize the value of our resource industries. If they had secured that access with some formal relationship, perhaps similar to the Auto Pact, and built on the strengths of our regions as we intend to do, we would have an arrangement to protect that pillar of our economy in Canada. Now we must operate after the fact and simply because there has always been that free trade does not mean it will continue forever. Changes are imminent and we have to react in the best way possible.

Mr. Schellenberg: Mr. Speaker, the Minister referred to the importance of securing that American market for Canadians. I believe that certain forms of retaliatory action have begun, as mentioned by other Members. For instance, I am receiving letters from my constituency describing how some constituents will not buy American orange juice. The fact that I am receiving these letters from British Columbia in three days may be a miracle in itself, but the fact is that people are reacting to this issue already. In Nanaimo Harbour, there was consideration given to buying a large fleet of American fork-lift trucks but now they are contemplating buying them elsewhere.

Will the Minister agree that trying to save one job through a tariff measure has the effect of losing three or four jobs? Will he comment on some of the remarks of the Right Hon. Leader of the Opposition (Mr. Turner) when he said that the Americans were actually aiming at the Japanese with their $50 billion trade surplus but somehow Canada has become involved with our $20 billion surplus? Is the Leader of the Opposition accurate in saying that if we had not begun free trade talks this tariff would not have come about?

Mr. Oberle: Mr. Speaker, I will answer the last question first. Everyone knows that this problem has existed throughout the 1970s but is compounding and becoming very serious. The United States must find a way to come to grips with their problems. They believe they should not be held to ransom by the rest of the world simply because they have decided to play a major role in correcting some of the serious imbalances with Third World debt and those greater issues which are involved. This means that protectionist measures through their more direct system of democracy are the order of the day in the United States. The Hon. Member referred to the many Bills presently before Congress.

We believe that we should have developed a special relationship between our two countries ten years ago because of the great dependence on each other for this trade. Neither we nor the Americans can afford to enter into a trade war because this involves winners and losers. Since we have the most to lose, it does not make sense for us to even mention the word. That does not mean that we should play dead every time a measure is directed against us. We should be strong in our resolve to tell the Americans that if they had made the same decision as we made some years ago, to modernize our industries, to become more competitive, and to react better against other markets, they would not be in this fix. However, it does not make sense to huff and puff about a trade war and perhaps send the navy into San Diego Harbour.

I believe I have responded to the other comments of the Leader of the Opposition. It is the first time that he has spoken out on this issue. He is a Member from British Columbia and faces some political problems. Apparently he met with all the producers yesterday and understands the issue much better than he did.

The Hon. Member knows that we have worked on this issue for many months, in fact years. We have full confidence that the initiatives we have now undertaken are not only designed to heal some of the wounds and correct some of the mistakes of the past, but to secure for us a much better relationship with the United States, one which is not threatened by these temporary issues.

• (1240)

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I find it very interesting that the Hon. Member for Mission—Port Moody (Mr. St. Germain) has asked that we maintain a very positive note in the House during this debate today. So I would like to begin on a very positive note by indicating to him that the Liberal Party of Canada and Hon. Members of the Opposition will never take lessons from the Conservative Party on how to enhance trade between Canada and the United States. The Liberal Party of Canada will never take lessons from the Conservative Party on how best to handle problems of a protectionist U.S. Congress, or on how best to maintain Canada's trading position within a multilateral framework. I say that on a positive note.

Hon. Members opposite expressed some concern in this debate about the vagueness of the stand taken by the Liberal Party with respect to free trade and about the position taken by my leader during the last election campaign. In order to help out in the debate this afternoon, I would like to refer to some of the vagueness I see eminating from Hon. Members opposite. Perhaps we will start with a little bit of a quiz show. What Prime Minister of this country said: "When next the winds of protectionism blow in the United States, Canada will be exempt"? That was said 15 months ago by the Prime Minister (Mr. Mulroney). Who was the Prime Minister on St. Patrick's Day of 1985 who sang and tap danced and who said: "If there is ever a problem between Canada and the United States, don't worry, folks, I am only a phone call away"? If I am not mistaken that was Prime Minister Mulroney, Leader of the Conservative Party. Who was it who said three years ago: "It would be absolute folly for any political Party to enter into a free trade relationship with the United States"? Just to refresh the memory of Hon. Members opposite, it was their leader, the present Prime Minister, during the leadership race for the Conservative Party in 1983. It was the man who also devastated the present Secretary of State for External Affairs (Mr. Clark) on that same issue. So Hon. Members opposite should not lecture us on vagueness in policy or hypocrisy and

duplicity because the Conservative Party is the Party which is guilty of all those things.

The Prime Minister in the House of Commons last Friday expressed outrage at the surprise announcement by the President of the United States who, unbeknownst to the Prime Minister, his front bench or any member of the Priorities and Planning Committee of his Cabinet, had the audacity to impose a 35 per cent countervail on shakes and shingles. The Prime Minister went on in his speech to express concern about the way in which the opening salvos of free trade had begun. I take it it was not lost on the Prime Minister that the President of the United States, on the same day his chief negotiator was sitting in on a press conference with our chief negotiator, chose that moment to impose the 35 per cent countervail motion. I think that speaks volumes for the relationship between the President of the United States and the Prime Minister. Two days later in a taped version of *Question Period* on CTV, the Secretary of State for External Affairs used such words as: "I was absolutely stunned" at this action taken by the President of the United States. He said he was "absolutely surprised" by this action. I still find this slightly odd, but in fact he referred to the President of the United States as an "eccentric".

Mr. Garneau: Pardon?

Mr. Frith: "Eccentric". If that is the kind of relationship the Prime Minister values with our major trading partner south of the border, it is because one of two things has occurred. Either the Prime Minister feigned his anger on Friday afternoon and, therefore, misled the Canadian public, or he is a very incompetent Prime Minister. Good heavens, if there is one thing the Canadian public has been told over the last 20 months since the Government took office it is that the Prime Minister had a special relationship with the President of the United States. If that special relationship exists it is hard to understand why this administration is so stunned and surprised by the action taken by the President. Is the Prime Minister that incompetent? Is he surrounded by incompetent advisors who, we are told, are paid in the neighbourhood of $1,000 a day to advise the Prime Minister on trade negotiations and on what to expect from our partners during those trade negotiations? What was the embassy doing in Washington over the last three and a half weeks? Where was our so-called "special relationship" between the Congress and U.S. Senate over the last three and a half weeks? Where were the lines of communication between the embassy personnel in Washington and our 100-man plus negotiating team here in Canada? I submit that the action of the President was telegraphed a long time ago with respect to how he was going to deal with the matter of imposing countervail duty on one of our major exports to the United States.

I put the question to the Secretary of State for External Affairs yesterday. It is very important that we understand the timing of the two letters which have been read into the record, one by my leader here this morning and the letter I am going to read into the record which President Reagan, not Premier Bill Bennett, wrote to one senator by the name of Robert Packwood on May 7, the same day that Premier Bennett wrote to the Prime Minister.

The President wrote to the Chairman of the U.S. Finance Committee who was responsible for the approval for fast track free trade negotiations which would take place with Canada. Mr. Packwood represents the State of Oregon, a major competitor in lumber products with British Columbia. President Reagan wrote: "Dear Bob, I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem." That is an understatement. The President of the United States imposed a 35 per cent countervail duty on shakes and shingles. I suggest and say with all sincerity that the personal note in that letter from President Reagan to Senator Bob Packwood indicates to me that the price paid for U.S. Senate approval for fast track free trade negotiations was paid by 4,000 British Columbian families. That was the price which was paid for the signature of Senator Robert Packwood so that President Reagan could show he was dealing in good faith with his great friend to the north of the 49th Parallel, the Prime Minister, Brian M. Mulroney.

On the same day the letter was written by the President of the United States to Senator Robert Packwood, the Premier of British Columbia took the opportunity to outline his concerns in a letter written to the Prime Minister, in which he pointed out the real possibilities of that kind of action taken by the President. He conveyed in that letter a hope that the Prime Minister would take the opportunity to use that so-called good relationship which supposedly exists between himself and the President and telephone the President and plead with him not to impose those kinds of countervail options on major Canadian products when the free trade negotiations were just about to begin. What was done? I submit absolutely nothing was done, and there is one of two reasons for that. Once again the Prime Minister was not aware of a letter written to him. That is something which has happened repeatedly over the last 12 months.

• (1250)

Last fall we had the same problem. The Prime Minister kept saying he did not know about any problems with regard to the western banks. He said that he was not made aware by the Minister of Finance (Mr. Wilson) of those concerns. He was not made aware of the problems which the former Minister of Fisheries and Oceans was having with respect to tuna-gate. He had a communications problem last fall. Evidently, he has the same communications problem this spring. That is one possibility.

The other possibility is that the Prime Minister badly misread the mood of the U.S. Congress and Senate. There is also one other possibility about this feigned reaction, this feigned anger shown in the House of Commons last Friday by the Prime Minister. I suspect that the pollster for the Conservative Party, one Allan Gregg, who has done extensive polling in this country, has come to the conclusion that the Canadian public is very wary of the way in which the Prime

Minister is slowly evolving us into too close an orbit with the United States. There is a great deal of concern on behalf of Canadians in terms of the faith and confidence they have in the ability of the Government to properly present their viewpoints to the U.S. administration.

Having listened to the Minister of State for Science and Technology (Mr. Oberle) one would think that the mood of protectionism which presently exists in the U.S. Congress has never existed before. One would think that the problems we face today are unique and that we have never had problems with the U.S. Congress before.? I submit that the problems Canada has with the United States today are no better or worse than those we have had in years gone by when Liberal administrations ruled the country. We had difficulties negotiating fishing treaty arrangements with the United States. We had difficulties in the softwood industry. We negotiated these arrangements with the United States, and we did so successfully.

This is why I said at the very beginning that the Liberal Party of Canada will never take lessons from the Conservative Party in terms of how to effectively deal on a country-to-country bilateral arrangement basis in the best interests of the citizens of both countries. To suggest otherwise belies all of the historical facts which exist in terms of the evolution of our trading relationship with the United States since Confederation.

I need not remind Members opposite that, to a large extent, it was during the terms of office held by the Liberal Party that we saw significant improvements in the size of two-way trade between Canada and the United States. That is not a reflection of the last 20 months. That was as a result of deliberate and smooth—and I emphasize the word "smooth"—negotiations between the Canadian Government and the American Government. It has been Canadian Governments headed by Liberals that made the commitment to the multilateral trade route which has led to the establishment of Canada as one of the major trading partners in the international economic order. That did not come about by fluke; it came about by design, hard work, intelligence and by competency in the front benches of the Liberal Party. We were successful in negotiating and in enhancing trade between not only Canada and the U.S. but between Canada and the Pacific Rim and between Canada and Europe. The Canadian public has been well served by a multilateral approach to trade.

Last Friday we saw the Prime Minister wrap himself in a cloak made from the national flag and defend Canadian interests. He was wounded and hurt that his friend, the President of the United States, would do such a dastardly deed as to impose a 35 per cent countervail duty on cedar shakes and shingles. The Prime Minister should not be focusing his anger on the United States; he should be focusing it internally on himself for not having had the sense to fortify not only the ability of his Secretary of State for External Affairs but the ability of his Minister for International Trade (Mr. Kelleher). That is where the mistake was made. He has surrounded himself by incompetence.

It is no wonder that the Canadian public no longer has any faith or confidence in the Government in terms of negotiating, not only with the Government of the United States but with other major trading partners. I think this lack of confidence is justified. I say that because we have had lessons in the last 12 months which have clearly indicated to the Canadian public that the Conservative Government does not place much faith in it to understand its position.

Since September 26, 1985, some eight months ago, the opposition Parties have constantly demanded the Government's position with respect to free trade. Time after time we have asked those who sit on the front benches of the Government side to table in the House of Commons the trade papers which were such an integral part of the trade negotiations between Canada and the United States. Until just a week ago we were repeatedly foiled in our attempts to obtain the documents upon which the Canadian Government plans to form its negotiating position with the United States.

Mr. Gauthier: It's supposed to be an open Government.

Mr. Frith: It is such an open Government that it does not even have the faith to give to the Premier of the largest province in Canada the documents pertaining to the trade negotiations. Ontario is our largest point of concern during these negotiations since it is the manufacturing heart of our country. What was the Premier of the Province of Ontario given? Was he given full access to these documents? Balderdash! The Premier of the Province of Ontario was handed a document from which had been deleted 17 pages; 28 per cent of the original document had been deleted because the Government did not feel that the Premier of Ontario deserved to know what was in those deleted pages. If he did have any concerns he was not to worry because it would not be he who would be negotiating this free trade deal. The Government was saying to the Premier: "Just trust us. It will be the trading team led by Simon Reisman that will deal with this matter". That is the same team which was not even aware of the close vote that would occur in the U.S. Senate Finance Committee. Four weeks ago the results of that vote came as a surprise to them. The vote had to be delayed for three or four days in order to allow time for sufficient arm-twisting by the President before the Senators could come to a 10-10 tie. It was almost by default that the United States administration finally entered into the free trade fast track proposal. Those are the facts.

Now, just three weeks after that time, we see the results, the folly of the advice being given by the trade team. If it was wrong with respect to the mood in the U.S. Congress and Senate, and if it was wrong with respect to how far the American President would go to ensure the viability of the U.S. lumber industry, then why should I have any faith in its ability to negotiate a free trade arrangement with the United States?

I understand that the Prime Minister will be meeting with the First Ministers of each of the provinces in the early weeks of June. Given the track record of the negotiating team to date, I suggest that he had better take into consideration the concerns of the Premiers of the Provinces of Quebec and Ontario. He had better take into account the concerns of the provinces. They have legitimate concerns which must be addressed in those negotiations with the United States.

In conclusion, I wish to indicate the position of the Liberal Party with respect to the 35 per cent countervail duty being imposed on shakes and shingles. We have called upon the Prime Minister to telephone the President this afternoon and ask him to reverse this 35 per cent duty which is being imposed. We are asking the Prime Minister to refuse the U.S. proposal with respect to the omnibus Bill. We are asking that a cease and desist order be imposed and that a standstill agreement be made. The Government had better wake up. So far it has fumbled the ball with respect to this issue.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO STANDING ORDER 21

[*English*]

CHALLENGE '86

EMPLOYMENT FUNDING OF NON-PROFIT ORGANIZATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday I met with representatives of community organizations in Vancouver Quadra. Each of these groups provides a valuable service to the community. In the past they have received assistance through federal Government job-creation programs such as the Canada Works Program and the Summer Canada Program.

This year many of the non-profit groups working in my riding, and indeed in ridings across the country, have contacted me saying that they will not be able to provide the same level of service this summer. This point has been made repeatedly on a national basis by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). This is because the non-profit sector is not a high priority for the Government.

There has been a clear shift in emphasis away from the voluntary sector in funding job-creation projects. As a result, many of the organizations which provide essential services to the community, and particularly to those most in need, are not being funded this summer under the Challenge '86 Program. I call upon the Minister of Employment and Immigration (Miss MacDonald) to reconsider this ill thought out change in direction, to recognize the importance of non-profit groups and their work, and to reintroduce community value as an element in job-creation programs.

* * *

VIA RAIL

NEED FOR NEW PASSENGER CARS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the week of May 25 to 31 is National Transportation Week across Canada. What better way for the Government of Canada to celebrate this week than by announcing a rejuvenated, revamped, and modernized passenger rail transportation system for Canada?

Ever since the Conservative Government came to power it has been promising this transportation system and it has been promising my constituents that the new rolling stock that will replace outdated, inefficient, and costly VIA trains would in part be ordered from Thunder Bay. What better way to show a commitment to improved passenger rail transportation than by announcing that the contract for up to 125 railway passenger cars has been signed with the UTDC-Can Car Rail-Bombardier consortium? I call on the Minister of Transport (Mr. Mazankowski) to announce the contract this week, thus not only beginning a process of modernization for VIA but also ensuring stability of employment at a number of rail manufacturing sites in Canada.

* * *

EXTERNAL AFFAIRS

AFRICAN RELIEF—TRIBUTE TO WORK OF CANADIAN CO-ORDINATOR

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I would like to commend the Hon. David MacDonald, Canadian Emergency Co-ordinator for the African famine, on his fine work in co-ordinating and developing aid programs to relieve the suffering in Africa and to rebuild communities shattered by drought, famine, and death. Canada was one of the first countries to respond and Canadians gave generously. Two out of three Canadian families contributed financially. The Northern Lights for Africa Society raised millions with the song *Tears Are Not Enough*.

This massive relief has saved millions of lives over the past two years and relieved much suffering. However, as Mr.

MacDonald has pointed out, our responsibility to the world community extends to the longer-term recovery in Africa and to ensuring that a famine and crisis of this magnitude will never happen again. I commend Mr. MacDonald for his work and for focusing our attention on the need for long-term commitment to this most serious issue.

* * *

[*Translation*]

TRADE

IMPORTANCE OF BILATERAL COMMERCIAL LINKS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, "international trade is of capital importance for Quebec", as Pierre MacDonald, Quebec Minister of External Trade, said recently. He went on to say: "Quebec's economic growth depends largely on foreign sales, especially to the United States, where Quebec directs more than 75 per cent of its international exports."

"The future of Provigo will depend mainly on the United States." I am quoting Pierre Lortie, chairman of the board and chief executive of Provigo. The company's goal is to do as much business in the United States as it does in Canada, in five years' time.

You heard the official position taken by the Quebec Government on negotiations with our neighbour to the South on bilateral trade. You also heard a position taken by the private sector, which realizes that under the leadership of the Conservative Government of this country, our national economy is expanding at a rate unknown under the previous Liberal Government.

Quebec's reaction is miles away from the negative response of the federal Liberals opposite.

* * *

[*English*]

AIRPORTS

FUTURE USE OF DORVAL AND MIRABEL AIRPORTS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, yesterday the Montreal Airports Advisory Board reported to the Minister of Transport (Mr. Mazankowski) on five possible options for the use of Dorval and Mirabel Airports. These options ranged all the way from keeping the *status quo* to the consolidation of traffic at one of the airports.

Since the advisory board is to make a final recommendation to the Minister within two weeks, I would ask the Minister to make the commitment that no final decision will be made by him until a committee of MPs from the Montreal region has had a chance to examine the advisory board report and all other evidence, and to make their recommendations to the Minister. Elected Members from the region of Montreal should be given an important role in this decision.

* * *

• (1405)

POLITICAL PARTIES

ACID RAIN—POSITION OF LIBERAL PARTY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, how concerned is the Liberal Party about protecting Canada's interests?

It has been reported that an aide in the office of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) approached a United States congressional committee to obtain information on Canada's role in the case of a U.S. lobbyist.

As some of the Congressmen involved are also attempting to block tighter controls over acid rain, *The New York Times* quoted the Canadian Liberal aide as saying the following:

> It's a funny co-operative effort. We are helping a congressional committee trying to block acid rain legislation while we are all for acid rain legislation.

Most Canadians do not find that to be particularly funny. Either the Liberal Party is for acid rain protection, or it is not.

In the pursuit of cheap political points, this Liberal aide and his Party are violating the national trust. By working in collusion with those who would damage the Canadian environment, this aide and his political masters are acting in the worst interests of Canada. This is improper, unacceptable, and many would say unpatriotic.

* * *

BANKS AND BANKING

DISATISFACTION OF SMALL BUSINESSES WITH CHARTERED BANKS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Canadian Bankers' Association is conducting a national advertising campaign on behalf of Canada's 65 chartered banks, stating how much they like working with small business. Yet, five months ago, the Canadian Federation of Independent Business released a survey showing that small business disatisfaction with banks had increased over the past three years, to about one-third of those surveyed.

As the small business spokesperson for the New Democrats, I should like to request the Minister of State for Small Businesses (Mr. Bissonnette) to outline to the Canadian Bankers' Association ways in which Canada's chartered banks can make the advertisement a better reflection of reality.

Small businesses are saying that they are unable to secure loans from chartered banks due to the high level of collateral or security demanded by the banks. Furthermore, the banks

appear to be cutting back on issuing loans under the Small Businesses Loans Act while some branches choose to ignore or are unaware of the program.

The Minister must make it his job to bring these small business concerns to the attention of the Canadian Bankers' Association and of Canada's 65 chartered banks.

* * *

AGRICULTURE

FULFILLMENT OF GOVERNMENT ELECTION PROMISES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, at Prince Albert in July, 1984, the PC Party pledged to bring western Canada back into Confederation.

The revitalization program for agriculture promised to eliminate the federal tax on farm fuels, to remove the capital gains tax on the sale of farm property, to double the level of cash advances, to amend the Western Grain Stabilization Act to permit earlier interim payments, to create a voluntary national red meat stabilization program, to re-establish a long-term national dairy policy, and to permit voluntary dual labelling on all farm products. In just 20 months these commitments have been met and more.

FCC interest rates are now at 10.75 per cent for five years and 11 per cent for longer terms. This represents the lowest interest rate in seven years and, coupled with a commitment to examine domestic wheat pricing, provides further hard evidence of the Government's continuing commitment to Canadian agriculture.

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[*Translation*]

ENERGY

PRETROLEUM POLICY—GOVERNMENT PERFORMANCE

Ms. Carole Jacques (Montreal—Mercier): Mr. Speaker, while international oil prices have gone up significantly, I would like to point out to the House that the price at the pump has dropped another 3 cents a litre, especially in Quebec.

As my hon. friend from Duvernay (Mr. Della Noce) has said many times, here is another example that proves our policy to deregulate the oil industry has been instrumental in bringing about these new developments.

It is too bad that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has chosen to remain silent on the matter, with all his protest groups. Why are the Liberals not saying anything?

Is it by any chance because the Conservatives have been introducing new policies daily to help Canadians, the same Canadians who were forgotten by the Liberals for over 20 years?

* * *

[*English*]

WAR CRIMINALS

UKRAINIAN CANADIAN STUDENTS' UNION REPRESENTATIONS

Mr. John Nunziata (York South—Weston): Mr. Speaker, representatives of the Unkrainian Canadian Students' Union, a federation of 15 university clubs across Canada, are in Ottawa this week to meet their parliamentarians.

I had the pleasure of meeting with a group of the students last evening, and I should like to indicate how impressed I was with their dedication and commitment to their cause. These students are meeting with Members of Parliament to present their position on the issue of alleged war criminals in Canada, and to relate their concerns in respect of the Deschênes Commission of Inquiry on War Criminals.

I should like to express my support for these young Canadians and urge my colleagues to take time to meet with them to discuss this important issue. They have a lot to offer, and they ought to be listened to by Members.

* * *

STOCK EXCHANGES

TORONTO STOCK EXCHANGE—COMPUTER ASSISTED TRADING SYSTEM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it used to be that stock and bond transactions were carried out in the club-like atmosphere of an exchange which met for a few hours a day in a specific location to deal in local issues. In today's world of instantaneous communications, innovative and competitive exchanges spanning all times zones and computed technology, the securities business will continue to present new challenges and opportunities which can be seized upon by Canadian dealers.

• (1410)

The Computer Assisted Trading System of the Toronto Stock Exchange and its coming link-up with the Paris Bourse is illustrative of this exciting evolution toward a fully international round the clock trading system.

NUCLEAR ENERGY

CALL FOR PUBLIC INQUIRY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the time has come for Canadians to have the comfort of knowing that at the very least the people who are charged with the responsibility of monitoring and criticizing the nuclear industry in Canada are separate and independent in every way from those who feel a missionary calling to promote the use of nuclear reactors both here and abroad.

At present there is far too much incest between the Atomic Energy Control Board and Atomic Energy of Canada Limited, and both are too keen on the promotion of nuclear energy to be reliable and objective regulators of this industry. The time has come for this longstanding conflict of interest to be ended. How it could be ended is one more useful thing that a full public inquiry into the nuclear fuel cycle in Canada could do, when and if the Tories live up to their campaign promise. Without such an inquiry, the Canadian people will be deprived of an important opportunity to say whether they approve of the dangerous collective bet with death that all nuclear countries are making when they rely on the nuclear option for security or for energy.

* * *

FISHERIES

TWO HUNDRED MILE ZONE—PROSECUTION OF FOREIGN VIOLATORS

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I would like to commend the Department of Fisheries and Oceans operating under the present Government for the tremendous job that it is doing in pursuing and prosecuting foreign violators in our 200-mile fisheries zone.

In the eight years preceding our election in September, 1984, foreign vessel convictions resulted in total fines of a mere $173,000. Most of these fines were less than $5,000 each, and many convictions resulted in no fines whatsoever.

In 1985, the first calendar year that the present Government was in power, there were fines totalling $745,000. There are now 10 cases before the courts with total possible fines of $1.1 million plus forfeiture to the courts of both vessels and catch. This is what protection of our fisheries is all about.

Through our actions, Mr. Speaker, it becomes increasingly obvious that this Government cares much more for our fisheries than the previous administration did.

S.O. 21

SOCIAL AFFAIRS

OPENING OF FOOD BANK IN PEMBROKE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, because of the failure of the Government to keep its election promises about jobs, jobs, jobs, and because of severe Government cuts in the Upper Ottawa Valley, it became necessary for a number of responsible citizens from Pembroke and area to organize a food bank to help needy people, and we applaud them. The food bank was officially opened today at noon by the wife of the Prime Minister (Mr. Mulroney) of Canada. The sad part of it all, Mr. Speaker, is that the whole operation would not be necessary if the Conservative Government in Ottawa had not broken all its election promises. Instead of jobs we have had increased unemployment each month for the past several months because of the Government's disastrous economic policies.

It is a sad day for Canada, Mr. Speaker, when the Prime Minister and his Government fail to keep faith with the people by not delivering on their election promises. If these promises had been kept there would be no need for a food bank in the first place. This Tory Government has failed the people of the Ottawa Valley and of Canada.

* * *

TERRORISM

INTERNATIONAL SIKH YOUTH FEDERATION—STATEMENT BY SPOKESPERSON

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, yesterday in this House I voiced my dismay over the senseless act of violence in Vancouver against a member of the Punjab Cabinet whose only crime in this country was his feeling that he would be safe in our land of freedom and democracy.

I listened with horror today to the national spokesman for the International Sikh Youth Federation, Mr. Singh, who stated on national television that Minister Sidhu should have realized that the security he must have in his homeland would be needed while he was visiting Canada. Mr. Singh went on to state that other political persons from India would also be risking their lives by coming to our country.

I have a great many members of the Sikh religion in my riding of Sarnia—Lambton, and I can assure this House that they are repulsed by the actions of some fanatic fringe. If visitors to our country must expect that their lives are at stake and must travel about this country with security people, then I plead with the Government of Canada to put a stop to this ridiculous situation.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—B.C. PREMIER'S LETTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. On May 7 Premier Bennett of British Columbia wrote to the Prime Minister. He said:

I urge you to contact the President directly to convince him not to act in any way against Canadian shingle and shake imports into the United States . . . Your direct intervention—is most important.

That was three weeks ago. The Prime Minister did not act. The President's action was, therefore, of no surprise to him. Now 4,000 British Columbians face unemployment. Will the Prime Minister now belatedly telephone the President of the United States and ask him to rescind that 35 per cent tariff on B.C. red cedar shingles and shakes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is quite wrong when he says that we did not act. We have acted consistently in the area of trade liberalization. I notice that the Leader of the Opposition is now a convert to the idea of liberalized trade negotiations between Canada and the United States.

Mr. Crosbie: It's about time.

Mr. Mulroney: It is long overdue. The Secretary of State for External Affairs, the embassy, and I, as Prime Minister, brought to the attention of the President a number of items consistent with his undertaking at the Quebec summit which said: "As a first step we commit ourselves to halt protectionism in cross-border trade in goods and services".

Mr. Tobin: Did you call the President? Yes or no.

Mr. Mulroney: Actions at all levels of the Government of Canada were consistent with our desire to rid—

Ms. Copps: He got a busy signal.

Mr. Mulroney: I realize that the Liberals talk one way and act in quite another. I know that they do not take the problems of British Columbia seriously, and they will pay heavily for that in the next election.

Some Hon. Members: Hear, hear!

Mr. Gauthier: What a joker you are, Mulroney.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister of Canada ignored a letter from the Premier of British Columbia dated May 7 on the specific subject against which the President of the United States acted. He need not tell me who is ignoring the interests of British Columbia.

PETITION AGAINST SOFTWOOD LUMBER EXPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will the Prime Minister telephone the President of the United States, not only to deal with the revocation of that tariff but also to ask the President to recognize his personal presidential discretion, which he can exercise before June 6, to refuse the petition by the American lumber industry to move toward imposing countervail duties on all exports of Canadian lumber across the American border?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated to the House on Friday, I have already conveyed my views directly to the President of the United States. I have had conversations with him in the past, and I shall again in the future. I know that the Member for Hamilton East is sputtering away and delighting in the fact that there are problems in British Columbia. We are trying to solve problems in British Columbia, which is what we have been doing from the very beginning.

Ms. Copps: Why don't you call the President? You got a busy signal.

Mr. Mulroney: That is why we opened these liberalized trade talks. The Leader of the Opposition quite properly contradicted his spokesman for External Affairs who said on Friday that he wanted the trade talks cancelled. The Leader of the Opposition—

Mr. Guilbault (Saint-Jacques): That's no answer to the question.

Mr. Mulroney: —contradicted his front bencher and quite properly stated that this forum is required to rid Canada and the United States of these irritants. We will continue to deal with this irritant and this problem, as we shall with any other problems which arise to disturb the relationship between Canada and the United States and threaten jobs in Canada.

Mr. Speaker: Order, please.

[*Translation*]

INQUIRY IF PRIME MINISTER WILL TELEPHONE UNITED STATES PRESIDENT ON COMPENSATION AND 35 PER CENT TARIFF

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, there is no contradiction between myself and the Hon. Member for Saint-Henri—Westmount, but I am asking, for the third time: Will the Prime Minister call the President and make arrangements to have our countries suspend all unilateral harassment such as countervailing duties and the 35 per cent duty, during the free trade negotiations? Could the Prime Minister give the House the assurance that if he does not get an answer from the President, he will either reassess free trade negotiations with the United States or suspend negotiations altogether?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken, the Leader of the Opposition is

expressing an opinion that contradicts another opinion he proferred only 48 hours ago. We will check, but I think you are totally contradicting a position you took only 48 hours ago. We will check, and in any case, it will not be the first time—

Some Hon. Members: Answer the question!

Mr. Mulroney: Sure, but they don't want an answer.

• (1420)

[*English*]

Mr. Rossi: He doesn't answer the question.

Mr. Speaker: Order, please. Order, please. The Hon. Member knows that Members are entitled to be heard.

MEASURES TAKEN BY PRIME MINISTER

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, if there is any confusion and contradiction it has got to be over there, it is not over here.

Mr. Speaker, on Friday I asked the Prime Minister a very direct question. It is in *Hansard* at page 13558. Did he have advance notice of the President's decision and, if so, what did he do to head it off? We now know he had advance notice as of May 7. What specific steps did he take to head it off?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, he gets sillier and sillier. We had no advance notice from the administration of the decision that was arrived at that day. We knew full well, as I have indicated to the House many times, that President Reagan is under constant attack from the protectionist forces in the United States Congress. We know that, and I have explained it to the House many times.

One of the principal reasons we are seeking this kind of comprehensive trading arrangement is precisely to vitiate possibilities of these kinds of attacks against Canadian industry. We had no notice that day that it would transpire. As I indicated to my hon. friend, such an action that day is at variance with a very important provision of the Quebec agreement. We have made all representations, both at the Prime Minister's level, the ministerial level, and the level of the embassy. The Canadian interests were well protected and well represented.

[*Translation*]

GOVERNMENT'S ATTITUDE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, they say forewarned is forearmed. Warnings don't seem to do our Prime Minister any good, so my supplementary is directed to the Secretary of State for External Affairs. How could he say on national television that he was surprised, when the Government was warned in writing by the Premier of British Columbia nearly three weeks ago?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member is wrong. The Government was not advised by the United States of their action, and it came as a surprise.

[*English*]

UNITED STATES PRESIDENT'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. I quote from *The New York Times* of March 16:

> The Prime Minister described his relations with the President as excellent. 'I doubt we will ever encounter a better or a fairer friend than Ronald Reagan', he said, 'He's a great friend of Canada'.

On Friday the Prime Minister sent a strongly worded note to President Reagan opposing the 35 per cent duty imposed on B. C. shakes and shingles. Has the Prime Minister heard, either by phone or in writing, from his great friend?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I make no apologies whatsoever of the fact, as Prime Minister of Canada, I have sought to place Canadian-American relations on a friendly footing. I make no apologies for the fact that we have tried to eliminate the vindictiveness, the nastiness, and the spuriousness that went back and forth caused by the previous Government. We have tried to purify the atmosphere—and that is just on acid rain.

I make no apologies for the fact that I said that Ronald Reagan is a great friend of Canada. He is a great friend of Canada. It happens that even friends sometimes go a little astray. We are trying to make sure the President of the United States remembers the commitment he made to Canada in regard to freer and fairer trade at the Quebec City summit. We are going to try to make sure that is always the case in his view of Canada.

• (1425)

POSSIBLE RESPONSE BY PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is very easy and very simple. Has the Prime Minister heard from President Reagan? Have you heard from him by phone, by telex, or in writing? Have you heard anything from President Reagan regarding the 35 per cent duty?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the ball is quite properly in our court.

Mr. Tobin: Then do something with it.

Mr. Mulroney: There is Lloyd Jr. speaking up over there. There he is, the third trade wing of the Liberal Party.

We were given a decision on Thursday night. We responded in the House on Friday, and Cabinet is now considering appropriate remedies. There will no doubt be conversations back and forth after that, designed to make sure, to the extent humanly possible, that this kind of measure never takes place. That is something I think all Members of the House would support. We think protectionist measures are bad for Canada and bad for the United States and that is why we are trying to

negotiate a comprehensive bilateral arrangement that will make sure they are eliminated in the future.

INQUIRY CONCERNING RESPONSE

Mr. Jim Fulton (Skeena): Mr. Speaker, we have had free trade in shakes and shingles from British Columbia for half a century. My question is very simple and very easy to answer, because the President apparently has not yet signed into law the 35 per cent duty. Has the Prime Minister heard from President Reagan regarding his note or his comments of last Friday? Have you heard by phone? Have you heard anything? Yes or no.

Right Hon. Brian Mulroney (Prime Minister): Yes, and it is very much received by the United States, which is one hell of a lot more than can ever be said by the Liberals or NDP.

REQUEST MADE BY BRITISH COLUMBIA PREMIER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, it is inexcusable for the Prime Minister to admit today that he ignored the request of the Premier of British Columbia specifically to make a phone call to the President of the United States. He had a choice. He could have said yes to Bill Bennett, but he said no.

Some Hon. Members: Order.

Mr. Tobin: Even three weeks after the fact, will the Prime Minister pick up the phone and speak to the President of the United States to express the consensus of the House and the people of Canada that this kind of action does not represent a friendly trading relationship?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already done that. I have already conveyed that view to the President of the United States. I have indicated to him our regret, and the regret of all Members of the House, that the action taken was clearly at variance not only with his undertakings internationally but specifically with regard to undertakings given to the people of Canada. As the Secretary of State for External Affairs has indicated, we believe that that was an isolated act. We are acting in that regard because we do not propose to jettison, as suggested by the Liberal Party, a very valued trading relationship simply because there was one unfortunate act that occurred. It has been isolated and we are going to act to correct it. That is the obligation of a responsible, mature Government, as opposed to the smart alec comments coming from irresponsible people.

REQUEST FOR FEDERAL-PROVINCIAL CONSULTATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): We all know that the Prime Minister has been communicating with the President through a bull-horn. We do not know whether he has been talking to him over the telephone. The comments last Friday were not necessarily solving our problems. Yesterday the Secretary of State for External Affairs said that retaliatory action would be decided today in Cabinet—

Mr. Speaker: Order. No preamble, please, just a question.

Mr. Tobin: Before the Government implements any such measure, will the Government consult with the Premier of British Columbia, the rest of Canada's Premiers, and specifically consult with both labour and industry in British Columbia before it puts Canada's softwood lumber industry, worth about $3 billion, at risk with more ill-conceived action by the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first they want us to act, now they want us not to act. The Liberals do not know what they want on any issue, even the most serious ones that confront the country. I thought that the response of the Government and other Members of the House who were here on Friday was a thoughtful and reasonable response to a difficult situation. We are in the process of considering appropriate responses by the Government of Canada. We do it with neither malice nor vindictiveness.

• (1430)

I am not in any way impressed with the idea of the word "retaliation". This is something that, to the extent humanly possible, ought never to be used as we seek to build an improved bilateral relationship which will bring more jobs to Canada. There are certain facts that occur. One of them transpired on Thursday. We are dealing with it as quickly, as effectively and responsibly as a Government can.

UNITED STATES PRESIDENT'S RESPONSE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Prime Minister has now conceded that he has heard from the President. My question is very straightforward. What has he heard? Has he received an apology? Has he received a commitment to change the action which this House unanimously condemned? Has he received at least an explanation of what took place? What has he heard?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says I have conceded something. I have done no such thing. I have conveyed to the House the information at my disposal.

RESPONSE FROM AMERICANS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Prime Minister's response to my colleague was very much that he had indeed heard from the Americans. I ask him again, if he has heard from the Americans, what has he heard? Has he heard apologies from them? Has he heard that they have made a mistake? What has he heard?

Right Hon. Brian Mulroney (Prime Minister): I have answered that question, Mr. Speaker.

Ms. Jewett: No, you have not.

An Hon. Member: Repeat it.

Mr. Mulroney: I have indicated that we are advised that our message, and that to which other colleagues have subscribed, has been received. We are responding. We are taking our responsibilities on our side. I can tell the House that, pursuant to appropriate custom, we have instructed the ambassador to seek the view of the American Government as to whether it is its intention, as we believe it should in these circumstances, to pay compensation to those British Columbia workers affected by that action.

There are other things going on and we will advise the House of them in an opportune and appropriate way.

REQUEST MADE BY PREMIER OF BRITISH COLUMBIA

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister keeps saying he has answered the questions about what he did before the 35 per cent tariff was imposed by President Reagan, and afterwards. But there is at least one point he has not fully explained to the House and to the Canadian people. Why did he not accept the request directly made to him by the Premier of British Columbia, Mr. Bennett, and telephone the President of the United States directly to head off this 35 per cent tariff? Why did he not do what Premier Bennett asked? Why did he not have any confidence in Premier Bennett's view and information on this important matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have a great regard for Premier Bennett's view and I am delighted to hear that my hon. friend, as a Liberal, has been so supportive of Bill Bennett over the years. Next I will hear from the New Democratic Party in that area.

Some Hon. Members: Oh, oh!

Mr. Mulroney: In point of fact—

An Hon. Member: Answer the question.

Mr. Mulroney: I am trying to answer the question, Mr. Speaker. We had secured from the American administration its determination not only to fight protectionism but, moreover, the undertaking of the President of the United States, publicly given, to veto any such measures which would have an adverse effect upon Canada. That was the undertaking. This was the climate within which trade negotiations began, as agreed upon between the President and the Prime Minister of Canada.

So our view, having put forward our strong positions in regard to that industry in British Columbia, at my level, at the level of the Secretary of State for External Affairs, and at the embassy level, was that it was quite inconceivable that action would be taken at variance with a fundamental principle given by both sides. We believe that the action taken was adequate and proper, and we will continue to work on it for the benefit of British Columbians.

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Hon. Herb Gray (Windsor West): Mr. Speaker, now that the Prime Minister knows that the President of the United States is not following up on what the Prime Minister says was the commitment given in that communiqué, why will he not telephone President Reagan immediately and remind him of his commitment, ask him to reverse that duty and not to do anything further along those lines in the future? Why is he afraid to call his pal on this simple matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not afraid to call President Reagan or anyone else at all. In point of fact the vigorous response taken by the Government of Canada is in sharp contrast to the action by the Leader of the Opposition when he was Minister of Finance and G-5 was created and snuck right past his nose, and he never said a word to defend the interests of Canada. The actions taken by this Government are entirely different. We will continue to defend the interests of Canada.

Mr. Gauthier: Are you going to phone, yes or no?

Mr. Mulroney: After we are finished with the work we have to do at Cabinet, we will convey to President Reagan, and to others, our views which we hope will eliminate trade barriers, eliminate protectionism, and not add to it.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. Given that the United States has taken actions in the last few months which have been seriously detrimental to Canada's economy, will the Prime Minister, before the trade talks recommence next month, direct that our negotiators sit down with the U.S. negotiator and try to find an interim way of dealing with the situation which just arose, in order that we do not have to face this over the next two years as those talks progress?

Right Hon. Brian Mulroney (Prime Minister): The Hon. Member refers to actions taken by the American Government which are detrimental to our economy. Perhaps he could tell us what he has in mind.

Mr. Deans: All right.

Mr. Mulroney: Because by and large the actions taken, of which we are aware, have been positive, with some exceptions, including the one to which we referred on Friday.

REQUEST FOR MEASURE TO ALLOW ONGOING DISCUSSION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Prime Minister unaware of the actions by the U.S. Government to subsidize the exportation of grain, among other things, which has caused tremendous harm to the Canadian grain producers? Is he unaware of the pending action on softwood lumber? Is he denying the shakes and shingles problem which has arisen? It is those actions. What I'm asking is if there is no

interim measure which can be put in place which will allow an ongoing bilateral discussion to solve those problems before we are faced with others over the course of the next two years.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only are there ongoing bilateral discussions, another chapter of which will occur on Friday when I meet with Secretary Shultz in Halifax, but the Prime Minister of Canada, the first Prime Minister in the history of this country to do so, has raised the question of farm subsidies, to come to that particular matter, at the Tokyo Summit, so we can begin to break the cycle of subsidies.

This Government, on the two separate timber questions now at issue, has indicated, in the case of countervail, that we are going to be supporting the Canadian industry as extensively as we can, and we will be.

Mr. Deans: But that isn't helpful.

Mr. Clark (Yellowhead): We have issued on Friday, and are following now, actions in response to the surprise decision by the President of the United States on Thursday. That is action. It is not rhetoric. Rhetoric is what we get from the NDP. Action is what Canadians get from this Government.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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TERRORISM

SIKH EXTREMISM—CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Acting Solicitor General. Sikh extremism is one of the greatest threats to national security, yet the Security Intelligence Service did not know that a Punjabi cabinet Minister was in Canada. Journalists knew. The Indian Consul General knew. The would-be assassins knew. Yet the Security Intelligence Service did not know. I would like to ask the Government why did the Security Intelligence Service not know? And would the Minister not agree that, if the Security Intelligence Service was doing its job, it ought to have known of the cabinet Minister's presence in Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. gentleman and Hon. Members of the House that CSIS knows what it is doing. But when there is a foreign visitor who has not reported his presence to either the Government or to his own diplomatic representatives, I hardly think the CSIS can be blamed if he does not have security protection every moment of his stay in Canada. Let us try to be reasonable and not try to take partisan advantage of every misfortune and tragedy which occur in this country.

• (1440)

SECURITY SERVICE'S BUDGET

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Canadian Security Intelligence Service should not have to rely on official information in order to determine the presence or absence of a cabinet Minister in Canada—

Some Hon. Members: Oh, oh!

Mr. Nunziata: The Minister knows—

Mr. Speaker: This is a preamble; just a question, please.

Mr. Nunziata: In view of the fact that the Government has cut $2.1 million from the budget of the Canadian Security Intelligence Service—

Mr. Speaker: Order, please. I specifically asked the Hon. Member for a question and he went on with his preamble.

Some Hon. Members: Sit down!

Mr. Speaker: Will the Hon. Member please resume his seat?

Some Hon. Members: Sit down!

Mr. Speaker: Order, please. Just a question, immediately.

Mr. Nunziata: Would the Minister not agree that one of the reasons the Security Intelligence Service did not know of the Minister's presence in Canada is because its budget has been cut by $2.1 million—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —and it does not have the resources to mount an effective intelligence operation?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the answer is no, I completely disagree with that silly and jejune suggestion.

Mr. Speaker: The Hon. Member for Guelph.

Mr. Hnatyshyn: Author, author!

Mr. Speaker: Order, please. Even the interpreter had trouble with that one. The Hon. Member for Guelph.

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DISARMAMENT

SALT II TREATY—UNITED STATES ACTIONS

Mr. William C. Winegard (Guelph): Mr. Speaker, a Reuters news report today stated that the United States might

breach the SALT II treaty later this year. That is very troubling news. Can the Secretary of State for External Affairs confirm that report? What is the Government's position with respect to adherence to the SALT II Treaty and its limits?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. Obviously it is a matter of great concern to all in this House. The reports as to what precisely has been announced by President Reagan are not completely clear at the moment. Certainly we support and are pleased by the announcement as it relates to Poseidon submarines, which would respect the SALT II limits. We are concerned by reports that the President might be prepared to go beyond SALT II limits.

The Government of Canada was consulted on this question by the Americans. It was made very clear by way of letter from the Prime Minister to the President one week ago, and by way of my conversations with General Rowney, that we believe it very important that the United States continue its adherence to SALT II limits.

Obviously, arms limitation requires compliance by both sides. This Government has also raised with the Soviet Union its non-compliance with the limits in that treaty. We hope that the Soviets will begin to comply so as not to put at risk the SALT II accord. We hope that both countries, the Soviet Union and the United States, might succeed in achieving some arrangement that will reduce rather than enlarge the risk of conflict in the world.

Some Hon. Members: Hear, hear!

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AIR CANADA

REPORTED SUSPENSION OF FLIGHT ATTENDANT

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to ask the Minister of Transport a question concerning a flight attendant who was suspended apparently as a result of a request by his executive correspondence group for responding to a letter by a Conservative delegate to their convention in Montreal earlier this year, while on a flight from Vancouver, when asked her opinion of the present Government and the Minister. The flight attendant responded in the negative and has since been suspended—

Mr. Speaker: Order, please. There is a question, I think, please.

Mr. Benjamin: —after a letter was sent to the Minister by a Mrs. Donna Ford. Can the Minister tell us who is Mrs. Donna Ford? Was she a delegate to the Conservative convention? Why was the letterhead clipped off her letter to the Minister, a copy of which I have in my hand?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first, the Hon. Member might want to provide me with a copy of the letter. I am not aware of all the allegations to which the Hon. Member refers. I would be glad to check into it. As a matter of fact I think the Member should know that, from time to time, we do receive letters from customers of Air Canada who, in some cases, express their disapproval with the service and, in other cases, express their approval of the service. In every case these letters are forwarded to Air Canada executive officials. I would be glad to look into the matter.

POLICY VIOLATION INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, I wish to ask the Minister what violated any policy in what has occurred to warrant the suspension of an employee, for expressing an opinion when asked for it by the complainant, after the Minister's executive correspondence group got in touch with Air Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first, I am not sure that anyone has been suspended.

Mr. Benjamin: They have been.

Mr. Mazankowski: If they have been then I will certainly look into it. I think the Hon. Member knows that I do not set the rules and regulations for the management and operation of Air Canada. That is a management decision, and I will certainly be glad to take it up with the management. The Hon. Member could take it up with the management as well. He, as a Member of Parliament, has done it on other occasions. Why does he not do it now?

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REFUGEES

REFUGEE DETERMINATION PROCESS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration. Last weekend in Toronto a conference of over 100 organizations serving refugees passed a resolution of non-confidence in the Government's recent announcement concerning the new refugee determination process. They said: "We condemn the Government's failure to respect the fundamental principles unanimously recommended by the non-governmental groups across Canada".

Given the overwhelming criticism which has developed on the principle to deny access, and for a weak appeal system based on law—

Mr. Speaker: Order, please.

Mr. Marchi: Will the Minister—

Mr. Speaker: Thank you.

Mr. Marchi: Will the Minister rescind his two measures—pardon?

Mr. Speaker: Order, please. The Hon. Member might ask his question, please.

Mr. Marchi: Your Honour jumped up in the middle of my question so I am repeating it.

Some Hon. Members: Order, order.

Some Hon. Members: Sit down!

Mr. Speaker: I rose because the Hon. Member's preamble was too long. When I rose he started his question. Will he now please finish his question?

Mr. Marchi: Will the Minister rescind his two measures which deal with denying access universally and with a weak appeal system to the Federal Court of Appeal, so that this process can have the strength and fairness it deserves, something that it presently does not have?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would have thought that the Hon. Member would have wanted to comment on the general approval that is being expressed across the country for the proposal policy which has now been presented.

Some Hon. Members: Hear, hear!

Mr. McLean: I would have thought that the Hon. Member would want to remind the House that we are following—

Mr. Deans: No. He wanted to comment on what he commented on.

Mr. McLean: —Rabbi Plaut's recommendation and the recommendation of the standing committee.

Mr. Heap: That is false! Not true!

Mr. McLean: I would have thought, Mr. Speaker, that certainly the Hon. Member would be aware that under the new rules of the House, which I outlined to the Standing Conference, there will be an opportunity when we bring in legislation for—

Mr. Heap: Point of order—

Mr. McLean: —the legislative committee to review those principles.

Mr. Heap: The committee did not recommend that and you know it, Mr. Minister.

Mr. Speaker: Supplementary question, the Hon. Member for Laurier. Just a question.

[*Translation*]

MINISTER'S ATTITUDE

Mr. David Berger (Laurier): Mr. Speaker, would the Minister care to explain how he can blithely ignore the unanimous recommendations of experts and of the Standing Committee of the House? Would he care to explain this attitude, which has aroused the indignation of all concerned, since after two years of consultation, a consensus had been reached on two fundamental principles: universal access and appeal based on merit?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would like to underline for the Hon. Member that the principles of open access presented by Plaut are being honoured by this Government, and with regard to the question-

Mr. Heap: Not true.

Mr. McLean: —of appeal mechanism we are following the recommendations of the standing committee.

Mr. Marchi: That is not true.

Mr. McLean: The Hon. Member, and groups who wish to have some further—

Mr. Deans: Will you sit him down?

Mr. McLean: —discussion on this matter will have an opportunity after first reading to discuss it with the legislative committee.

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FINANCE

TRANSFER OF FAMILY FARMS—TAX INQUIRY

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of Finance. The inter-generational roll-over of farm land is available only in situations where the land is being farmed by either parent or child at the time of the transfer. Will the Minister consider amending the provisions of the Income Tax Act to make available a tax-free rollover to those Canadians who have farmed almost all their lives but who, through illness or advancing age, are not now actively farming?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is a matter at which we in the Department have looked recently. In view of the Hon. Member's well-known interest in this matter, I will take another look at the proposal he has raised. However, I would remind him that since the election of September, 1984, the Government has taken 237 separate initiatives in support of the agricultural community in Canada. While in Tokyo, the Prime Minister raised the matter of

agricultural problems on a number of occasions. In addition, we have just increased the farm fuel rebate to provide for almost a total rebate of fuel taxes for farmers.

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WAR CRIMINALS

DESCHÊNES COMMISSION—REQUEST FOR TIME EXTENSION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister and concerns the Deschênes Commission. The Prime Minister will know that the Deschênes Commission has indicated that it does not have sufficient time under its present mandate to complete the assignment given to it by the Government. Is the Government prepared to give it the time it needs to do the job it was given?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman will recall that when the Deschênes Commission was first appointed, it was asked and expected to report by the end of December, 1985. That period was extended to the end of June, 1986. We certainly want to see that the Deschênes Commission has reasonable time to complete its report. I think it has made a great deal of progress and we will be replying shortly to letters recently received from the commission.

ACCESS TO UNITED NATIONS FILES

Hon. Bob Kaplan (York Centre): Mr. Speaker, considerable volumes of new material on war criminals has recently been discovered at the United Nations. The Deschênes Commission cannot request this material, only a Government can. Has the Government asked for this material? If not, is the Government prepared to do so?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Government is prepared to do whatever is necessary to see that action is taken to follow up on any report we are given by the Deschênes Royal Commission. Its main task is to advise us on whether or not the present law is now adequate, and if it is inadequate, in what way it should be changed so that this matter can be properly pursued even after 20 or 30 years of inaction by the Government that occupied the seat of power in Ottawa through all those years.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

1983 CANCOM APPLICATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Justice and concerns allegations of which I have given him notice along with copies of documents I received in the mail. Will the Minister undertake to have an investigation conducted of allegations of fraud and conspiracy to commit fraud apropos the application of Cancom to the CRTC in Saskatchewan in 1983 at which time the President of Cancom was André Bureau, now President of the CRTC?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I did receive from the Hon. Member today a document dealing with questions raised about the gentleman just named by the Hon. Member. I consider it to be completely improper and irresponsible to pursue a matter of this nature by making these kinds of allegations publicly. They will have to be looked into now that the Hon. Member has made them.

I do not think that these are new allegations or charges. I think they have been looked into before by the CRTC. Nevertheless, as Acting Solicitor General, now that the Hon. Member has chosen to take this unusual procedure which I think is damaging to peoples' reputations, I will certainly have it referred for investigation to the RCMP.

REQUEST THAT CHAIRMAN BE SUSPENDED DURING INVESTIGATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in view of the seriousness of the charges and the fact that there has been a three-year gap during which the CRTC could have investigated, will the Minister ensure that Mr. Bureau is not in office while any investigation is conducted, and would he undertake to ensure that the conflict of interest situation at the CRTC is also investigated, as well as the possibility of a coverup of allegations of a kickback scheme?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I really think the Hon. Member is carrying this beyond the bounds of propriety altogether. I am certainly not going to suggest that anyone stand aside on unsubstantiated charges that are being brought here now. I do not think this is the proper way for the matter to be handled. I would further recommend to the Hon. Member that she make these charges outside the House so that those who are named will have a chance to take whatever action they would then think appropriate.

Some Hon. Members: Hear, hear!

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TRADE

IMPORTATION OF SUBSIDIZED STEEL PRODUCTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Canadian Steel Trade Conference held in Sault Ste Marie this week has been told that fully 55 per cent of the steel imported into Canada last year was subsidized or dumped, costing

Canadians 4,200 jobs. The Government referred this matter to the Import Tribunal for further study. Can the Minister say exactly when a fast-track anti-dumping mechanism will be put in place in light of the 2,000 or more jobs that may be lost in Sault Ste Marie in the next year?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it goes without saying that the Government very deeply shares the concern expressed by the Hon. Member. He asked me a very detailed question about a specific date. I am not in a position to provide the answer to that detailed question at this moment but I will take his question as notice and get back to him.

PREFERENTIAL TARIFF ON STEEL FROM BRAZIL AND SOUTH KOREA

Mr. Maurice Foster (Algoma): Mr. Speaker, the steel conference also heard calls this week for the withdrawal of the preferential tariff treatment given to steel from Brazil and South Korea where there are very highly advanced steel-making technologies.

Mr. Speaker: Order, please. Just a question.

Mr. Foster: Is the Government prepared to withdraw the preferential tariff treatment in light of the loss of jobs in the Canadian steel industry caused by these two countries with very advanced steel-making methods?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to take that question as notice as well and I will get back to the Hon. Member when I have information to convey to him.

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CANADIAN ARMED FORCES

PENSION ENTITLEMENT OF SERVICEMAN'S WIDOW

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Defence. As the Minister knows, Mr. Clifford Fillip retired from the Armed Forces after 28 years of service as a Master Warrant Officer and re-enlisted as a training officer at the Forces' request, with a promise that his pension entitlements would not be affected as a result. Mr. Fillip died last week. Is the Minister aware that this promise was not kept? Will the Minister assure the House that he will investigate this matter to ensure that Mr. Fillip's widow receives her proper pension entitlement?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the answer to the last part of the Hon. Member's question is yes, we will.

BANKS AND BANKING

TREATMENT OF WESTERN OIL INDUSTRY LOAN APPLICATIONS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Finance. It has been brought to my attention that senior executives of the major banks have directed branch managers in western Canada not to forward or even prepare loan applications for western Canadian oil companies, or for indeed any company heavily dependent on the oil industry. Will the Minister intercede with the major Canadian banks on behalf of western Canadian businesses? If the banks continue this ill-advised and short-sighted approach to the economic problems facing western Canada, we will lose a very vital oil industry and in time that will threaten our—

Mr. Speaker: Order.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not aware of the details of the question the Hon. Member has asked today. I would be happy to discuss it further with him. I should point out that just a few short weeks ago the Government did provide some relief, particularly to small oil and gas producers, so some of the pressures they face as a result of the falling international oil prices will be relieved to some extent.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

CONCERNS EXPRESSED BY AMERICANS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. U.S. trade lawyers and the Governor of Michigan are asserting that Canadian efforts, including tariff remissions, to force Japanese investment in Canada are violations of GATT and pose a threat to American jobs. Is the Secretary of State for External Affairs aware of these concerns, and what has been our response?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, concerns of this kind are raised from time to time. What also happens, as the Hon. Member will know, is that from time to time individual American States try to resort to actions themselves, as did the States bordering Manitoba recently, on hogs. This indicates the absolute necessity for us to change a trading system with the United States which does not now work well enough for Canada. That is precisely why we are looking to try our best to achieve some arrangement in trade negotiations with the United States.

Mr. Speaker: Order, please. I must call it three o'clock. I should explain that earlier we got out of sync in terms of who followed whom, in terms of rounds, and that is the reason I did what I did in that situation.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. TRADE NEGOTIATIONS

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House urges that the Government press upon the Government of the United States the unanimous views of the House of Commons as expressed in its resolution of May 23, 1986, and insist that the United States rescind the 35 per cent duties on British Columbia cedar shakes and shingles and guarantee that similar measures or other possible trade action will not be applied to Canadian products in the future if the present comprehensive trade negotiations are to proceed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to rise in my place to participate in the debate today on the motion which I had the pleasure and privilege of putting before the House earlier. It urges the Government to take decisive action to ensure the interests of the cedar shakes and shingles industry in British Columbia.

My motion does not ask for bombast. It does not ask for a bull-horn, megaphone, diplomatic effort by the Government. It does not ask for posturing. It does not ask for rhetoric. It asks for the Government to wake up and realize that the interests of the Province of British Columbia have been sold out by all people interested in having a free trade debate at whatever cost.

Members of the House from the Province of British Columbia, particularly those in the Consevative Party—

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Member but it is not possible to hear what he is saying.

Mr. Boudria: He is making an important speech, and we all want to hear it.

The Acting Speaker (Mr. Charest): I am informed that this is an important speech—and I have no doubt whatsoever on that issue—like all speeches of all Hon. Members. I ask Hon. Members to conduct their meetings outside the House.

Mr. Tobin: Mr. Speaker, I hope you will not dock the first few minutes from my time. In any event, I want to tell the House that I am not surprised. Hon. Members on the Government side of the House are paying as much attention to the motion which seeks to address the concerns of British Columbia as they paid to the letter from the Premier of British Columbia to the Prime Minister (Mr. Mulroney). They have as much concern about 20,000 people who may be unemployed in British Columbia as they have for the Premier of British Columbia who wrote a letter to the Government, ringing a bell, sounding an alarm, and demanding action three weeks ago. Yes, I am in good company.

On May 7, 20 days ago, the Premier of British Columbia wrote a letter to the Prime Minister which contained a warning. He said that 20,000 jobs were at stake and that hundreds of millions of dollars of GNP in that province were at risk. He said: " Mr. Prime Minister, I want you to wake up. I want you to quit posturing, to quit the rhetoric, and to quit looking for photo opportunities. Go to the privacy of your office, get on the telephone, and make a telephone call". The Prime Minister ignored him. The Prime Minister admitted today that he totally ignored the Premier of British Columbia. He said that he had assurances from somebody down south. He thought everything was okay in that context and that he could ignore a premier of this country.

This is the same Prime Minister, pumped up with his peacock feathers spread in colourful array for all to see, who said that he was promising a brand new day for Canada. This is the same Prime Minister who said "no more shall the premiers be ignored; we are going to operate on the basis of consultation and co-operation".

However, what did the Prime Minister do when 20,000 jobs and the accompanying paycheques which put bread and butter on the table were at stake? What did he do when one of the longest serving premiers in Canada wrote him a letter and took the unusual step of specifically asking him to telephone the President of the United States? What did he do? He shoved it in a file because there was no photo opportunity in a telephone call made in the privacy of his office. There was no opportunity to stand centre stage in Quebec City and sing "When Irish Eyes are Smiling" in making a telephone call to the President of the United States. There was no opportunity to grab the bull-horn or the megaphone, to beat one's chest, and to blow up and bombast in false, contrived, and phoney outrage in a private telephone call to the President of the United States. He ignored it.

That naive view was engendered in the Prime Minister when he was a young boy. He used to sit, in the eastern townships of Quebec, on the knee of an American industrial giant and sing for a quarter. I believe that naive view of the world has cost 20,000 people in British Columbia dearly. Hon. Members should also be aware that that *faux pas*, that naive reaction, or that inability to act in terms of its danger and potential impact upon the country is a bit like an iceberg. In Newfoundland we have colossal masses which float on the water—icebergs. Fishermen see mountains of blue ice sticking up and they say to themselves: "That is a hazard. I have to watch it because it can sink my boat". However, fishermen know that only 10 per cent of the iceberg is above water and that 90 per cent of that dangerous mass is below water. It is beautiful to look at but dangerous to get close to. The Prime Minister has not understood that the 35 per cent tariff which has now been imposed upon cedar shakes and shingles in British Columbia is but the tip of the iceberg.

We have an industry in this country worth $3 billion. It is located primarily in British Columbia and it is called softwood lumber. The cedar shakes and shingles industry is worth $250 million, but the softwood lumber industry is worth $3 billion in exports. Now there is a petition before the President of the

United States to launch a countervail at the rate of 27 per cent against that $3 billion industry.

We have been talking primarily about British Columbia. One might ask why a Member from Newfoundland is becoming so exercised about jobs in British Columbia. It is for two reasons. We in Newfoundland believe that the Rockies are as much ours as are the Grand Banks. We in Newfoundland believe that the Athabasca region of Alberta is as much ours as is the Codroy Valley in western Newfoundland. We believe that we belong to every part of the country and that every part of the country belongs to us.

There is another reason. We in Newfoundland, Quebec, Ontario, New Brunswick, and Nova Scotia know that if a successful countervail can be launched on softwood lumber in B.C., based upon what the Americans call our subsidized stumpage system, which is nonsense, that same countervail measure can be applied to pulp and paper in Ontario, Quebec, and Atlantic Canada, based upon the same stumpage system. Obviously the Government of Canada has not understood that.

When the Premier of British Columbia wrote to the Prime Minister, I do not think he was worried about the next election. I do not think he was worried about posturing, as was the Prime Minister on Friday past. We all know that the Premier obviously had in his mind to leave political life. He wrote a letter which he thought represented the reality—the real threat to the people of his province. He specifically asked the Prime Minister to act. There was no action.

• (1510)

What are we talking about in British Columbia? We are talking about the loss of 4,000 direct jobs with an annual payroll in excess of $100 million. We are talking about raw material suppliers facing the loss of revenues in excess of $100 million. We are talking about losses in the trucking and transportation sector. We are talking about financial institutions that have decided this industry is beginning to look—and this is tragic—a little plague infested. They are neither willing to make the investments nor willing to stand behind the people in that industry. The seas have gotten rough and the financial institutions are bailing out of the action, Mr. Speaker. We are talking about 20,000 jobs. We are talking about increased unemployment in a province that now trails my province in terms of the highest unemployment numbers in the country. We are talking about the loss of millions in tax revenues to both the Province of British Columbia and the Government of Canada.

It is clear to everybody in this House that the Government of Canada frantically called the United States administration and said a month ago: "Wait a minute. We hear that this free trade negotiation is not going to pass the Senate Finance Committee. We hear the numbers are not there. We here in Canada are politically committed to this negotiation. You have to get this through, President Reagan." The President said: "Don't worry, Prime Minister. We are going to delay the vote." Remember the Americans did that, Mr. Speaker. They put it off for a week. Somehow in that seven day time frame the President went from not having enough votes to get free trade talks going in the Senate Finance Committee to having just enough votes, a 10-10 tie.

It is inconceivable to me and to anybody who thinks about it in this House that the United States President did not say to somebody in the Canadian Government: "Fellas, there is going to be a price to pay. It will cost something to get those extra votes. The guy I am dealing with is Senator Packwood who represents one of the most intense industrial areas in the United States and he wants something in return." Of course the President must have said that. Did he say to somebody in the Canadian Government that cedar shakes and shingles are what it will cost? I don't know. Did somebody in the Canadian Government say: "I don't want to hear about it. Don't tell me. Get the votes however you have to. Make sure the Senate goes along with this." So Ronald Reagan went out with B.C. cedar shakes and shingles and he purchased, he bought and he paid for with B.C. jobs a few more votes in the Senate Finance Committee.

Whether the Government of Canada was overtly involved a partner active in that deal or a partner passive by turning a blind eye, the Government has failed the best interests of this country. We now have a Government that has invested so much of its reputation, so much of its credibility, so much of its political capital in the notion that it has a special relationship with the United States Government, in the notion that free trade is good for us in Canada, that the Government now believes it has to have a free trade deal at any cost.

Politically the Government has put itself in a very weak position. Yes, Mr. Speaker, the Government has put itself in a position where the American administration understands that the Prime Minister of Canada has gone so far out on a limb in terms of his reputation in achieving a free trade deal that the Americans can put a tariff on the cedar industry in British Columbia, can penalize the softwood lumber industry that he will be reluctant to respond in an intelligent manner. That is what is happening and it could only happen when the Prime Minister of Canada behaves as if free trade negotiations will occur in the kind of comraderie that exists in a private back room tennis club somewhere, when the Prime Minister of Canada naively thinks that the tinkling of champagne glasses, being on stage singing "When Irish eyes are smiling" before the cameras is the same kind of comraderie that the Americans will bring to the free trade table. That is the only way that could happen.

Professor Alan Rugman of Dalhousie University, an advisor to the Minister for International Trade (Mr. Kelleher) on the International Trade Committee, said yesterday as reported in *The Chronicle-Herald* in Halifax that shingles tariff, big headline, "no surprise". The Professor went on say "I am not suggesting the Prime Minister is ignorant of what is happening. However, he must have been badly informed because nobody who knows anything about what is happening in the United States could have possibly been surprised."

We know the Premier of British Columbia was not surprised. He wrote the Prime Minister 20 days ago. We know the Prime Minister's own advisor on the International Trade Committee who gives advice to the Minister of Trade was not surprised. We know that the industry in British Columbia was not surprised. We know by looking at newspaper clippings going back over a month that the journalists were not surprised.

Why is it that the Prime Minister was shocked? Why was he surprised? We know the Prime Minister has a very bad memory, we all know that. He was in New York a few weeks ago telling the editorial board of *The New York Times* that when he heard about the tuna scandal, bang, the Minister of Fisheries was fired. Then he had to come back to Canada and be reminded that the Minister of Fisheries hung around for a few weeks. In fact, the Prime Minister himself defended him in this House.

Canada needs a Prime Minister and an administration that will speak to us from their hearts, their minds and from their sense of commitment, not from a Hollywood script. The photo opportunity Prime Ministerial stance that we have seen is too damned costly for this country. We cannot afford it.

The Liberal Party has put forward a position. We believe the Prime Minister ought to examine it, but all we got today from the Prime Minister was flippant answers. We are not calling upon the Prime Minister to get out his megaphone. We are not looking for megaphone diplomacy. We are not asking for the Prime Minister to beat his chest and call the President names. Quite frankly, it may make the Prime Minister feel better but it really doesn't do a lot for those 20,000 people who are wondering whether they will have a job next week. We have asked the Prime Minister to pick up the telephone to call the U.S. President. So far, either since he got this letter May 7 or since the tariff was imposed last Thursday, the Prime Minister has admitted today that he has not done that. He sent a telex to his good personal friend, Ronald Reagan. He is waiting for a reply to the telex. We have asked him to make a phone call to ask the President to reverse the tariff. That is the first thing we have asked for. Second, we have asked him during the course of that telephone call to get a commitment from the President that he will refuse the petition for a 27 per cent tariff on the softwood lumber industry, that that secondary action on a $3 billion industry over and above the action on a $250 million industry will not be allowed to go ahead. We have asked him to get an agreement from the President that if free trade negotiations are to proceed, that there be agreement on both sides that both countries will cease and desist from these kinds of tariff measures during the course of those negotiations.

We have said to the Prime Minister that failure to get those kinds of assurances from the President should then result at that point in a decision by the Government of Canada to reassess our involvement in free trade talks. At that point we must ask ourselves whether we are talking to tariff walls instead of talking to men of like mind and like ambition who want to have a fair trading system between our countries.

• (1520)

We have also told the Prime Minister that, despite the threats of the Secretary of State for External Affairs (Mr. Clark) yesterday, until that phone call is made we must not get involved in knee-jerk retaliation measures. To do that on cedar shakes and shingles at this stage, without ever having talked to the President, is to put at even greater risk a $3 billion softwood lumber industry.

That has been the position of the Liberal Party. It has not been our position to measure the Prime Minister by how hard he beats his chest. It has not been our position to measure the Prime Minister's performance by how loud he shouts. It has not been our position to measure the Prime Minister's response and competence by the names he dreams up to call the President. The Secretary of State for External Affairs has called him erratic and eccentric, and the Prime Minister has called him bizarre. It has been our position that those things may make the Prime Minister feel better, but that they do nothing for the people in British Columbia who may lose their jobs, and that they do not put bread and butter on the table.

The Prime Minister made sure that he did the right PR things to get himself on the front page of *The Globe and Mail* and in front of television cameras to beat his chest. However, he admitted today that since last Thursday he has not made a phone call to the President of the United States. He admitted today that he ignored the letter of the Premier of British Columbia, who saw this coming 20 days ago, and has not made one phone call.

The people in the forestry industry in British Columbia are not really interested in the rhetoric which crosses the aisle of the House of Commons. They are not really interested in whether cheap political points are scored. They are not interested in chest-beating or in hollow threats which emanate uselessly like the sounds of a hollow drum. They are interested in a Prime Minister who will go to the heart of the U.S. administration and express, on behalf of all Canadians, our sense of outrage and betrayal and our commitment not to allow our fellow Canadians in British Columbia stand alone during this time of need.

Mr. O'Neil: Mr. Speaker, I have observed the continuing flip-flop of the Official Opposition on the important issue of a trade agreement with the United States. If anything, this whole lumber issue highlights how correct we were during the last number of months to pursue friendly relations with the United States and how important it has been and will be for us to maintain communications. The Government has been strongly criticized by the Official Opposition for its overtures to the United States in its efforts to conclude a trade agreement. The Government has been accused of selling out to the United States. Now the Leader of the Official Opposition (Mr. Turner) has contradicted the Liberal critic who spoke on Friday. They now say that we must continue to negotiate. If

there is any rhetoric and grandstanding taking place, it is being undertaken by the Official Opposition which finds itself closing the barn door after the horse is out.

Is it now the position of the Liberal Party that a trade agreement with the United States, which would prevent similar actions in the future, is part of the changing and flexible platform of the Liberal Party?

Mr. Tobin: Mr. Speaker, I know that the Member is a fairly well-meaning and decent individual. I have known him for some time. I am sure that within the befuddled and confused words he just expressed is the intention to contribute positively to the debate.

He will recall that the opposition Parties and some Conservatives in the country, including Conservative Premiers, expressed concern about the way in which the Government was proceeding with free trade negotiations. Our concern was primarily that the so-called friendly relations were not truly friendly. Any true friend is a friend on the basis of mutual respect between the parties. There is a sense of wanting to respect the opinions and attitudes of the other person. However, we also understand deep down that that individual demands our respect.

We have seen the Government give in to the Americans in the energy sector. Corporate boardrooms in the United States once again make decisions about Canadian energy policy. The Government has given the Americans a commitment to bring in a generic drug bill which will increase the drug costs of Canadians by $200 million or $300 million. Like a bull in a china shop the *Polar Sea* ploughed its way through Canadian waters without a whimper from across the way. The Foreign Investment Review Agency was swept under the carpet. The United States was told that it is just an appendage of the American economic model and that they are welcome within our borders.

Our administration has been busy sending bouquets and gifts of huge chunks of the Canadian economy across the border to the United States. Have they ever stopped to think that one day when the going gets tough they will have no damn cards left? In Newfoundland we understand that in a game of cards you do not put all your cards down on the table face up and expect to be able to play poker. The Member may not appreciate that. I repeat that real friendship is based on mutual respect rather than grovelling.

Mr. O'Neil: Do you want a trade agreement?

Mr. Tobin: My friend, I want a deal which serves Canada's best interests rather than a commitment to a slavish view that the way you get ahead in this world is by sitting on the knees of the American administration and singing songs with them. We have just found out that the Americans can be tough negotiators. It is about time that the Government and the administration took a cold shower and found out that we are living in the real world of trade.

Mr. Fulton: Mr. Speaker, I have a question for the previous speaker who is the forestry spokesperson for the Liberal Party in Canada. We could not get a clear enough answer from the first Liberal speaker on two things which are not too difficult to respond to. One, what is the official position of the Liberal Party on the export of logs and bolts? Second, what is the precise position of the Liberal Party on the suspension of the present talks to encourage remedial action to be taken on this 35 per cent duty?

Mr. Tobin: Mr. Speaker, I will be pleased to answer those questions and will begin with the second one. The Member asked what the position of the Liberal Party is with respect to the suspension of these talks in order to encourage the return of some kind of sanity to the U.S. administration with respect to cedar shakes and shingles. The Member heard a very clear position this morning. If he was listening a short while ago he heard a repeat of that extremely clear and far-sighted position with respect to that matter. The answer is that we have asked the Prime Minister, just as the Member did during Question Period, whether he has contacted the U.S. President. The Member was asking whether he had a response. We are asking the Prime Miniser to get on the phone to the U.S. President—rather than dealing through a telex or the Ambassador—to ask for a reversal of the 35 per cent tariff. We also asked him to seek assurance that the tariff action now being petitioned against softwood lumber in Canada will be stopped by the President. We ask that an agreement be reached between our countries that these kinds of harrassment measures will not continue during the course of the free trade talks which have started and are ongoing. The Prime Minister (Mr. Mulroney) discovered that he cannot get that kind of assurance from the President of the United States. At that point it is our position that we ought to consider a cessation of those talks until such time as we believe again that they are in the interests, not only of the United States, but in the interests of Canada as well. I think that is fairly clear.

• (1530)

Some members of the New Democratic Party want to break off talks tomorrow. We have listened and consulted with both labour and industry in British Columbia, who have said that the position I have just articulated is the one they would find useful, thoughtful and constructive.

With respect to the export of logs and boats, let me say to the Member that I want to do some more consultation on that matter with people in the industry in British Columbia. I can tell him that I start from the position that if, on the one hand, there is a 35 per cent tariff on the export of that product from our country that has the effect of shutting down that industry in our country, then I have grave trouble with the notion that we should then take the raw material and send it south of the border to allow the American industry to capture Canadian jobs.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, having heard the comments of the Hon. Members of the House who have preceded me in this discussion I will now proceed to identify and examine several important aspects of this issue as they relate to the motion at hand.

I would like to start by restating the motion, which has been put forward by the Hon. Member who has just spoken in this House. It says:

That this House urges that the Government press upon the Government of the United States the unanimous views of the House of Commons as expressed in its resolution of May 23, 1986, and insist that the United States rescind the 35 per cent duties on British Columbia cedar shakes and shingles and guarantee that similar measures or other possible trade action will not be applied to Canadian products in the future if the present comprehensive trade negotiations are to proceed.

This motion seems to address the current situation to a degree in a critical, yet constructive manner. It must be pointed out, however, that the perspective represented in this motion varies greatly from all of the views on this issue previously stated by the members of the Opposition.

Members opposite initially broached this issue with blind fervour and hollow claims of petulance. I am now pleased to say that perhaps they have come to their senses, applied some logic and, yes, perhaps even used a little bit of common sense.

It is slowly becoming obvious, evidenced through the motion we are debating today, that the members of the Official Opposition may finally have allowed reason to prevail over rhetoric. It is hard to make that statement when we have just heard the Hon. Member from Humber—Port au Port—St. Barbe (Mr. Tobin). However, I believe they have allowed a little bit of reason to creep into their thinking. It appears that the Members opposite have finally recognized the implication of President Reagan's action, and the important role that the free trade negotiations must play in avoiding similar actions in the future.

I really do not think it is possible for me to overemphasize the gravity of the situation which has been created as a result of the United States placing a 35 per cent tariff on all British Columbia cedar shakes and shingles as exports. The response that has been expressed by the Prime Minister (Mr. Mulroney) accurately and fully displays the shock and sense of dismay felt by all Members of the House, those in the industry and the Canadian public as a result of the actions taken last week by President Ronald Reagan on this issue.

Yes, our Government was aware that the imposition of a tariff on British Columbia cedar shakes and shingles was being considered. Yes, we were aware that the President was under considerable pressure from both political counterparts and industry lobby groups. I want this House to understand, however, and I want the people of this country to understand, that in no way did we expect the action against B.C. cedar shakes and shingles to be levied in this form, as it is so contradictory to all that Mr. Reagan has been promoting for so long. It is even more appalling that such a rash and unjustifiable action should have been taken without the President having first advised the Government of his intentions.

The Prime Minister has denounced the President's actions as being at variance with all his previous contentions, and as being totally unacceptable to the Canadian Government and to the Canadian people. It is reassuring to know that the Leader of our Government is prepared to take the appropriate actions to defend the people of our country from adverse measures such as this one.

It is the Canadian people who truly deserve mention when this issue is under debate. After all, it is the population of this country who must live in the wake of this irresponsible protectionist act on the part of the President of the United States. Undoubtedly all of the people of this nation will be affected to some degree.

I would like to comment in some detail on the direct and indirect effects this action will have on the people of British Columbia, but more specifically on the people from my riding, that is, the people from Mission—Port Moody. It is a region that survives almost solely on this resource-based industry and on directly related businesses. Its economy rests on a delicate balance, even when times are good, because, as we know, mother nature is both unpredictable and unrelenting.

Men and women who work in the forest related industries are familiar with trying times, and have certainly had to contend with their share of strife. The forest industry has endured a long and difficult struggle over the past five years, during which only the toughest have survived. Now, in the face of a 35 per cent tariff on all cedar shakes and shingle export products, it appears that there will be few survivors, if any.

Since the International Trade Commission first initiated action in this area I have continuously kept up to date on the status of the serious deliberations surrounding the cedar shake and shingle industry. I have been interested in what steps were being taken by our Government to influence any action that might result from the deliberations. I have been concerned for the people in my riding, I have been concerned for all British Columbians.

I have raised this issue three times in this House over the past month. During these statements I have stressed the vital importance of the B.C. cedar shake and shingle industry, and the necessity for a sound trade agreement to ensure the continued healthy existence of this industry, the lifeblood of British Columbia. On April 28, I said the following, as reported on page 12693 of *Hansard*:

The recommendation of the U.S. International Trade Commission for a 35 per cent tariff on Canadian red cedar shakes and shingles is a threat to jobs in British Columbia, in particular to Mission—Port Moody, the heart of Canada's shake and shingle industry. While trade negotiations will not in the meantime preclude traditional action against Canadian exports, they will lessen the threat.

On May 8, as reported at page 13080 of *Hansard*, I said:

One out of ten Canadian jobs is related to the forest industry. In British Columbia, forestry is our lifeblood. We cannot allow our lifeblood industry to fall prey to protectionist measures in the United States. The current threat of a 35

per cent U.S. tariff on red cedar shakes and shingles would be devastating to the B.C. economy and particularly to the Mission—Port Moody area.

On May 12, as reported at page 13167 of *Hansard*, I stated:

Last year we sold more than $100 billion worth of goods and services to Americans. We are the closest and most important trading partner of the largest and richest market in the world.

We must secure our access to that market if Canadian export industries, such as our lumber industry and the B.C. cedar shake and shingle industry, are to survive.

● (1540)

I have lived up to my responsibility and I shall not quit.

I want to deal now with what was said by the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) in the House yesterday during Question Period. The Hon. Member may be a neighbour but she certainly has a lot of nerve pretending to speak for the people of Mission or for any of my constituents. I want the House and the people of Mission—Port Moody to know that the Member for New Westminster—Coquitlam has actually opposed economic development in my riding. She has gone so far as to attempt to block a strategic economic development project in my riding. She has supported the doomsayers and apostles of the *status quo*. Now she tries to portray herself as a saviour of the people in my riding. What nerve!

Ms. Jewett: Somebody has to save them, Gerry.

Mr. St. Germain: The Member for New Westminster—Coquitlam wrote to my colleague, the Minister of Transport (Mr. Mazankowski), some months ago asking him not to proceed with an important runway extension project at Pitt Meadows Airport.

Mr. Fulton: Stick to the subject.

Mr. St. Germain: It relates to the project. It is tied in to forestry.

Mr. Fulton: You are the Member.

Mr. St. Germain: This project was intended solely to enhance economic development in the area.

Mr. Fulton: You are trying to divert attention from an incompetent Government. Your Government is incompetent.

Ms. Jewett: It's pretty sad.

Mr. Fulton: Mulroney has not even phoned.

Mr. St. Germain: The Minister of Transport proceeded with the—

The Acting Speaker (Mr. Paproski): Order, please. There will be time for questions and comments. Let the Hon. Member finish his debate. I am sure I will be able to recognize both Hon. Members.

Ms. Jewett: Okay, but it is a real red herring.

Mr. St. Germain: Not surprisingly, the Minister proceeded with this important project and I had the honour of attending a ceremony last Saturday, marking its completion. On hand with the Minister of Transport were many of those whose livelihoods depend on forestry and its related industries. That is what made this project so important. These are the people whom the Member opposite claims to defend. They are the ones whom in fact she knowingly proceeded to hinder when she tried to block this great project.

Ms. Jewett: What was the project?

Mr. St. Germain: The Pitt Meadows Airport.

Ms. Jewett: Why not tell the House all about it?

Mr. St. Germain: Where does the Member really stand? Where does she get her nerve? The people of Mission—Port Moody do not need to hear any more of her lectures. They know where I stand. I stand to protect their jobs and I have fought and will continue to fight for their interests.

Mr. Fulton: And your friend, Ron Reagan.

Mr. St. Germain: Economic development in British Columbia is our goal. The Member for New Westminster—Coquitlam has pure petty politics as her prime objective. The people must understand that that is the NDP way, the socialist way and the wrong way.

It has only been through continual receipt of up to date information that I have been able to stay on top of this critical issue.

Mr. Fulton: You free enterprisers are doing a great job.

Mr. St. Germain: I certainly appreciate the assistance I have received from my colleagues, the Secretary of State for External Affairs (Mr. Clark) and the Minister for International Trade (Mr. Kelleher) in this regard.

Further to my efforts to remain fully informed, I have kept in close contact with local and regional representatives of the industry, as well as representatives of local Governments whose municipalities will be severely affected by this action. These meetings have proved to be very informative. It is necessary for the Government to have complete briefings from all parties that are affected because their contribution provides us with an understanding of how this action will impact the people in the communities, whose entire survival rests with this industry.

Yesterday, I had the opportunity to speak with Mayor John Agnew of Mission. His outrage was only surpassed by his real concern for the future of his community. Mayor Agnew told me that the people of this area are petrified and that the entire area is devastated. He said that bankers were already starting to withdraw the lines of credit upon which shake and shingle producers depend for their cash flow. One mill has already shut down, laying off 75 workers.

This morning I also spoke to another mill operator who told me that his bank had already contacted him to say that his credit line was in jeopardy in view of the current situation.

At this time I want to make a plea to all those in the banking community to take a responsible role in their community and not over-react at this particular time. As was pointed out, the entire scenario has not evolved and so a true evaluation cannot be made. Panic on the part of the banking community would just add to the dilemma we are already facing.

This might be viewed as a knee-jerk reaction, but a considerable number of questions remain unanswered over this entire issue. Confusion has lead to nervousness, and this has lead to the shut-down. Confusion still exists over the effective date of the tariff. The American administration has yet to clarify on what date the tariff will be imposed. There are rumours about retroactive action and there is a question about the price on which the tariff will be calculated: the price at the mill or the price on delivery.

This confusion is understandable and it must be cleared up so that the long-term adjustments can be made. Hopefully, these adjustments will not be necessary at all. However, the short-term problem is still the one that looms large today. With 3,000 to 4,000 jobs about to be lost, communities like Mission could end up as virtual ghost towns. I want to reiterate how this will impact on Mission, a community already plagued with an unusually high unemployment rate.

As tragic as it may sound, the truth is that unemployment in the Mission area is currently about 27 per cent. Studies conducted a year and a half or two years ago by the Fraser Valley College indicated actual unemployment in Mission and the surrounding area at close to 50 per cent. Who would want to contemplate the social and economic consequences of this latest blow on a community suffering as this one already has?

What did the previous Government do to head off this tariff action when it was first rumoured three years ago? Did it heed these warnings? Yesterday, I spoke to Mayor Agnew of Mission, as did the Hon. Member for Vancouver Centre (Miss Carney), the Minister of Energy, Mines and Resources, who has taken a lead role in making certain that everything possible is being done for British Columbia. Let me relate what Mayor Agnew told me yesterday. He said: "We met with every key member of the previous Liberal Government three years ago and warned them that this problem was there and that action like this was coming." He said: "Needless to say, nothing happened. They didn't respond".

I spoke to Mayor Griffen of Maple Ridge. He said: "It is devastating and I have nothing else to say, Gerry." Ladies and—

Mr. Fulton: Where are you going to give this speech, Gerry?

Mr. St. Germain: I am so concerned about the people in Mission—Port Moody that I am thinking of the ladies and gentlemen there rather than Members here because I think we are insignificant in the over-all picture of this situation.

The response of the previous Liberal Government was ignorance, arrogance and complete indifference—so typical of the Liberal response to British Columbia concerns for so long.

Today, our Government has responded and we plan to act. We have the information at hand that has been provided by the industry itself. They are concerned, and rightly so, for their industry and their future. They assembled a data sheet which clearly amplifies the impact of this industry on the British Columbia and Canadian economy.

The tariff as imposed by President Reagan will have the effect of a direct loss of 4,000 Canadian jobs, equalling a payroll of $100 million and benefits of $28 million. There will also be a considerable dollar effect on the Canadian economy due to lost spending: $100 million in raw materials such as logs and blocks; $55 million in transportation; $25 million in supplies; and $36 million in short-term financing. This results in a total of $344 million in a direct job and dollar negative effect on the Canadian economy. Indirectly, there will also be an effect on 20,000 additional jobs, as was pointed out earlier.

The cost to the provincial and federal Governments in unemployment insurance claims will be overwhelming, to say the least. The loss to provincial and federal coffers from tax revenue will be millions of dollars. There will also be related effects on transportation and wholesale and retail contracting industries in the United States.

• (1550)

It must be made clear to everyone involved that the protectionist Act by the President serves to destroy a significant portion of the United States economy as well as ours in Canada. The destiny of the American producer is not directly related to the state of the Canadian industry. There are other significant reasons why they are not competitive. The United States producers have a shortage of raw material and lack of control over what existing materials there are. Prices for raw materials are higher than they can afford to pay. In addition, the American industry has failed to automate and expand capital to reduce unit costs. These factors, in conjunction with the loss of traditional markets, is what has caused the decline in the American industry. The punitive action taken against the Canadian red cedar shake and shingle industry will do a lot of damage to this industry within a matter of months.

I wish to conclude on a very positive note. This tariff action comes as a complete shock to us all. The potential for disastrous effects is frightening. On the other hand, an ironic situation flows from the events of the last few days. This tariff action points clearly to Canada's reason for pursuing a comprehensive trade agreement with the United States. It is telling why Ambassador Reisman's efforts are so vital to Canada. If he achieves nothing else at the negotiation table, Ambassador Reisman must convince the U.S. that protectionism and actions such as the one launched by the President on

Thursday, are a threat to the economic future of both our countries.

Certainly, this tariff cannot and will not be forgotten. We must continue to act in a manner which will assure the people of British Columbia that their interests come first, that their livelihoods will be protected and that any trade agreement will be in the best interests of all working Canadians. Our best customer, our largest market, is at stake. Canadian jobs and security are at stake. I plead with all Hon. Members of the House today to band together to find a resolve to this terrible situation which faces the people of Mission—Port Moody, British Columbia and all of Canada.

Mr. Fulton: Mr. Speaker, I was interested to hear the remarks of the Hon. Member. I know he does follow this industry with care. However, I just want to ask him about the politics of this matter. His own Prime Minister (Mr. Mulroney) made it clear in the House just an hour ago that he has neither telephoned President Reagan, nor has he been telephoned, and he has not had any kind of written or telex response to his letter, and so on, from last Friday. I have been around here long enough to know how this place works. I think the people of Mission—Port Moody should be advised as to how this place works. The only way a situation such as this can be quickly resolved is through the Prime Minister's Office. The Secretary of State for External Affairs (Mr. Clark) can do things, as well as can the Minister of International Trade (Mr. Kelleher), and so on. However, the fact is that President Reagan has not yet signed this 35 per cent duty into law, so we have a very small window opening in which to move. If the Government moves with speed and with some intelligence, we can get that 35 per cent duty taken off and we can get rid of it.

The Hon. Member is the chairman of the federal Conservative caucus. Why does he think the Prime Minister has not telephoned President Reagan? Is it not high enough on the agenda or are there other things he would rather be doing? Is it in fact true that the Prime Minister has known all along that the deal which was going to be cut to get these free trade talks going and get past the 10-10 stalemate vote in the Senate Finance Committee, was that the forest industry, particularly the shake and shingle industry, would be hung out to dry, as it is of this moment?

Mr. St. Germain: Mr. Speaker, why the Prime Minister has not taken the initiative I believe has been clearly enunciated. On Friday he sent a telex. Monday was a national holiday in the United States. I would like to read the telex into the record. It states:

Dear Mr. President,

I want to convey to you the profound disappointment of my government at the action you announced yesterday regarding softwood shingles and shakes. The imposition of a 35 per cent tariff is a punitive measure against Canadian products. This unjustifiable action is all the more appalling in the context of freer trade negotiations between our two countries having been officially initiated this week.

This American initiative is pure protectionism, the precise thing you and I pledged, in Quebec and Washington, we would seek to avoid. Canada is now placed in the position of being forced to consider an appropriate response.

I deeply regret this action by the Administration.

I do not know how much stronger one can get. I believe the Prime Minister has lived up to his responsibility as we knew he would. The people of this country gave him a mandate to govern, and we will govern the way we see fit. I know the Hon. Member is sincere in his thoughts in wanting to reach a solution. I know there is a political aspect in his question, but I also know he would sooner lose this one politically and win it for the industry and the province, as I would.

I can assure the Hon. Member that I will be speaking to the Prime Minister on this issue, as I have spoken to him before. If it is felt necessary within the wisdom of the operation of our Government, I am certain the Prime Minister will make the call, but at a time he deems correct. I think we must look at the submission he made to the President of the United States last Friday. I am sure the proper action will be taken in due course.

Mr. Fulton: Mr. Speaker, I know the Hon. Member is on the record as opposing the log and bolt exports, as is his Government now. The Liberal Party seems to be the only Party left in the world which does not understand that particular part of the issue. I would like to hear further from the Hon. Member because it seems clear to me from wide consultations that if this 35 per cent duty is left against the shake and shingle industry of British Columbia, if we do not move to have it removed while it is still as yet unsigned by the President, the U.S. will take that as a signal from the Mulroney administration that it is prepared to accept the imposition and maintenance of it for the next five years. The duty will come into play on June 6. The signal the U.S. administration will take from this—and I understand this from discussions I have had with members of the U.S. Congress in both the Senate and the House—will be that Secretary of Commerce Baldridge next Tuesday will be given the green light to initiate the International Trade Commission investigation into injury of Canadian softwood going to the United States.

I know the Hon. Member has read the case law in the carbon black case and knows that the rules of the game have been changed in relation to the 1983 countervail we won. I would like to hear the Hon. Member's comments because I have been led to believe, that if the Prime Minister does not phone and ask that this be taken away before the President pulls his pen out of his holster and signs it into law, it will be the green light for the Department of Commerce to begin the investigation next Tuesday against our softwood industry, and there go a million jobs, not 4,000 jobs.

Mr. St. Germain: Again I reiterate, that I do not think the Prime Minister could enunciate his position more clearly than in the letter he sent to the President of the United States. There is no one in this House who thinks we should stand back on this particular issue. As the Hon. Member knows, Cabinet at this particular time is deciding how the situation should be approached. I agree with the Hon. Member that the only way is for the 35 per cent tariff on cedar shakes and shingles to be

rescinded. I am literally terrified, like every other British Columbian or any Canadian, that if we are subject to this type of protectionism from the United States, which is our largest trading partner, we are in serious jeopardy. Our total economy is in jeopardy. I want to point out to the Hon. Member that it was the foresight of our Government and its initiative that have triggered these free trade talks. That is the only way out of this dilemma. That is why we cannot suspend the talks. But we must not start a trade war.

• (1600)

The Hon. Member questions the actions taken. If I were sitting in opposition I would be doing exactly what he is doing. However, I wish to point out to the Hon. Member that we have taken the strongest action that has ever been taken in an instance such as this one.

Mr. Fulton: A supplementary question, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order! The period provided for questions and comments has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Capilano (Mrs. Collins)—Tourism—Canadian Pavilion at Epcot Center; the Hon. Member for London—Middlesex (Mr. Clifford)—Hate Literature—Posted in Moscow for delivery in Canada; the Hon. Member for Halifax West (Mr. Crosby)—Unemployment Insurance—Forget Commission—Request for interim report on pension income.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. TRADE NEGOTIATIONS

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That this House urges that the Government press upon the Government of the United States the unanimous views of the House of Commons as expressed in its resolution of May 23, 1986, and insist that the United States rescind the 35 per cent duties on British Columbia cedar shakes and shingles and guarantee that similar measures or other possible trade action will not be applied to Canadian products in the future if the present comprehensive trade negotiations are to proceed.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I wish to begin by commending the Hon. Member for Mission—Port Moody (Mr. St. Germain) for his very moving remarks about the real and present danger to the community of Mission and possibly other communities in the Fraser Valley becoming ghost towns if they lose one of their fundamental and vital industries such as the shake and shingle industry which we are discussing today. As representative of the neighbouring constituency I can tell the Hon. Member that many of the people living in my riding are employed in the industry, or at least were employed in the industry until now. I feel as deeply about the matter as he does himself. I do not intend in any way to be negative or purely oppositionist. On the contrary, I wish to be as positive and as constructive as I can.

In that connection I say to the Hon. Member that I was very concerned at the time of the airport expansion about which he spoke to have received a great many communications from residents of his constituency who felt that an insufficient number of environmental impact studies had been done before the contracts were let. These people requested a formal public hearing on what environmental impact studies had been done. They were concerned with the shortcomings of them. I see that the Minister of the Environment (Mr. McMillan) is in the House. I am sure he would join with those of us who nowadays are concerned about environmental impacts. It was in that connection that I took up the cause which many of his constituents presented to me at that time.

Toward the end of his remarks the Hon. Member said that he would be speaking to the Prime Minister (Mr. Mulroney) about the horrendous impact the U.S. tariff on cedar shakes and shingles will have. As my colleague from Skeena has pointed out, the Hon. Member is chairman of the Progressive Conservative caucus and is therefore an influential person with the Prime Minister. Had there been time I would have asked him why he has not already spoken to the Prime Minister. Given the consequences of this tariff, if we cannot have it revoked, why would the Hon. Member, as chairman of the caucus as well as a concerned British Columbian, not have said immediately to his Leader, the Prime Minister: "Given your good, friendly and warm relations with the President of the United States, will you phone him right away as a follow-up to the letter which was telexed to him?" I suppose that the President receives a million telexes a day. On Friday there should have been a follow-up in terms of a phone call to the President before the holiday weekend commenced. I say that because it is possible that the President might have been gone after Friday. Why did the Hon. Member not ask the Prime Minister in the most forceful terms possible to phone the President immediately?

Some of us think that the President does not think about Canada every time he wakes up in the morning. Hon. Members will remember that the Prime Minister once said that it would be a good thing if he were to do that. He does not think of Canada very frequently at all. He certainly was not thinking

of Canada when he decided in favour of this horrendous tariff on cedar shakes and shingles. I do not think Canada even crossed his mind, if he has a mind on this matter. Therefore, it becomes all the more important for the Hon. Member for Mission—Port Moody to say immediately to the Prime Minister: "It is absolutely essential for you to get through by phone directly to the President".

It may be that the Prime Minister tried to do that, although he did not indicate that he did, and could not get through. I do not think that that was the case. The Prime Minister has not indicated that. The fact of the matter is that he did not try to reach the President on Friday. Because he did not try to do so, I must say to the Hon. Member that that makes it very difficult for the rest of us from British Columbia to think that the Prime Minister really knows how serious the situation is in the Hon. Member's constituency and in my constituency. I do not think he realizes that if this action is followed through with some other type of action in terms of the softwood lumber industry generally, how absolutely horrendous it will be for British Columbia. This is our country's major export, something which most Canadians do not even know. It is not widely known how important the industry is to the whole of Canada.

I wish to say to the Hon. Member that by failing to have talked to the Prime Minister in terms of urging him to follow up his telex with a direct phone call to the President, I am sorry to say that we have substantially reduced our chances of getting the 35 per cent tariff decision reversed.

It is important to remember that this is not a countervail measure. It was imposed under Section 201 of the United States Tariff Act, which is the section which allows a group of producers to apply to the administration for relief from imports which they say are causing injury. The reason I emphasize this is that at no time did they say that there was a subsidy involved in the Canadian industry, nor has there ever been.

• (1610)

I think it is very important to remember that we have had free trade in shakes and shingles for half a century or more, although everyone keeps talking about the importance of the free trade negotiations. There was free trade in the shake and shingle industry but the U.S. shake and shingle producers applied to the ITC last September saying that they were being injured by imports which had taken place prior to last September.

As well, it is important to recall that the decision of the ITC was split. Only three members of the ITC recommended a duty and the other three took our position, which was that there was no injury to the producers. I mention this because I would like to hear from the Government the reasoning it is following when it says that this kind of thing will be avoided under the free trade arrangements that are extolled by Government Members. Quite frankly, the chances of having our market in the United States diminish will probably be even greater because of the negotiations that are taking place.

I think the Government is misleading us when it suggests that, through these negotiations, we are somehow going to protect let alone enhance our share of the U.S. market. As far as the shake and shingle industry is concerned, the result of the bargaining will probably be to reduce drastically our share of the U.S. market. I am quite confident that unless this is pointed out now, even if we do get the 35 per cent tariff decision reversed, we will still give up a substantial share of the U.S. market in this particular industry through these negotiations. Far from enhancing our access to U.S. markets, supposedly the purpose of these negotiations, we will end up seriously limiting it.

The same applies to countervail. Countervail is the issue with respect to the softwood lumber industry about which we have heard a lot today. Most of us on this side of the House feel that the President's decision to go ahead with a tariff on shakes and shingles despite the even split in the ITC is a political signal of enormous dimensions indicating the nature of the countervail on softwood lumber which is to come next. It is a message to all of us in British Columbia that softwood lumber is next.

I cannot take as much reassurance as I would like from the statement the Prime Minister made today indicating that the tariff on shakes and shingles was bizarre, erratic and a one-shot deal. Most of the people in the industry in British Columbia to whom I have spoken, both management and union, have felt that on the contrary, it is a clear political signal to get us softened up for the next blow which will be a countervail of 27 per cent on softwood lumber.

I guess it is fair to say that most British Columbians have known for a long time that this was in the works. I could not quite understand the Hon. Member for Mission—Port Moody who said that they knew it was coming but they did not know what form the action would take. I would have thought that the action would be either a tariff or a countervail. In any event, in view of the fact that British Columbians have said that they knew for nine months that some kind of action was coming first on shakes and shingles and then on softwood lumber, I cannot for the life of me understand why the chairman of the Progressive Conservative caucus, a British Columbia Member of Parliament, did not say immediately on Friday to the Prime Minister: "Get on the phone". The most disappointing remark made by the Hon. Member is that he will be speaking to the Prime Minister.

The ironic thing about the entire shake and shingle issue is that it will probably ruin the shake and shingle industry in the United States as well. As all British Columbia Members know, U.S. producers will gain very little from this tariff. Certainly, as the Minister has assured us, they will not have access to further raw product. Their own shortage of cedar logs will surely mean that they will be able to expand very little. This means that another industry will fill in the gap and the shake and shingle share will diminish even further. Again, that is why it is such an erratic decision. It does not even benefit the shake and shingle industry in the United States.

Mr. Fulton: Tile and asphalt.

Ms. Jewett: Tile and asphalt will probably be the chief beneficiaries of it. This is another reason why the B.C. forest industry is so shocked by this decision. It really does seem to be totally irrational.

Although I hope it is not too late to have the Prime Minister get on the phone to the President of the United States, that is about the only thing that is left for the Government of Canada to do in order to try to get this tariff decision reversed. As my colleague, the Hon. Member for Skeena (Mr. Fulton), has pointed out, this decision has not yet been signed into law. Therefore, there is still time.

The House agreed unanimously last Friday that the U.S. should rescind this duty. We found today during Question Period that the Prime Minister was not really seized of the absolute necessity for the sake of British Columbia workers and all Canadians of impressing directly but in a friendly fashion upon the President of the United States the consequences for British Columbia of this decision and any other decisions that may be taken. As well, he is not seized of the absolute necessity and importance, while negotiations are under way, of not undercutting the negotiations by taking unilateral action in raising tariffs or imposing countervails.

• (1620)

In conclusion, I hope that members of the Conservative caucus from British Columbia will treat this matter in a more urgent fashion, take it directly to the Prime Minister, who in turn will take it directly to the President. If they do not do that, I would really have to wonder how urgent they think the matter is.

Mr. Fraleigh: Mr. Speaker, I share the Hon. Member's concern about the plight of the shake and shingle industry in British Columbia, but I have some problem with it. I come from an industry which has enjoyed free trade with the United States for the past 25 years, if not for the past 50 years. In all cases it has been a winner under that free trade arrangement.

It amazes me that the Hon. Member and her Party can be opposed to a formalized trading arrangement with our major trading partner; it never ceases to amaze me. It is like Bob White. He does not want us to enter into these negotiations. He has a free trade arrangement for a bilateral negotiated agreement with the United States, so he does not want anyone else to participate in advantages similar to those of the automobile industry.

Why would an Hon. Member, who comes from a constituency which has enjoyed the benefits of a liberalized trading arrangement between the two countries, be so opposed to it?

Ms. Jewett: Mr. Speaker, in answer to the Hon. Member, we are not opposed to existing free trade arrangements, certainly in the lumber industry.

Mr. Fraleigh: What about the other people who want it?

Ms. Jewett: We are not opposed to those either. If we could get auto pacts with guarantees similar to the ones built into the Auto Pact, we would be all for it.

Mr. St. Germain: That is administered trade.

Ms. Jewett: The Hon. Member is absolutely right. We have said all along that the Auto Pact is administered trade. Indeed we would be very happy if our tough bargainers could get other pacts of that nature. We have always said that. We have always said that where we have existing free trade, we would want to see it continue. However, when we discover things like what the U.S. is doing today to the shake and shingle industry, a highly competitive and efficient industry—

Mr. Fulton: Free for 50 years.

Ms. Jewett: Yes, it has been free for 50 years. We are simply warning, and warning countless times, against what, under a so-called comprehensive agreement, we will have to give up. I am afraid that we will have to give up everything from the access to the shake and shingle market which we have enjoyed for the past six years, to possibly the Auto Pact or any similar agreement that has been developed. The chances of securing or guaranteeing free trade in shakes and shingles become far less. The chances of other areas having genuine free trade, which we should like to see, may become far less than they would if we did what we have argued all along, that is, conduct our dealings, arguments, arrangements, and bilateral talks with the United States on a sectoral basis.

Mr. Fraleigh: Mr. Speaker, again it never ceases to amaze me. Every time the Hon. Member talks, she increases the reason for going to a free trade or a freer trade arrangement with the United States.

I would like the Hon. Member to do something for me when she returns to her office tonight. She should have her researcher pull out the speeches of the major NDP speakers and labour leaders of the day prior to the signing of the Auto Pact, for they are a verbatim record of what we are hearing from her Party and from Bob White today.

Ms. Jewett: Mr. Speaker, I do not have to pull out those speeches. I was in the House at the time and remember a great deal about the Auto Pact debate and what everyone said in it. It is like talking to someone whose mind is totally closed—

Mr. Fraleigh: You are right, you are right.

Ms. Jewett: —when I am talking to the Hon. Member. I wish I could ask him a question. If he participates in the debate, I will. Let us take the shake and shingle industry, for example. At present 75 per cent of it is under free trade, under genuine competition. As the Hon. Member for Mission—Port Moody pointed out, the Americans are not as competitive as we are in this area.

Mr. Fraleigh: Agreed.

Ms. Jewett: We have earned 75 per cent of that market. Is the Hon. Member telling me that under free trade negotiations we will enhance that percentage? Is that what we will get from free trade negotiations?

Mr. Fulton: Not likely.

Ms. Jewett: That is what he is telling me, and I am telling him that we will not. He should not mislead people into thinking that we will. Under these negotiations, chances are that the United States will insist upon reducing our share of the market back to 35 per cent or 40 per cent. We are talking at cross purposes.

Mr. Fraleigh: You bet we are.

Ms. Jewett: It is because Hon. Members on that side of the House and in the Tory Party do not seem to understand. That is very likely to happen in the shake and shingle industry, and the people in the industry know it. This is why they are now beginning to get very serious about these infamous comprehensive free trade negotiations which the Government is pushing.

[*Translation*]

Mrs. Landry: Mr. Speaker, earlier, my hon. friend said, in referring to the Conservatives, that "Your mind is closed".

However, I have the impression it is the New Democratic Party's mind that is very much closed. We all agree that the Auto Pact has been of great benefit to the automobile industry. How can the Hon. Member not be in favour of other sectors in our industry being regulated by the same kind of pact, which would be just as beneficial for other industries?

And I fail to see why they are opposed to negotiations on free trade, when we hope to negotiate an agreement that will in fact reduce the likelihood of the kind of intervention we are seeing today, an agreement that will benefit all industries in this country.

[*English*]

Ms. Jewett: Mr. Speaker, I thank the Hon. Member for her question. I can only assure her that we would like to see dozens of auto pacts. What makes the Auto Pact so important is the guarantees built into it in terms of Canadian employment. That is what is not being negotiated.

Mrs. Landry: It is the beginning of discussions.

Ms. Jewett: It has been made fairly clear so far that that is not what the Canadian Government is negotiating. It has rejected the sector by sector approach and the application of the kind of regulations which we see in the Auto Pact, as did the previous Government. Those have been rejected. We do not think that they should have been rejected. It is the kind of negotiation which should be taking place sector by sector.

Mr. St. Germain: Mr. Speaker, in her speech the Hon. Member—and I am sure it was inadvertent, not intentional—stated that we knew it was coming. That statement was made by Mayor John Agnew when he spoke three years ago. He made that statement to the Liberal administration at that time. In order to clarify that point, let me point out that it was not my statement; it was the statement of Mayor John Agnew.

I find it strange that the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) is somewhat like the Leader of the Opposition (Mr. Turner)—a johnny-come-lately. I have not heard her make one statement in the House on shakes and shingles, nor on the lumber industry.

Mr. Fulton: Nor have 210 of your Tory Members.

Mr. St. Germain: I have not seen her rising to defend this particular issue. I have heard the Hon. Member for Skeena (Mr. Fulton) on the issue. Now she is to be the the saviour of all. I agree that it is important—

• (1630)

Mr. Fulton: There is only one B.C. Tory in the House.

Mr. St. Germain: Let us not get into that, Mr. Speaker. The NDP did not have a speaker ready at three o'clock. Let us not get nasty about things like that.

An Hon. Member: There were two Tory Members from B.C.

Mr. Fulton: Mr. Speaker, I rise on a point of order. The Member knows that that is wrong. There were three speakers here from our Party.

Some Hon. Members: No.

Ms. Jewett: I was waiting for the Hon. Member for Mission—Port Moody (Mr. St. Germain) to speak. Sorry.

The Acting Speaker (Mr. Charest): Order, please. Notwithstanding the number of Members in the House, we certainly can hear them. They are all being heard.

Mr. St. Germain: The Member over there started it, I didn't.

The Acting Speaker (Mr. Charest): Perhaps the Hon. Member for Mission—Port Moody (Mr. St. Germain) would be kind enough to wrap up.

Mr. St. Germain: Yes, Mr. Speaker. The Hon. Member for New Westminster—Coquitlam alluded to the fact that I had not spoken to the Prime Minister (Mr. Mulroney). I can assure the Hon. Member that the Prime Minister was in direct contact with me on the weekend.

Ms. Jewett: I said Friday.

Mr. St. Germain: Anyone in Canada who does not feel that the Prime Minister is not on top of this issue, is not current with it and is not concerned about it, is unequivocally wrong. The Prime Minister has spoken to me on three occasions since.

Mr. Robinson: What about beforehand?

Mr. St. Germain: I can assure Hon. Members that we know what is going on in this country. We will provide the leadership that we promised Canadians we would give them. I can assure the Hon. Members that the country is in good hands.

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, it gives me pleasure to spend a few moments this afternoon speaking in support of the motion of my hon. friend and colleague from Newfoundland. I had the opportunity of being here on Friday when we first learned of the quite extraordinary action taken by the President of the United States to impose a 35 per cent safeguard tariff against red cedar shakes and shingles which come from the Province of British Columbia. We have heard much about that this afternoon and we will hear much about it in the days ahead. What I would like to share with you and my colleagues present here, Mr. Speaker, is the mystery that surrounds what has taken place, the mystery of this 35 per cent tariff.

Canadians not familiar with the background of this action by the President will also be interested in joining with us in trying to solve this extraordinary puzzle. I hope, Mr. Speaker, as I put the facts to you, you will join with me in this exercise, although clearly I do not expect you to pass judgment or to furnish an answer and, as a matter of fact as my comments will demonstrate, I do not have all the answers either. I have some suspicions, but I do not have all the answers.

First, we are not dealing here with a "whodunit"; we know who did it. The President did it. He exercised his rights under Section 201 of the relevant provisions of the U.S. trade laws. He imposed the tariff with his own hand. We all saw him pull the trigger. This is not a smoking gun mystery. The question is not who did it, the question here is why he did it, which is one of the questions in the puzzle that we are called upon to resolve. What motivated this quite extraordinary action by the very apostle of free trade?

[*Translation*]

Perhaps I may repeat this for our francophone colleagues, Mr. Speaker. Last Thursday, on May 22, President Reagan decided to apply a severe tariff clause, covering a five-year period, to imports of Canadian cedar shakes and shingles, two softwood products.

Mr. Speaker, considering the President's ideas and philosophy on the importance of free trade today, how are we supposed to interpret this action? Against the background of the bilateral negotiations being pursued, this action was unacceptable, and we are trying to get to the bottom of this mystery this afternoon.

[*English*]

The first part of the mystery, which I intend to go into at more length, Mr. Speaker, is, why did the President impose the tariff? Why did he stab his buddy, his friend, his fellow Irishman, who shares the northern half of this continent as leader of a state, in the back? Why did the President go back on the so-called representations which the Prime Minister says he has received over a period of time at the Shamrock conferences and elsewhere?

The second part of this mystery is even more intriguing. The facts have come to light over the last few days with respect to knowledge which the Government had on this potential action. Why was the Government surprised? Why was the Prime Minister surprised? Why was the Secretary of State for External Affairs (Mr. Clark) surprised when we now know that the Government had in its hand for nearly three weeks—in fact, the letter was dated May 7 from the Premier of British Columbia—a letter which warned that the President might indeed take this action?

I am sure that everyone in this House is puzzled. Everybody in this House would like to know the answer to the mystery, and I will come back to it, Mr. Speaker. The Secretary of State for External Affairs was quite explicit in the statements that he made on television over the weekend that he was surprised and that he was shocked.

Let me return to the first question. Why did the President of the United States impose this tariff on the day following the announcement of negotiations between Simon Reisman on behalf of Canada and Peter Murphy on behalf of the United States? Can we believe that the timing was accidental? I suppose one could always argue that in a Government as large as the U.S. administration it is possible that the left hand may not always know what the right hand is doing. I would say though that that is an unlikely answer to the mystery. I think we have to assume that the imposition of this tariff by the President in these circumstances, coming as it did at the very beginning of negotiations, was a negotiating tactic. What was it designed to accomplish?

I suspect that every Member of the House is familiar with many sports. Let us take football, for example. A tactic in football early in the game is to rough up the quarterback, intimidate him and make him nervous. In tennis, there are some tennis players who deliberately take the first opportunity to drive a ball right at their opponent when he or she is vulnerable at the net to shake him or her up, to intimidate them. We all know about the close pitch in baseball—intimidate the batter. I suggest to you, Mr. Speaker, that what might have been intended by this gesture was to soften up the Canadian Government, to let it see the claws of the eagle at the very outset of these negotiations. Of course, the Secretary of State for External Affairs suggested as much during his interview on the CTV program *Question Period*. I think that he probably believes, as does the Prime Minister (Mr. Mulroney), that this was not just an accident of timing but that it was timed very carefully to coincide with the launching of these bilateral discussions between Canada and the United States.

• (1640)

Think about what an extraordinary gesture this was, Mr. Speaker. Let us reflect upon the reaction of the Prime Minister to the imposition of this tariff. On Friday I questioned the

Prime Minister. I asked him whether, in view of his relationship with the President, he had advance notice that this might take place. I asked him, if he did have advance notice, what steps were taken to head it off. Of course, we received no answer to that question, although we do know, as the record now shows, that Premier Bennett had given very adequate advance notice to the Government of Canada with respect to what might unfold with respect to the imposition of this particular tariff.

Let us think about that special relationship. The Prime Minister of Canada has made a very major personal investment in the special relationship between himself and President Reagan. He has tried to draw the Government of Canada closer to the American administration and has tried to bring Canada closer to the United States. From the outset he has made a major investment in goodwill. He has said so. I sat at the Economic Club in New York in the autumn of 1984, I believe it was, and listened to the Prime Minister say how he was going to refurbish that relationship, that Canada was open for business. The implication of his remarks and the inference to be drawn was that under previous Liberal Governments that relationship had deteriorated.

There is no doubt that the Americans liked what they heard. I think they like our Prime Minister because of the rhetoric which he offers so frequently, in fact at every opportunity. He seizes every opportunity to support the United States. He backed up that rhetoric in New York by closing down the Foreign Investment Review Agency, dismantling the National Energy Program, and lending support to the Star Wars concept and the Libyan invasion. In fact, you name it, Mr. Speaker, and he has been there to support the United States and has been proud of it. I do not think that he would deny any of the statements which I have made with respect to the importance which he attaches to the relationship with the President of the United States.

At the personal level, we saw the Shamrock conferences which began in Quebec where the Prime Minister went as far as singing on stage with the President and establishing a strong personal bond between Ronald Reagan and himself. He is proud of it. He has said that the President is only at the end of the telephone line. I do not think that the President or the Prime Minister would deny that this personal relationship has developed. They have walked arm in arm together.

In a sense, the Prime Minister's reaction on Friday was sad. In some ways I felt for him, as I think other Members of the House did, because he felt he had been betrayed. His comments reminded me of that famous saying that hell hath no fury like a lover scorned. I thought that perhaps the Prime Minister even went a little further on Friday than he had intended to go. One can imagine how he felt to have been stabbed in the back, and perhaps dealt a mortal wound in so far as these negotiations are concerned, after having assumed that his relationship with the President was a close one.

As reported on page 13558 of *Hansard* of last Friday, in response to a question from me, the Prime Minister said:

> —and I will tell my hon. friend that actions like this make it extremely difficult for anyone, including Canadians, to be friends with the Americans from time to time.

My colleagues and I do not share that view. I do not know that the Prime Minister intended to paint Americans with that brush. We are talking about an individual act of the President of the United States. Bonds between Canadians and Americans will not be placed in jeopardy by the act of the President of an administration in the United States with which probably millions of Americans disagree, especially those consumers who will pay the price of having higher tariffs placed on these Canadian exports, if indeed these Canadian exports will be able to penetrate the U.S. market at all. As our Leader pointed out today, a 35 per cent tariff is, in effect, a barrier to the penetration of that market by Canadian goods.

I think that the first part of the mystery as to why the President stabbed his friend in the back can be answered by the intimidation argument. It is certainly one argument, and we may hear more about it as the days and weeks unfold. However, it was certainly a surprise to us because we on this side of the House had never anticipated that the President of the United States would treat his friend, the Prime Minister, in that fashion after taking and taking and accepting the goodwill of the Prime Minister and being pleased about the dismantling of these programs in Canada, which they regarded as positive. The fact is that we were surprised.

The second part of the mystery is the Prime Minister's surprise. Should he have been surprised? You can imagine our astonishment after witnessing that performance last Friday in this House and reading the transcript of Mr. Clark's comments on *Question Period* in which he said "that the decision was a shock to us. It came as a surprise to us. It came as a surprise to our Embassy". Mr. Clark demonstrated all the surprise and shock of somebody who suddenly has a truck driven into his living room.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member should know that he should not refer to other Members of the House by their names but rather by their ridings.

Mr. Johnston: Excuse me, Mr. Speaker. You are quite right. I stand corrected. As I was saying, the Secretary of State for External Affairs expresses the surprise of someone who sees a truck drive through the wall into the living room with no prior notice. You can imagine our surprise and shock when we discovered today that on May 7 Premier Bennett wrote a letter to the Prime Minister telling him exactly what might happen. In fact he said:

> The matter now rests with the President who has full discretion in deciding what action, if any, is to be followed. He is required to announce his decision on or before May 24, 1986.

He announced it on May 22. Mr. Bennett continues:

> I am deeply concerned that the President may in fact decide to impose a tariff, perhaps for extraneous reasons. He may decide to show that he is not reluctant to act on Section 201 cases.

Furthermore, in view of the difficulties surrounding the Senate Finance Committee decision to provide the President with fast track authority, he may decide to demonstrate a tough posture *vis-à-vis* Canada.

● (1650)

Well, I can tell you one person who was not surprised on May 22, it was Premier Bennett. I am sure he was shocked, but obviously he was not surprised.

Now why, with this letter in hand, was the Prime Minister telling us that he was surprised, and why was the Secretary of State for External Affairs (Mr. Clark) pretending that he was surprised? Well, of course, the answer today in the House was that he did not receive any advance notice from the American administration. The Government received advance notice from Premier Bennett.

It is like saying, in the case of that truck driving into your living room, after someone has come in and told you there was a truck coming, that you were surprised because you did not hear from the truck driver. They knew precisely what might happen on May 22.

What are the answers to this? That, indeed, is perhaps a greater mystery than why the President applied the tariff. I have at least furnished a possible answer to that, but in this respect, I must confess, I am lost.

Here is Premier Bennett with this information at his fingertips, and here is our Government with a trade office with close to a hundred people in it, with an embassy in Washington, with highly paid lobbyists who are supposed to have direct access to information which goes on within the administration, and yet it is not aware that this might take place—complete surprise. It was not a complete surprise for Mr. Bennett.

Did they not believe Mr. Bennett? Did the letter get lost in the mail? Is that a possible answer? Perhaps the letter got lost in the Prime Minister's Office. There are so many people in that office, the staff is so large that there, indeed, may be an example of the left hand not knowing what the right hand may be doing. I know that sounds outrageous, but I must say it is the only response I can think of, because what other Prime Minister, what other Secretary of State for External Affairs would not act when the Premier of a province affected to the tune of $250 million of exports tells him that this is likely to happen some time before May 24? Could there possibly be another answer?

I also say that because I always thought the Secretary of State for External Affairs, for all the criticism we may throw at him, is a man of integrity. I think that when he was on *Question Period* on Sunday and said he was surprised, he was surprised. It would not surprise me, in turn, if he did not even know about Mr. Bennett's letter and, perhaps, has never seen Mr. Bennett's letter.

Well, the final answer, which my Leader dealt with this morning, is that, having found ourselves with this extraordinary mystery on our hands—and I certainly hope that as the days unfold the mystery will become clarified and we may get some answers—the question is, what should the Government do?

Mr. Reagan has played a very strong card. He has played a card which, in my judgment, requires a response, not retaliation. I asked on Friday in my question to the Prime Minister, given this stumbling start out of the starting gate on these negotiations, what is the Canadian Government to do?

This issue is so serious for the people of British Columbia, for the value of our exports, the jobs, and for the future of these negotiations, that careful consideration should be given to suspending those negotiations until such time as this tariff is withdrawn, and, as our Leader said, until such time as both parties agree that there will be no further harassment during these negotiations. Negotiations of this kind should not be conducted with either a gun to the head or a knife in the back.

Mr. Fulton: Mr. Speaker, I wonder if the Member who just spoke would care to clarify for the House and for the people of British Columbia just exactly what the Liberals' policy is, first, on the export of logs and of shake bolts, which is clearly something that the Washington, Oregon, Idaho, northern California shake and shingle producers are interested in; and second, whether or not this motion that is before the House means that if the 35 per cent duty harming British Columbia's shake and shingle industry is not taken away, the Liberals will then be calling for an end to the free trade talks. Or perhaps he could expand a little bit on exactly what this motion means.

Mr. Johnston: Mr. Speaker, I have to recall the exact text of the motion, but on the first part of the question—later I will come to the second part—the position has been clear, there has always been free trade in these products. The President, in this case, has not basically dealt with an issue of countervail, he has dealt with a safeguard tariff, which, theoretically, can be applied in any circumstance where injury is shown under Article 19 of the GATT treaty.

Our position on it is clearly that as these negotiations begin, this would be the last gesture one would expect to find. Of course that market for shakes and shingles is the most significant market and, as we know from the numbers that have been put forward, it will effectively create serious unemployment in the province represented by the Hon. Member for Skeena (Mr. Fulton). It will affect exports and, as the Member knows, will affect a lot of ancillary industries as well, including transportation and support industries. That is the position on the first point raised.

With respect to the second point, our Leader this morning laid out, I thought quite clearly, that we would expect the Prime Minister to use the good offices, to which I have made reference, with the President of the United States, that he should call the President of the United States and ask that that tariff be removed. He should also ensure that the countervail action will not proceed. He should get an undertaking for what our Leader called a cease and desist order, that as long as these negotiations are going to go forward, they should go forward without harassment, either in the United States or in

Canada. That is essentially the position he laid out this morning.

Mr. Fulton: Mr. Speaker, a lot of British Columbians are interested in knowing where the Liberals stand on the export of logs and shake bolts during this crucial period of time. Are you in favour of it or opposed to it?

Mr. Johnston: Is the Member asking me whether we are in favour of the exportation of logs and shakes and shingles? Well, of course we are in favour of the exportation of logs and shakes and shingles, how can we not be? I am surprised that the Hon. Member would even ask the question.

Mr. St. Germain: Mr. Speaker, I hate to say this, but obviously the Member for Saint-Henri—Westmount (Mr. Johnston) does not understand the industry, because the question placed to him by the Hon. Member for Skeena (Mr. Fulton) was simply this; is he in favour of the exportation of logs and bolts to the United States? This has nothing to do with shakes or shingles, this is the raw material. What we are trying to find out is the position of the Official Opposition on this very, very important issue. That is the question that I would like answered right at this point in time.

Mr. Johnston: I am sorry, Mr. Speaker, if the Member for Skeena has been mischievous in terms of the motion in front of the House. The issue in front of the House is the issue of the imposition of a tariff on cedar shakes and shingles. That is what the motion deals with, and that is the issue which our Leader dealt with this morning. That is the issue which I dealt with in the course of my comments this afternoon.

Mr. St. Germain: This is fine, but this relates to the industry. We asked the Right Hon. Leader of the Official Opposition (Mr. Turner) this morning, and he said this was for another day. This is an integral part of the entire program that is facing us right now. They are refusing to answer it. Now I want to know why they are refusing to answer it. Every speaker from the Official Opposition who has risen has refused to answer it. Are they advocating the exportation of jobs to the United States? I suggest that that is what they are prepared to do if they do not have an answer to the question. I would like to hear an answer to that.

• (1700)

Mr. Johnston: Mr. Speaker, again, the Member is being mischievous.

Mr. St. Germain: We are being straightforward.

Mr. Johnston: He is suffering from an onset of embarrassment at what has transpired, justifiably so. I can imagine how difficult it is to be a Member from British Columbia.

Mr. St. Germain: You cannot answer the question.

Mr. Johnston: Certainly we can answer the question. Essentially, the issue in the whole sector is to increase the exportation of finished products and semi-finished products from Canada. That is the essence of the question and, of course, shakes and shingles fall into that category.

We are dealing with the question of shakes and shingles before the House. I cannot ask the Hon. Member for Mission—Port Moody (Mr. St. Germain) a question, but I do not know whether he went back to his riding this weekend. I know that even in the East, which is not immediately or directly affected by this particular gesture by the President of the United States, there is concern for the people of British Columbia and the jobs in British Columbia.

Mr. St. Germain: Answer the question. I was back in my riding.

Mr. Johnston: I cannot hear the Hon. Member. He will have an opportunity to speak up. We know that unemployment in British Columbia is running at 14 per cent. Imagine the impact that this action will have on that situation, which is, of course, of immediate concern to us as members of the Official Opposition.

Second, is this a harbinger of things to come in terms of softwood exports generally? That is a national issue as well, because while British Columbia will again be primarily affected, so will Ontario, which is the second largest exporter, Alberta, and the Maritime provinces. What we see here is perhaps the thin edge of the wedge.

I do not know what the Hon. Member is trying to achieve by not being forthright and admitting his concern. I know that he was somewhat embarrassed by the comments of our Leader this morning, as he should have been.

Mr. Robinson: Mr. Speaker, I have a very specific and straightforward question for the Hon. Member for Saint-Henri—Westmount (Mr. Johnston). It is not a mischievous question. Will he clarify the position of the Liberal Party in British Columbia for the people of B.C. with respect to the issue of the export of cedar logs and shake bolts?

The Liberal spokesperson in the House today indicated that it was the policy of the Liberal Party—I assume the Liberal Party of Canada—to support the export of cedar logs and shake bolts. Is the Hon. Member speaking on behalf of the Liberal Party in British Columbia in advocating the export of cedar logs and shake bolts?

Mr. Johnston: Mr. Speaker, I have no authority to speak on behalf of the Liberal Party in British Columbia. I have not pretended to do so.

Mr. St. Germain: We are asking for your opinion.

Mr. Johnston: There is a specific motion here. However, I understand that the purpose of the House is to discuss issues and attempt to drag in stray cats into a very important subject. I can understand these gentlemen taking that position because they are the ones who are directly affected, on the front line with their constituents.

This motion is designed to help them show that there is unanimity in the concern in this House for the people of British Columbia who are directly affected by the action taken by the President. What could be more clear?

If they wish to drag in all of these stray cats, and raise extraneous questions about what the Liberal Party in British Columbia may think about the export of cedar logs, I suppose that is fair game. That is up to you to decide, Mr. Speaker. However, that is not what we are talking about here this afternoon.

Mr. Robinson: I have a supplementary question, Mr. Speaker.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in this important debate this afternoon. Before getting to the substance of my remarks, I want to spend a moment reflecting on a very serious matter that was just raised by the spokesperson for the Liberal Party concerning the position of the Liberal Party on the question of the export of cedar logs and shake bolts. The Member for Saint-Henri—Westmount (Mr. Johnston), apparently speaking on behalf of the Liberal Party, stood up on the floor of the House and made a statement which would have a devastating impact on the people of British Columbia and on the workers in the shake and shingle industry in that province.

I am astonished that a former cabinet Minister, a former spokesperson on regional industrial expansion, would actually be prepared to stand up in the House and advocate action that could destroy the jobs of thousands of British Columbians. That is exactly the impact of the policy of the Liberal Party as enunciated by the Member for Saint-Henri—Westmount.

Let us take a moment to examine the implications of what he has said. If the industry is allowed to export raw cedar logs and shake bolts to the United States, the industry would effectively be exporting jobs from British Columbia to the United States. Of course, the source of this raw material for this industry is in British Columbia, yet the Hon. Member for Saint-Henri—Westmount, as spokesperson for the Liberal Party, is saying to go ahead and take our raw materials, our raw logs, our shake bolts, our market and our jobs from the people of British Columbia. That is the exact position advocated by the Liberal Party of Canada.

Let me assure the House that the people of British Columbia will be made aware that the Liberal Party of Canada, through its spokesperson on external affairs, is advocating the export of raw cedar logs and shake bolts which would destroy the industry in the Province of British Columbia. There is an unholy alliance in the House today between the Conservative Party and the Liberal Party. On the one hand, the Conservative Party has been dragging its heels and not been prepared to stand up for the workers in British Columbia. On the other hand, it was revealed today for the first time that they are buddies with the Liberal Party. We see the dynamic duo of the Prime Minister (Mr. Mulroney) and the Hon. Member for Saint-Henri—Westmount who, together, are cozying up to one another for the first time. The workers in the Province of British Columbia are getting the shaft.

In this debate on a motion moved by the Liberal Party, I am pleased that for the first time the Liberal Party of British Columbia and the Liberal Party representatives in Canada are revealing their true stand on this important issue. I am pleased that those of us in the New Democratic Party who have at least been consistent on this question will have an opportunity to quote throughout British Columbia the words of the Member for Saint-Henri—Westmount who is advocating relinquishing jobs to the workers in the United States. That is a shameful abdication of responsibility by the Official Opposition on this important question.

I am pleased that my colleague, the Hon. Member for Skeena (Mr. Fulton), was able to finally smoke out the Liberals and see where they really stand on this question.

The reality is that the shake and shingle tariff we are speaking about today is a punitive tariff that will effectively kill the industry in the Province of British Columbia and, indeed, across Canada within a matter of months. The irony of this position is that not only will the British Columbia industry be destroyed by this punitive tariff, the American industry will be severely hit. That is, unless the policy of the Liberal Party is adopted. In that case, all our raw cedar logs and shake bolts will be sent south of the border, as the Member for Saint-Henri—Westmount has indicated.

This tariff decision is sending a very clear message from the American adminstration to the people of Canada, particularly the people in British Columbia. The message from the President of the United States is that he is prepared to stab the Prime Minister in the back. While the President says the Prime Minister is his good friend from the time of the Shamrock Summit, where they stood together to sing "When Irish Eyes Are Smiling", when it comes down to the crunch, the President sells us out and stabs the Prime Minister in the back.

No one should have been particularly surprised by this decision. On May 8 the President wrote to Senator Robert Packwood and said: "I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem. I will take such action as may be necessary to resolve this problem consistent with U.S. law".

• (1710)

Some 4,000 families in the Province of British Columbia are paying the price for this promise made by the President of the United States. I might say that many of those families live in my constituency of Burnaby and many of them work in the riding of the Hon. Member for Mission—Port Moody (Mr. St. Germain) where a significant part of the shake and shingle

industry is located. I was home last weekend and had an opportunity to meet with those people. They asked me some questions I want to ask in this House. First, where were the Tory Members of Parliament from the Province of British Columbia before this decision was taken? There are 19 Conservative Members of Parliament from British Columbia, and my constituents who work in the shake and shingle industry asked why it was that this decision came as such a terrible shock to the Tory MPs from British Columbia. Where were they? Why were they not standing up for the jobs of the people whom they represent?

We have heard from the Hon. Member for Mission—Port Moody. I accept his words that he thought, and presumably his colleagues thought, that the decision would not go the way it did. But if that is the case, then we must ask some very serious questions about the source of his information. Presumably the knowledge of the Hon. Member for Mission—Port Moody, and of other Hon. Members, was based on information received from people who are supposedly working for us in our embassy in Washington. If these individuals were misrepresenting the position, if they were not sounding the alarm bells and saying: "There is a real possibility that this punitive tariff may be imposed", then they were not doing their jobs on behalf of the people of Canada. Certainly, I think we have to look very carefully at the role played by our embassy and by our ambassador in Washington in not giving us the warning that this decision was in fact a distinct possibility.

This industry in British Columbia is a very important one. It accounts for some $250 million in exports. There are 4,000 direct jobs and many other indirect jobs involved in some 140 operations. Much of the industry is in the Fraser Valley and is a cottage type operation. Like the U.S. shake and shingle sector, there has been a very substantial rationalization and job loss in recent years. This is a devastating if not a terminal blow to this important industry.

Another question asked when I met with my constituents in Burnaby on the weekend was how we can trust the Prime Minister to negotiate a firm and fair deal for Canadians in these free trade negotiations when he gets sold out on the very eve of these negotiations. The Prime Minister rose in the House on Friday and said he was shocked, bewildered, incredulous and angry and that it was bizarre, confusing and goodness' knows what else. That is a portent of things to come in these negotiations. I want to note that we paid a very heavy price as Canadians for this special relationship between the Prime Minister and the President of the United States. We supposedly paid that price to avoid the kind of sell-out we saw on Friday. The Prime Minister said: "Yes, Sir" to the Americans time after time whether it was on the participation of Canadian industry in star wars, on the testing of the Cruise missile in Canada, on the blind and unequivocal support for the bombing in Tripoli and the death of innocent civilians, or the acquiescence to the invasion of our sovereignty in the Arctic Sea. Time and time again the Canadian people have asked what the Prime Minister was up to. Why he is selling out Canadian interests? Why is he selling out Canadian sovereignty for no apparent price?

We were told that there is a special relationship between the Prime Minister and the President. They are good buddies. The prices we are paying in these other areas are the prices we are prepared to pay because President Reagan will never let down his good buddy, the Prime Minister. But what happened on Friday? The President made a decision which attacked the jobs of 4,000 British Columbians in the shake and shingle industry. The Prime Minister got stabbed in the back by his good buddy. My constituents in Burnaby are asking themselves if they really want this man and this Government to negotiate a free trade deal for Canadians when they have that kind of relationship of trust with the people with whom they are negotiating. The answer from the people I had the opportunity to discuss this with was a very clear no. They said there was no way they wanted to embark on those kinds of discussions. That is why we in this Party have said we do not believe these free trade negotiations should go ahead in the face of this deliberate attack directed personally by the President on the Canadian shake and shingle industry. We say that these negotiations should not go ahead when they can only get under way on such a shaky foundation.

I had thought that at least we had the agreement of the Liberal Party, the Official Opposition. I see the Hon. Member for Saint-Henri—Westmount, the Liberal spokesperson, is back in the House. There will be an opportunity in the time after my remarks for that Hon. Member to rise and say to the people of British Columbia: "Wait a minute. Perhaps I was a little hasty. Perhaps I was wrong. I take it back. We are not going to sell out your jobs". I admit that the Liberal Party, having considered the matter with care, does not now support the export of raw cedar logs and shake bolts. The Hon. Member for Saint-Henri—Westmount has had a chance to consult with his colleagues in British Columbia. I know they will have told him: "For God's sake, Don, set the record straight because if you do not, what is left of the Liberal Party in B.C. will be wiped out". Some of us would not shed great tears of sadness if that were to happen. But let us at least think of poor Art Lee who is struggling valiantly to build up the tiny and fragile Liberal Party in British Columbia. I plead with the Hon. Member for Saint-Henri—Westmount to consider the position of Art Lee and what he must be thinking now when he has been stabbed in the back—not in the back—he was stabbed in the front by his own colleague in the House of Commons. That colleague is the spokesperson on external relations who says to the workers in the shake and shingle industry in the Province of British Columbia the following. "We will allow raw cedar logs to be shipped to your competitors in the United States. Yes, we will allow shake bolts to be sent south of the border to compete with what is left of the B.C. industry".

• (1720)

My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), looks in shock and bewilderment as if to say: "Did

he really say that?" Mr. Speaker, of course he did. The record is quite clear in that regard. As I have said, I will yield the rest of my time to the Hon. Member for Saint-Henri—Westmount to allow him to stand up and salvage what is left of the credibility of the Liberal Party in British Columbia and say: "No. We, in fact, have had an opportunity to consult and to discuss the implications of this, and I take it all back. We will not allow cedar logs and shake bolts to be sent out of British Columbia".

I will now sit down. I will give the Hon. Member the opportunity to rise in his place and recant. I will give him the opportunity to stand up and say: "No. The Liberal Party of Canada does not support driving the final nail into the coffin of the shake and shingle industry in the Province of British Columbia".

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

Mr. Johnston: I was very much amused by the comments of the Hon. Member for Burnaby (Mr. Robinson)—

[*English*]

—who protests so much. I must say that I have watched the Hon. Member for Burnaby (Mr. Robinson) and the Hon. Member for Skeena (Mr. Fulton) for some years. I have found their interventions to be fascinating. In view of the interventions which my Leader and I have made with respect to the concern that this Party has expressed and the demands that it has made with respect to the implications of the tariff imposed on shakes and shingles, I really do not understand the Hon. Member for Burnaby, except, as we say in Quebec—

[*Translation*]

He is playing petty politics.

[*English*]

He is trying to distort and say that we do not want a shake and shingle industry. He is trying to say that we do not want to export raw materials, when the whole purpose of the motion is to remove that tariff. That is fine. The Hon. Member can play petty politics.

I gather from the Hon. Member's remarks that he thinks that there should be an embargo in Canada and in Quebec, for example, with respect to the exportation of Canadian logs and with respect to the importation of logs. Incidentally, that has absolutely nothing to do with the issue before the House today.

Will the Hon. Member give the House a straight answer? Is he saying that there should be an embargo with regard to the importation and exportation of logs? That is a fair position, if it is one he wishes to take. I would like to hear his view.

Mr. Robinson: Mr. Speaker, I certainly thought that perhaps the Hon. Member, having had an opportunity to consult with his colleagues from British Columbia, might have wanted to rise in his place and, in a very sober and sensible manner, say: "Yes. I have considered this question, Mr. Speaker, and I do not believe that raw cedar logs and shake bolts should be allowed to be exported from British Columbia". He has had the opportunity to consider the matter. Frankly, I am amazed that, having been given the time to stand in his place to recant and to reconsider that, he has still not taken the opportunity to do that.

Rather than getting into the details of a very important and serious question, I will give up my time to allow the Hon. Member for Saint-Henri—Westmount, on a supplementary question, to stand up and indicate very clearly whether his answer to the question posed by the Hon. Member for Skeena is that he would in fact allow the export of raw cedar logs and shake bolts from British Columbia. Is he speaking on behalf of the Liberal Party of Canada? Has he consulted with his colleagues from British Columbia?

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

Mr. Johnston: Mr. Speaker, I hardly need to consult with anyone when it comes to the issue at hand. The Hon. Member is on the run. Apparently, he is not prepared to stand in the House and say whether or not he is in favour of an embargo with respect to the exportation and importation of logs, period, be they oak, maple or cedar. Is he prepared to stand up and say that? That is the position which one would infer from his comments. He does not have to answer the question. It strikes me that he has put himself in a typical position.

Mr. Robinson: Mr. Speaker, just to deal quickly with the specific question concerning the export of raw logs, we in the New Democratic Party, and my colleagues from British Columbia in particular, have very clearly stated that we believe that the export of raw logs is the export of jobs from British Columbia. We are fundamentally opposed to the export of raw logs.

I now wish to return to the comments of the Hon. Member for Saint-Henri—Westmount. I wish to ask this question very clearly: Does the Hon. Member stand by his position that the Liberal Party of Canada would in fact support the export of raw cedar logs and shake bolts?

Mr. Rossi: You should ask that of the Hon. Member for Skeena.

Mr. Robinson: Another Liberal Member says that that is right. So we now have two Liberal Members saying that they support the export of raw cedar logs and shake bolts, and perhaps there are others who want to support that position.

Mr. Speaker, I want to—

[*Translation*]

Mr. Rossi: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): Order! The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: Mr. Speaker, as usual, the Hon. Member for Burnaby (Mr. Robinson) is putting his own interpretation on what is said. When I said: "That is right", I meant that—

[*English*]

The Acting Speaker (Mr. Charest): Order, please.

Mr. Rossi: The answer comes from the Hon. Member for Skeena. That is not your answer. You have not got enough guts to give your own answer.

The Acting Speaker (Mr. Charest): Order, please.

Mr. St. Germain: Mr. Speaker, I do not think this is called for. We are debating an important issue here. The question which was asked of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) was a legitimate one. It relates to something about which I would like to ask the Hon. Member for Burnaby (Mr. Robinson). As far as I see it, as the Hon. Member for Mission—Port Moody, the issue here is jobs. That is the question. When the question was put to the Hon. Member for Saint-Henri—Westmount, it reflected directly on jobs. Does the Hon. Member for Burnbay concur with that?

Mr. Robinson: Mr. Speaker, I think the Hon. Member for Mission—Port Moody is quite right. Effectively, what we are talking about in terms of the export of raw cedar logs and shake bolts is a question of the direct export of jobs from the Province of British Columbia, particularly from the riding of the Hon. Member for Mission—Port Moody. These are jobs which in many cases are the jobs of my own constituents and constituents from other parts of the Lower Mainland. That is the issue. That is why I am so disappointed that the representative of the Liberal Party would stand in his place and seriously suggest on behalf of his Party that it supports the export of raw cedar logs and shake bolts from British Columbia. As the Hon. Member for Mission—Port Moody has indicated, the Liberal Party is saying that it supports the export of jobs from Canada to the United States.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I have rarely seen in this House a Member of Parliament dig himself such a deep and immediate hole as that dug by the Hon. Member for Saint-Henri—Westmount (Mr. Johnston). I am sorry that he has chosen to absent himself from the House now. Rather than become lengthy on this matter I would like to quote from page 13620 of yesterday's *Hansard*. At that time, the Hon. Member for Mission—Port Moody (Mr. St. Germain) said the following:

> Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the U.S. protectionist tariff action against Canada's cedar shake and shingle industry, will the Minister take action to prevent raw materials such as cedar blocks and logs from British Columbia being imported into the United States, effectively transferring the Canadian shake and shingle production and Canadian jobs across the border and, if so, what action will he take?

• (1730)

The Right Hon. Secretary of State for External Affairs (Mr. Clark) responded by saying in part the following:

> I can give the Hon. Member the assurance that the Government will not permit the Canadian shake and shingle industry to be exported across the border.

I congratulate the Hon. Member for Skeena (Mr. Fulton) for entrapping so well the Hon. Member for Saint-Henri—Westmount. The Hon. Member should never have risen to his feet to speak in the first place because he does not have a grasp of the subject. That is the bottom line. He does not know what a bolt means, except perhaps to bolt from the Chamber when the Hon. Member for Kootenay West rises to speak and to explain the problem to him. He was shaking in his shoes, and I do not know if he was also scratching because he has shingles. That is the sum total of his knowledge of the subject.

To what has the Hon. Member for Saint-Henri—Westmount agreed? He has agreed willingly and forthrightly to export the shake and shingle industry in total, jobs, equipment, machinery and the works, to the United States. That is what he has proposed, and he has agreed today that that is the policy of his Party. I can see CTV having a lot of fun with this one tonight.

This is a very important motion in that it deals with perhaps the most important economic initiative ever undertaken by this or any other Government in many years. I speak of the motion itself and its intent. It is unfortunate that members of the Opposition should seek to take political advantage of the hardship of thousands of Canadians, the bulk of them located in British Columbia. They have presented a motion which capitalizes upon the anger of every Member of the House to present a suggestion which can only be called irresponsible.

This motion holds the bilateral negotiation hostage to a reversal of the shingles decision. In doing so, the Opposition ignores the fact that this action is a symptom of a disease that is rampant in the United States today, and that is protectionism, and that the cure for protectionism lies in a new trading agreement. The opposition motion suggests that the symptom hurts so we should refuse to try the cure.

This trade action is exactly the sort of problem that has plagued Canadian industries for many years. Whether it was Canadian lumber, steel, potatoes, berry products or fish industries, there has been a steady parade of industry spokesmen going to Washington to plead their case, the Canadian case. It has been one of the greatest job-creation programs in recent history.

Many Washington lobbyists and lawyers have kept the wolf from the door on the basis of income they have secured from Canadian clients, and one of their best clients has been the Government of Canada. I wonder how many Washington lawyers are putting their children through school so that they too can become lawyers and live off the fat of the Canadian land.

Today we stand ready to negotiate our new system, a system in which this sort of trade harassment would not be a normal part of business. However, the Opposition says that the recent action on shingles is a signal that Americans can never be trusted so we should not try to do business with them. As angry as we are over this decision, that is clearly an unacceptable suggestion.

There should be no mistake about our concern for this industry. The manufacturing of shingles and shakes is an industry that we are proud to dominate. It is a value added offshoot of our massive forest products sector. Thanks to our efficiency and marketing skills, we have gradually increased our market share, winning a free market battle on the basis of superior natural resources and efficient production, coupled with a 100-year supply of old growth cedar, that is, cedar that is 300 to 600 years of age. That can be compared with a 20-year supply of old growth cedar in the United States.

Where is that old growth cedar in the United States? It can be found on lands owned by Weyerhauser, Louisiana Pacific, Pope and Talbot and a host of other American forest giants. They are not cutting cedar since cedar makes up only 6 per cent of their total reserves. Unless they have a stand of cedar that comprises 75 per cent or 80 per cent of their total reserves, they are not going to cut it.

The bottom line is that there is an acute shortage of cedar in the United States. Not only is it difficult to come by and isolate from shake and shingle mills, it is also very costly because in 1979 and 1980, the American forestry sector began paying a premium for its timber. Companies outbid one another and they had a field day. As a result, they pay too much for the product and they are not going to sell it cheap.

Today some 4,000 Canadians make their living in this industry, producing $250 million worth of product and serving as the only major industry in towns like Nakusp, which is in my constituency, and Mission, which is in the constituency of the Hon. Member for Mission—Port Moody.

Nakusp is a small town which had a population of around 1,400 in 1981, according to Stats Canada. I am not really certain what the population is now because of the actions taken by Westar to withdraw manpower requirements. It has pulled out of Nakusp and left that community in very difficult economic circumstances.

What is the sole or principal support of those who live in the community of Nakusp? It is the Columbia River Shake and Shingle Company, which employs about 120 people in its mill and 75 people securing wood to supply the mill. The action that is now being taken is deadly for that small community.

I know Dick Jones, owner and manager of Columbia River Shake and Shingle Company, and I know him well. I know the kind of man he is. I know that if one were to put him in a lineup with his crew, one would not be able to pick him out because he wears his working boots all the time. He is a hands-on operator. He knows what is going on in his mill. That is the kind of fellow he is, and he works long hours. He deserves the benefits that may accrue to him from the results of his endeavours.

Dick Jones is not a quitter. When I spoke to him a few days ago, he said: "My father told me during the Depression that there were always a few mills in operation, and if we are now into a depression, this mill is going to continue to operate". I believe that Dick Jones will do everything he possibly can to make that happen because he believes not only in what he is doing but in his community and the people who work for him.

The shake and shingle industry produces building material which is durable and beautiful. Many home builders in the United States and Canada have benefited from the availability of this pleasing and economic product. We were shocked that this action was selected from the many options available to the President of the United States. We are furious because the main result will not be recovery for the United States sector, which suffers from a shortage of raw material and a lack of investment, but a shift from wood materials to aluminum siding. Roofing material will be asphalt, tile, clay tile, or derivatives of plastic made to appear like shake and shingle products. That 10 per cent of the market which is now occupied by the shake and shingle industry in the United States will diminish to zero.

• (1740)

This latest action is only the most recent in a long series of measures which the shingle industry has fought, measures such as building codes and fire codes designed to discourage home builders from using wood products. Non-tariff barriers are always present in international trade and probably will always be, but the action announced on Thursday was different. It was an action taken at the President's discretion, selected from a series of options which included measures to support the U.S. industry without harming Canadians. If we examine the measures taken to support the U.S. industry without harming Canadians, we see the options they requested from the industry. They canvassed about 35 shake and shingle operators, the majority of whom did not bother to reply, on what options, upgrading, modernization, and benefits would accrue if the British Columbia shake and shingle industry were stopped in its tracks. Out of the twelve or so who had some kind of response, five did not really know what they could do and the other seven thought that perhaps they could do something. The industry in the United States was on its back, and there is nothing in the form of resuscitation which Canada or the United States could do to revive it, short of shipping the logs and bolts that have been the subject of discussion in the last 30 minutes. Clearly that is not an option we are about to exercise.

The fact that the President is under incredible pressure from protectionists in Washington may provide an explanation, but it is cold comfort for Canadian workers whose jobs may be lost. The hardships of the U.S. shingle industry reflect badly on the U.S. stumpage system. That system does not control speculation in timber prices. Some companies are now holding

supplies of red cedar which are desperately needed by U.S. producers, refusing to sell at a price that would keep U.S. shingles competitive. I have already explained to the House the reason for it. It is that they paid too much for the timber which they secured some years ago in the first instance. As everyone in the House will know, U.S. lumber producers have spent millions of dollars arguing that our stumpage is too low. It is ironic that their own system has failed to provide timber cheaply enough for shingles to compete with aluminum siding.

Is the opposition motion that we call off the trade talks the right answer? Is the NDP suggestion that we get out of any trade talks the right answer? I do not accept either suggestion; I do not accept either recommendation. Neither Canada nor the United States has ever promised to suspend all trade actions for the duration of these talks, and that is a promise I would not like to secure. The NDP talks about calling the United States and asking the President to suspend duties. However, are they also willing to tell Canadians that we will not move on dumping, which we have seen in the Fraser Valley and in the Okanagan, or on unfair subsidies, which we have also seen, particularly in the British Columbia agricultural community in terms of the Okanagan apples? Or, will they recognize that trade is a two-way street?

In the negotiations currently under way, an agreement to solve trade disputes is less damaging than any other option. The House should remember what these bilateral trade talks are about.

What are they about? First, they are about security. In the last two decades we have seen the world trading system fractured into trading blocs—the European Common Market, the South American, the Soviet, the Iron Curtain, the Australian, and the New Zealand. Canada is the only industrial country, except for the United States, which stands alone and competes alone. It is time to develop the strength, the vitality, the imagination, the technology, and the ability to work together.

When we say "compete", what do we really mean? We mean sell.

Mr. Keeper: Sell out.

Mr. Brisco: A member of the NDP whom I cannot identify said: "Sell out". That is very characteristic of the NDP philosophy, one that has failed to sell in Canada to this day.

Canada is a producer, and the world is our customer. Unfortunately, world over-production of commodities has produced a buyer's market. Prices are down and production is up. We cannot ask Canada to be the only industrial nation without security in these dangerous times.

When I talk about production being up, one sector which immediately comes to mind is the forest sector itself. From looking at the figures and at the statistics, we know that a traditional section of the U.S. market which we occupied at about 23 per cent or 24 per cent—and I am now referring to the softwood industry—now stands at around 34 per cent or 35 per cent. It is alarming but it is not surprising. It reflects the ability of British Columbia and the ability of Canadians generally to respond to a specific circumstance—the decadence of their own equipment and the economic and industrial response to gear up, to do better, and to compete. We have competed very successfully.

The second thing which the negotiations are all about is change. Every Canadian knows that technology and changing demand are causing and have caused radical changes over the last 15 years. They will continue to reflect and cause change. Hundreds of thousands of Canadians will find their current jobs changing; they may even disappear like the gandy dancer. No one can stop those changes, but we can manage the note and degree of change by protecting Canadians from the worst impacts; by establishing transition periods for industries, so that instead of workers being surprised one morning by lay-off notices, they will have adequate warning of major changes in the industry; and by providing programs to help them shift into a more secure line of endeavour.

Finally, trade negotiations are about opportunity. We believe Canadians can compete with anyone in the world. We have the educated workforce, the technology capacity, the social and commercial infrastructure to make our way. Canadians are remarkable people. Only the NDP would call us ordinary. Our success in so many industries proves just how competitive and combative we are and reflects the force and drive in the soul and body of Canadians.

The Americans are our neighbours and business partners, but we have our differences. The shingle case reminds us that it is not a game between friends; it is a matter of tough negotiations. Over the next two years we will face many disruptions and disputes in our trade with the United States. Any trade relationship which involves $150 billion per year is bound to have disruptions and not be an easy ride.

I note that my time is up. I regret that, because there is much I would like to say about what has been contributed to the debate today. In conclusion, I should like to comment upon what was contributed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), because I looked for a gem of wisdom, a suggestion of validity, or a worth-while proposal which we could consider. Neither he nor the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) offered a single suggestion of positive assistance. I think that reflects the very tone and nature of their contribution today. I consider it very unfortunate.

• (1750)

Mr. Gauthier: Mr. Speaker, I have a question for the Hon. Member. I know the Member to be an honest Member. He has been a friend of mine for some years now. I fail, however, to grasp the meaning of his last sentence. He said that not one positive suggestion had been made in this debate today. I would argue with that. Suggestions were made. One of the most important was during Question Period and this morning when the Leader of the Liberal Party suggested that the first

thing was for the Prime Minister (Mr. Mulroney) to call his friend, the President of the United States, to ask him to cease and desist from imposing of a 35 per cent tariff on shingles and shakes. Does the Hon. Member not think that that would be the first thing for a leader of this country to do? The P.M. claims to be very friendly with the President of the United States. Does the Member not think that the P.M. would do what he said in a speech, that when negotiations get tough, you call, you negotiate, you deal—you at least communicate with the person? I know a letter was written last week. I know the House passed a motion unanimously condemning the 35 per cent countervailing duty. Does the Hon. Member not think that the Prime Minister should be working in the interests of all Canadians, especially British Columbians and those working in the industry, by picking up the phone, calling the President and saying: "Ron, desist or quit harassing Canadians with unwarranted taxes?"

Mr. Brisco: Mr. Speaker, I take my colleague's point. He is a colleague because we are both in the House professionally. I have known him almost as long as he has known me!

Some Hon. Members: Oh, oh!

Mr. Brisco: To respond to the Hon. Member's point, if he reflects on the actions of his Prime Minister and the actions of any Prime Minister historically, he will find that there is a great deal not said in the House of Commons that has been done. I do not have any hesitation in my own mind, on the basis of what I do know and on the basis of what I think I know, that the dialogue between the Prime Minister, the Secretary of State for External Affairs and the Minister for International Trade (Mr. Kelleher) has been on ongoing process. There was an element of confidence that the problem would be resolved without this kind of negative impact so that we would not today be debating the issue we are.

When the Prime Minister said he was shocked and amazed, so were we all. I think that amazement, shock and disappointment was based on the knowledge of the Prime Minister and other Ministers of the Government. They had already put forth a major effort on this issue as they are doing on the softwood issue. They will continue to do so even during this debate.

Mr. Fulton: Mr. Speaker, I would like to ask the Hon. Member about the common thread in a lot of his speeches which can only be described as slash and hack, trying to blame everything in British Columbia on the NDP, even after his friends, the Social Credit Government has been in office continuously for the last 10 years. The Member's Party has the largest parliamentary majority in this part of the century. He claims to be somehow crippled by an inability to deal with what has just happened to the shake and shingle industry.

Since September, 1984 unemployment has gone up continuously in British Columbia as a result of the Member and his Government's policies. They did nothing about potato dumping. Of the 150 petitions filed by the U.S. against various Canadian commodities, he and his Government have never ever responded. The count is zero for the number of times he and his Government have taken responsive actions to these actions from the United States. We will see the shake and shingle industry basically wiped out unless the Prime Minister calls the President. We see the crazy, insane policies of his cabinet colleague from British Columbia in relation to fisheries in B.C. and the crazy policies of his cabinet colleague, the Minister of Transport (Mr. Mazankowski) on night flight MEDIVACS.

It now appears clear that the Prime Minister will not phone the President because this issue is not high enough on his agenda to require a phone call, but these shake and shingle workers will be left hanging out to dry. Only the President can veto the tariff matter, even though today it has not been signed into law. Does the Member think it is satisfactory that the Minister of Employment and Immigration (Miss MacDonald) sometime in the next couple of weeks will announce a couple of Canada Works projects for those shake and shingle workers who have been laid off so they can pick up paper in the streets in Mission—Port Moody? Is that good enough, Mr. Speaker? Or does the Hon. Member support retaliation, the retaliatory measures that will be announced in the next few days by the Secretary of State for External Affairs? Is that the route to go?

Mr. Brisco: Mr. Speaker, I do not know what the Hon. Member for Skeena (Mr. Fulton) has been smoking—

Mr. Fulton: Mr. Speaker, I rise on a point of order. I think that is unparliamentary. I suggest the Hon. Member might want to withdraw his comment. He is imputing motives.

The Acting Speaker (Mr. Charest): I do not know whether I want to rule on this, knowing how these things evolve, but perhaps the Hon. Member for Kootenay West (Mr. Brisco) might want to reconsider his comment.

Mr. Brisco: Mr. Speaker, certainly if it will make the Hon. Member more comfortable, I am quite prepared to exchange the word "smoking" for "chewing". Tobacco does have a strange effect on the stomach and perhaps subsequently it affects the brain. But for the Hon. Member for Skeena to suggest that some retaliatory action will be taken is to suggest that he sits in the inner sanctum of the Cabinet. For that he will have a very long wait. Is he prepared to cross the floor now? I respect the Member and I would be delighted to have him as a colleague on this side of the House, but beyond that the Member knows his Party is tied to the coattails of the Liberals. He knows what kind of a thrashing was taken. If I make reference to the policies of the national New Democratic Party, surely he understands why. I can stand up for my riding and I can represent the concerns of my constituency, and I think that I do that reasonably well.

Mr. Keeper: Tell Ronald Reagan to get off their backs and withdraw.

The Acting Speaker (Mr. Charest): Order, please.

Mr. Brisco: Mr. Speaker, could you do something about the noise coming from some weird source on the other side?

Mr. Keeper: Just standing up next to you.

Mr. Brisco: I think if the Hon. Member reflects, he will see that there is certainly no way that the Government is about to introduce some policy to put the shake and shingle workers on the streets to pick up paper. The Hon. Member should know better than that. We will fight this right down to the wire, and the Member should know that too. We do not give in.

[*Translation*]

The Acting Speaker (Mr. Charest): It being six o'clock, it is my duty to advise the House that, pursuant to Standing Order 82(12), the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

TOURISM—CANADIAN PAVILION AT EPCOT CENTRE

Mrs. Mary Collins (Capilano): Mr. Speaker, on April 23 I asked the Minister responsible for tourism a question about the Epcot Centre in Disney World. I received a number of complaints from friends who had visited the Epcot Centre who felt the Canadian pavilion there did not accurately reflect the opportunties available in Canada for potential visitors.

There was some hilarity about the question and a few media comments. I wanted the opportunity today to discuss this in much greater depth because to me it is an important issue.

Let me explain why. First, let us look at tourism as an important part of the Canadian economy. Tourism generates $20 billion a year in the Canadian economy. Much of that goes to the small business sector. U.S. tourism generates about $3 billion a year. In fact, it is expected that Expo 86 in Vancouver will attract $1 billion of U.S. money into the B.C. economy. We are talking about big business and big dollars when we talk about tourism from the U.S. to Canada.

• (1800)

For example, in 1984 there were 8.1 million visits to Canada from the United States. Each visitor spent about $225, which boosted the economy by over $3 billion. That created jobs for approximately 600,000 Canadians. Increasing the number of visitors and dollars spent by 10 or 20 per cent would have a remarkable impact on job creation. That is what the Government is all about and that is what we want to generate for Canadians.

There are over 20 million visits to the Epcot Centre each year. About 350,000 of the visitors are Canadians and the rest are from the United States and other parts of the world. People who have visited there have already indicated an interest in travel. If they could be enticed to consider Canada as a destination, we could very significantly increase the number of visitors and dollars coming into the country. Bearing in mind that we have a $1.1 billion deficit in our tourist account in Canada, we need to do something to redress that imbalance.

What can we do to increase that potential? We could upgrade the facilities of the Epcot Centre to make it more attractive and contemporary in illustrating what is offered to visitors to Canada. What do we know about what visitors want when they come to Canada? What is their present perception of Canada? We know that those who travel the most are adults aged 25 to 44. They are married and the majority are at the professional management level and are well educated. They are from two-income households with an average income of $40,000. They are people who have some money to spend on travelling. In past years a lot of people travelled to Europe, but given some of the problems with international terrorism, people are considering other destinations. We are aware that there are many travel opportunities within America, and I think we could tap that maket and attract those people to Canada.

Through studies made by the Ministry of Tourism, we have learned that Canada is not very well known. Americans just do not know that much about Canada as a potential tourist destination. They think that we are not very exciting. A study done a year ago concluded that Americans found us boring. I find that rather annoying, but that is a reality of perception. They do not think we are a nation of swingers. Perhaps we are not, but I think we have a lot of exciting things to do. They think we have a poor climate. There is not much we can do about that, but they are not aware of the beautiful climate which is available in many parts of the country. They are looking for something safe, which they think Canada has. They are aware of our beauty and that Canada is relatively inexpensive and uncrowded. As well, we are different. Those are all positive attributes which we can emphasize.

Through the Epcot Centre and television advertisements in the United States, we should emphasize those positive things. We should increase awareness of Canada as a travel destination, a place with some foreign mystique, but with all the amenities of home. It is a beautiful country with walkable cities. "Canada, the world next door" has been the theme of our advertising program this year in the U.S. I think that is a very appropriate theme.

• (1805)

I know my time is limited, but I want to say that if we put the energy and imagination into developing the Canadian pavilion at the Epcot Centre to in any way rival what we have at Expo 86 in Vancouver, which is magnificent, we will

certainly be a long way ahead. Americans will then see us not as a country of mountains and Mounties, but as a country which is friendly and fun, courteous and classy. Our theme can be "Canada, a great place to go; Canadians, great to be with".

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first of all, I would like to thank the Hon. Member for her interest in tourism in Canada. With her, I realize, and this Government realizes, the extent of the industry's contribution to this country. I think that considering her very perceptive speech, the Hon. Member would make an excellent spokesperson at the Epcot Center, if the Canadian Government ever decided to send her there as our representative.

We realize and we have been made aware of this by the many letters sent to a number of government Members that the Epcot Center does not give a true picture of Canada. As my hon. friend explained, and the point was well taken, the 14 million or so Americans who visit the Center every year would certainly have a better idea of our country and a greater interest in going there if we showed them the tremendous opportunities this country holds in store.

In this connection, the Government had prepared a study of the American market for holiday travel, and one of the points the study raised was that Americans really do not know our country. We therefore have every reason to make the splendours of our country known through this Center.

I was able to give the Hon. Member the assurance that the Canadian Government, and more specifically the Department of Tourism, has met with the authorities of the Epcot Center, and they are trying to make the Center realize it must change the way our country is advertised.

I think the Hon. Member will be pleased with the action we are taking at this time, and I am sure, as she is, that in the near future Americans will visit our country in greater numbers, including of course Expo 86, as she mentioned in her speech.

[*English*]

UNEMPLOYMENT INSURANCE—FORGET COMMISSION—REQUEST FOR INTERIM REPORT ON PENSION INCOME

Mr. Howard Crosby (Halifax West): Mr. Speaker, on April 7, 1986, I again raised with the Minister of Employment and Immigration (Miss MacDonald) in the House of Commons the question of the changes made to the unemployment insurance program affecting pensioners across Canada. The Minister indicated that in June of 1986, she would be receiving from the Commission of Inquiry into Unemployment, the Forget Commission, an interim report, which she believed would deal with the matter of pension income in relation to unemployment insurance.

It is very timely at this moment in the House of Commons that we again address this controversial subject, which has brought grief to many unemployed pensioners across the country, particularly pensioners of the Canadian Armed Forces who have been forced to seek other employment after retiring from the Forces in order to maintain themselves and their families.

Let me begin at the beginning by mentioning that on November 21, 1984, the Minister of Finance (Mr. Wilson) indicated in his financial statement, delivered in the House of Commons, that he intended to make some changes to the unemployment insurance program.

There was very little detail included in his speech to the House of Commons, but one of the papers that was introduced at the time of his speech indicated that some administrative changes to the UI program would be made immediately in order to improve the quality of the program, and reduce program costs. The changes involve the inclusion of pension income, separation allowances and vacation pay and establishing benefit levels. That was a simple enough statement on the part of the Minister of Finance, but Members of Parliament generally on all sides of the House really did not know the impact of this particular measure on pensioners, particularly those in the Canadian Forces. Let me explain why.

• (1810)

The concern of persons who were retiring in 1985 was related to the fact that they anticipated an eligibility for unemployment insurance. That was part of their motivation in retiring in 1985 and part of their financial plan in relation to their retirement. There was an immediate result of an unfairness to those persons who were contemplating retirement, not knowing that this change in the eligibility was to be made. The Government made quite a wise decision at the time to delay for one year implementation of any changes in eligibility in relation to employment income. That stalled the whole matter.

Unfortunately, it meant that there was very little publicity about the exact ramifications of this change. As January 1, 1986 approached, many of us did not know the exact details in terms of the effect of this change on individuals who were receiving retirement income. I say that because if one scours the official report of the House of Commons, *Hansard*, and if one searches the media reports, one will find very few utterances by members of the New Democratic and Liberal Parties objecting in specific terms to this change in the unemployment insurance eligibility.

It came as a shock to some people to realize that when the change was actually implemented in January, 1986, after a year's warning, that the results as they applied to particular individuals were very harmful and quite unfair.

It was in the context of that difficult situation that the Minister of Employment and Immigration indicated her intention to refer the whole matter to the Forget Commission for total examination and a report back to her. I suggest that was a wise and understandable decision under the circumstances.

Let us examine the unemployment insurance program very briefly. Many people are fooled by the name and believe that, like an insurance, it is an absolute right to receive a certain benefit. Let me draw the attention of the House of Commons to the fact that the unemployment insurance program is far from being self-sufficient. In 1985, the total cost approached $11.6 billion, $5 billion of which was contributed by employers, $3.6 billion by employees and $3 billion by the Government of Canada. Quite apart from that, over the years the unemployment insurance account accumulated a deficit of $4.4 billion. It cannot be said by anyone who has participated in this program that it is self-sufficient and they have a right to it on the basis of the so-called premiums they have contributed.

One of the great lies of governments in the past was to pretend that programs like unemployment insurance had some kind of self-sufficiency. Unemployment insurance is really another form of tax to supply a specific benefit. It is not unlike a gasoline tax which is used to pay for highways, or a hospital tax to pay for medicare, as we have in the Province of Nova Scotia. Nevertheless, people are lead to believe that when they pay their premiums they are entitled to a specific result and that those rights are embedded in stone. That is not the case at all. The Government must look after the finances of the unemployment insurance program just as it must look after the finances of the country in the interest of all Canadians.

There is a special interest in unemployment insurance in Atlantic Canada. The Atlantic Provinces Economic Council has pointed out that it impacts greater in the labour force in Atlantic Canada than it does in the national labour force. Not everyone is in favour of a broad-based unemployment insurance program. For instance, the Canadian Federation of Independent Business has pointed out that its priority is tightening the eligibility for unemployment insurance. It believes it has a bad effect on some commercial and industrial activities.

I want to direct the last moment of my presentation to the Canadian Forces and those Canadians in all walks of life who are forced to retire from the activities related to their careers. The Canadians Forces require some members to retire at the age of 45, and earlier in some instances. As a result of economic recession, many commercial employers have asked employees to retire early and, in many cases, forced them to retire early. These Canadian Forces personnel and other employees are forced to seek other employment to maintain themselves and their families.

I want to direct the attention of the House to this particular group. When people in that group seek employment, and are terminated from that employment after a certain period of time, in many cases they are quite dependent on the benefits that flow from the unemployment insurance program. These are the people who have been adversely and, I believe, unfairly affected by this change. For example, if a person with a Canadian Forces pension of $600 and $1,000 a month employment income loses his or her job, the end result is that the benefit from unemployment insurance, which would normally be $600, would be reduced to something like $150 per month and the person would be left with $750 per month in order to sustain himself.

• (1815)

There is a solution, and I hope the Forget Commission will reach it very quickly. It is already in the law. At present a person who receives over $36,000 a year by 1986 standards and also receives unemployment insurance is required to repay the unemployment insurance, not the whole part but a percentage. I do not know why that same rule would not apply in relation to pension income.

If the combination of pension income and employment income exceeds a certain amount, such as the figure this year for employment income and unemployment insurance, which is approximately $36,000, then I believe the excess amount should be returned to the Government. Otherwise, I believe pension beneficiaries should receive their unemployment insurance benefits free from encumbrances unless and until they have exceeded that amount.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to thank my hon. friend for his constant concern with respect to this matter. Certainly we have been aware of the concerns and needs of his constituents. I have had the pleasure of working with him since the beginning of the year. We have also had the privilege of numerous consultations with the Minister with respect to this situation. She has always listened, but has continued to maintain that rather than try for a piecemeal solution when we are so close to receiving the results of the Forget Commission, that is what we should wait for and that is what we are expecting and hoping for.

The Commission of Inquiry on Unemployment Insurance has just about concluded the most demanding schedule of public hearings and consultations which could ever be imagined. It visited 46 different communities across Canada. The commissioners have heard over 475 briefs and have participated in a total of 62 days of hearings, field trips and consultations. In addition, the commissioners have received more than 200 written submissions and individuals continue to send their views on specific issues. As indicated by the Minister in the House, the Forget Commission will be reporting to her in a preliminary way at the end of June and the full report will be presented before the end of September.

The change to pension regulations was announced by the Minister of Finance (Mr. Wilson) on November 8, 1984, as part of the expenditure reduction program. We all know what was happening with respect to the deficit before a new group of Canadians were elected on September 4, 1984. This group was committed to once and for all put our house in order. Those astounding deficits which continued to rise are now not only under control, but the $33.8 billion which was originally forecast by the Minister of Finance might even be a few billion dollars less when we come to the end of the last fiscal year.

That is the kind of pride we have in the Government for which we have been working.

The Cabinet, I might say, delayed the implementation of the change to pension regulations until January of 1986. The subject, of course, has been referred to the Forget Commission. The Government will carefully examine all recommendations of the final report when it becomes available, including any recommendation dealing with the issue of changes to pension regulations.

HATE LITERATURE—POSTED IN MOSCOW FOR DELIVERY IN CANADA

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I have received many complaints from Ukrainian Canadians who are the recipients of unwanted literature they deem hateful since I brought this matter to the attention of the Minister of National Revenue (Mr. MacKay) over six months ago. It is ironic that this subject is being discussed today when representatives of the Ukrainian-Canadian Students Union are visiting Parliament.

• (1820)

The key to the problem is misinformation, particularly misinformation from the Soviets. Chernobyl is one great example of this misinformation. After the incident at Chernobyl, days went by before anyone would acknowledge that there was a problem. That went on until other countries informed the rest of us that there was a problem, something to which the Soviets finally admitted.

I think this subject takes any mystery out of the 1932-33 famine which was certainly a reality in Ukraine. This type of misinformation leads people to become hateful of the literature and materials which are sent unwanted to them. It seems to me that we must have rules and regulations to protect the human rights of Canadians. They are rights which must be cherished and looked after.

When one examines the system which is in place, one has to look at the customs officers, the frontline troops so to speak, who see the materials which come into our country. It is apparent that these people are key decision-makers in determining whether or not these materials should be reviewed by our justice system to see if in fact they do offend the rights of Canadians. It is up to these officials to decide whether or not to detain the materials or pass them through to Canada Post, which will distribute them to Canadians.

I have discussed this situation with officials at Canada Post. They tell me that they are very concerned about it. They have pointed out that they have no alternative but to deliver the mail. It is their mandate to deliver mail if it is appropriately addressed and if it carries sufficient postage. That is their job. They are certainly very sympathetic to anything which would violate the human rights of Canadians.

Thus the onus in on the Minister of National Revenue, through the Department of Customs and Excise, to get these rules and regulations in order. I suggest that some new guidelines are in order. The frontline troops are in need of some operating procedures which they can use to examine the materials which flood into our country. They need guidelines to allow them to make decisions so that Canadians will not be bombarded with this unwanted material.

These guidelines will have to be based on jurisprudence which is available in Canada. However, I must say that in doing a review of it, I find that we are somewhat lacking in jurisprudence in the field of hate literature. I hope more cases will be examined by our judicial system in order that more decisions can be made. Therefore, more jurisprudence will be made available so that new guidelines can be put together. In this way our customs officials can have them at the ready at the border crossings to intercept this foreign literature. This is literature which in some cases is very much hate literature to the recipients here in Canada.

I am sure Ukrainian Canadians would like me to say that the matter about which we are speaking today goes beyond just Ukrainian Canadians. I hope the Minister will take this into account because hate literature has become a major problem in Canada. I hope he will implement some new guidelines and regulations so that Canadians will have maintained the human rights which we fought so hard to obtain.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am pleased to be able to respond to the Hon. Member's concern regarding hate propaganda directed to Ukrainian and other people in Canada. The subject he raises tonight flows from certain literature that was posted in Moscow for delivery in Canada. I can advise the Hon. Member that the Department of National Revenue shares his concern with the importance of prohibiting material which incites hatred toward any group which can be identified by race, creed or colour.

• (1825)

The Department of National Revenue is responsible for administering Tariff Item 99201-1 of Schedule "C" of the Customs Tariff which prohibits the importation into Canada of certain materials. Material suspected of being treasonable, seditious, obscene or hate propaganda is inspected thoroughly by customs officers and, if judged to come within the terms of Tariff Item 99201-1, is prohibited from entering Canada.

The material in question has been thoroughly reviewed by customs officials. Consideration was given to the dominant feature or over-all tone of the material. The material does not constitute hate propaganda within the meaning of Section 281.3(8) of the Criminal Code in that the material does not reveal hatred against Ukrainians or any specific ethnic group in Canada or any other country.

The issue in question is a publication of a Soviet society known as the Rodina (Homeland) Society, responsible for cultural relations with compatriots residing abroad.

[*Translation*]

I think it is essential to make a distinction between hate literature and bona fide historical research and social or political analysis and commentary. The Department of National Revenue is committed to guaranteeing the right and freedom of Canadian men and women to express their points of view, opinions and beliefs and to read this kind of material. However, the Department is also committed to enforcing the legislation passed by Parliament to deal with hate literature.

Mr. Speaker, our conclusion must be that the Department of National Revenue, Customs and Excise, will pursue its primary role which consists in actively combatting the importation of hate literature, a kind of literature that has no place in Canadian society.

[*English*]

In conclusion, I would like to assure the Hon. Member that the Minister will take his comments as representations in the continuing concern of the Department to rule out such literature in this country.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6:29 p.m.

HOUSE OF COMMONS

Wednesday, May 28, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WAR CRIMINALS

EXTENSION OF COMMISSION'S MANDATE URGED

Mr. David Berger (Laurier): Mr. Speaker, the Commission on War Crimes has asked the Government for more time to complete its investigative work. Five months ago the Commission referred to its investigative task as a colossal one. It said its success depends on the time and resources allocated to it.

However, the Commission has yet to arrange to travel abroad to gather evidence, be it to the Soviet Union or to any other country where relevant evidence exists.

The guiding consideration may be found in the Commission's decision concerning foreign evidence, where it said that the quality of the Commission's work and the soundness of its conclusions should not be threatened by severe, if not unrealistic time constraints.

What is at stake now is no less than the integrity of the whole effort to bring suspected Nazi war criminals to justice with all deliberate speed. I trust that the Government will extend the Commission's mandate so that justice may be done and the Commission may be able to complete its colossal enterprise.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION CORPORATION

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—PROCESSING OF SASKATCHEWAN WOMAN'S APPLICATION

Mr. Dan Heap (Spadina): Mr. Speaker, Saskatchewan people were encouraged in high expectations by years of New Democrat Government. Now, Mona Dawson of Rollo, Saskatchewan, has waited since last year to have her indoor plumbing installed in her house for the first time but she is prevented by the delays of the Minister responsible for CMHC.

She applied for a RRAP grant from CMHC in 1985 but there was no more money after the Minister had cut the budget. She applied in 1986 and is still waiting.

It will take two months to get a contractor, two more months for him to do the job, and if she does not get her grant this week the plumbing cannot be installed before freeze-up.

This morning she phoned CMHC, Saskatchewan Housing Corporation, and her Member of Parliament, but none had any word of the funding which the Minister claimed yesterday was now available for RRAP.

Will the Minister permit Mona Dawson to get her grant this week and have indoor plumbing before winter, or must she wait until 1987?

* * *

EXTERNAL AFFAIRS

ANNIVERSARY OF ARMENIAN INDEPENDENCE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, today is the sixty-eighth anniversary of the independence of Armenia. Just three years after the genocide in 1915, the surviving Armenians defeated the Turkish army and set up an independent state on May 28, 1918. In 1920 the Treaty of Sevres, signed by Turkey and the Allies, enlarged the independent Armenia to include most of its historical territory. However, the Treaty was never ratified. Armenia was independent until December 2, 1920, when Turkey and the Soviet Union invaded and crushed the infant Republic and shattered the dream of the Armenians to be a freedom loving democracy.

• (1405)

On February 18, 1921, the Armenians revolted against their Communist oppressors. They were successful for 90 days and then their hopes were again crushed.

Today members of the executive of the Armenian National Committee of Canada, including the president, Mr. Khatchig Hagopian, are in Ottawa to mark this important day. I join with my friends in the Armenian community in recognizing Independence Day—

Mr. Speaker: Order, please.

S.O. 21

[*Translation*]

HOUSING

AGREEMENT WITH QUEBEC ON SOCIAL HOUSING

Mr. Guy St-Julien (Abitibi): For many weeks, Mr. Speaker, the municipalities of Abitibi had been waiting for a signature and, last May 13, the Quebec-Canada social housing general agreement was finally signed.

This agreement is the outcome of a wide-ranging policy review process and of discussions between the two Governments. Some $254 million a year are to be spent under this three-year agreement.

The new agreement is the mechanism which will make it possible to gear social housing assistance programs to poorer people, particularly those who spend more than 30 per cent of their income on housing.

In addition the two Governments are committed to fund exchanges aimed at launching a house renovation assistance program for which all Quebecers will be eligible as of July 1, 1986. Both Governments will share equally the $70 million estimated cost of this program.

Besides being an effective means to ease the allocation of housing units to the most destitute individuals or families in Quebec, the agreement attests to the determination of the two Governments to sign a lasting housing assistance program.

Mr. Speaker: Order, please. Sixty seconds. The Hon. Member for Bourassa (Mr. Rossi).

* * *

POLITICAL PARTIES

PERFORMANCE OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Carlo Rossi (Bourassa): When the Conservatives successfully ran for office, Mr. Speaker, they sold one or two trendy ideas to the people by claiming they had solutions to all problems experienced in this country.

Canadians were under the impression that the Conservatives had been in Opposition long enough to have time to prepare themselves, that they had devised novel solutions, that they had sought and found new avenues.

No, Sir, when the Conservatives took over in Ottawa they had no ideas, no visions, not even dreams to fulfil.

The Liberal Party has always been a strong advocate of social justice, equal opportunities, and progress. This is why Canadians will turf out the Conservatives at the next election and most certainly re-elect the Liberal Party.

[*English*]

PORNOGRAPHY

STRICTER REGULATION ADVOCATED

Mr. John Oostrom (Willowdale): Mr. Speaker, once a nation's moral fibre begins to decline so does that nation's character. The upcoming legislation on pornography is a test of our resolve. The control of pornography, as recommended by the Fraser report, cannot be allowed to be implemented. The proposed three-tier system of classification for pornographic material will only serve to entrench false images and feelings about men and women and sexuality.

There is strong evidence that pornography teaches sexual deviation, abnormal behaviour, and promotes violence towards women and children. Pornography is nothing more than vicious anti-women propaganda, whose sole purpose is to degrade by making women nothing more than objects. I believe that as legislators we must ensure that the forthcoming regulations regarding pornography are given the power to protect all Canadians from this type of exploitation.

* * *

CANADIAN NATIONAL RAILWAYS

PENSIONS OF FORMER EMPLOYEES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I come from a riding in which many thousands of CN pensioners live. On their behalf, and on behalf of CN pensioners right across the country, I would like to ask the Government to get on with the business of responding to the recommendations of the Subcommittee on Transport regarding CN pensions. I ask the Government to act very soon to correct the injustices which have plagued CN pensioners for years. This has been on the table for a long time.

The Government has recommendations before it. I hope very soon it will get about the business, in co-operation with the CNR, of taking all necessary steps to ensure that CN pensioners finally receive a decent pension, particularly those who retired some time ago.

* * *

[*Translation*]

THE CENSUS

IMPORTANCE OF INFORMATION GATHERING

Mr. Nic Leblanc (Longueuil): Mr. Speaker, June 3 will be Census Day for all Canadians. The census is the most comprehensive source of specific information on Canadians. It provides a detailed picture of our society and a wealth of

information for all communities in this country. This information is used by businesses and community groups is making decisions that affect us all.

Once completed, the census questionnaire is strictly confidential. The information it provides will be used to create various statistics on the entire country. Once collected, these data are indispensable for all Canadians. So count yourself in on June 3, 1986!

* * *

THE ECONOMY

IMPROVEMENT OF ECONOMY IN KAMOURASKA

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, "the economic recovery observed in Canada and Quebec was particularly evident in Kamouraska in 1985, when there was a 29.5 per cent increase in the value of goods shipped by our 68 manufacturing companies".

Mr. Speaker, I was quoting the beginning of a speech by the president of Kodécam at that company's annual general meeting.

I am proud of the fact that assistance provided by our Government has helped the Kamouraska region take advantage of the economic recovery announced in November 1984. In his speech, Mr. Michel Paquet mentioned the fact that six new businesses had been created. The number of industrial jobs had increased by 7.3 per cent, for a total of 2,331 jobs spread over eight industrial sectors.

Mr. Speaker, our Government was right to support the dynamic and innovative business leaders in my riding. I want to thank the retiring president, Mr. Paquet, and his team for the tremendous work they have accomplished, and I wish to extend my best wishes to the new president, Bertrand Soucy, for a successful term.

* * *

• (1410)

[*English*]

MEMBERS OF PARLIAMENT

ALLEGED RACIAL SLUR

Mr. Sergio Marchi (York West): Mr. Speaker, I feel an obligation to rise for a second time to request that the Prime Minister (Mr. Mulroney) ask the Conservative Member of Parliament for Nunatsiaq (Mr. Suluk) to apologize for his March 3 statement of "mafia mafioso" directed at the Hon. Member for Bourassa (Mr. Rossi). The latter is a distinguished Canadian of Italian ancestry, and neither he nor any other Canadian deserves to be addressed in such a derogatory manner.

S.O. 21

On March 4 I asked, without success, for an apology. Moreover, the Prime Minister has since been petitioned by organizations within the Canadian-Italian community, again without success, to seek an apology.

The community does not tolerate such a degrading incident, and neither should this House. Therefore I call upon the Prime Minister to obtain an immediate and appropriate apology from his caucus member. Nothing less would be acceptable. Failure to respond is paramount to condoning this offensive characterization.

* * *

DISASTERS

SOVIET NUCLEAR REACTOR ACCIDENT IN UKRAINE—FACTUAL INFORMATION REQUESTED

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, Canadians are frustrated and angered by the lack of information being released by the Soviet Union following the disaster at Chernobyl. What information exists indicates that 19 people are dead, 300 are being treated for radiation sickness, and up to 1,000 may die of cancer. This report comes weeks after the event.

On the day of the disaster the Soviets denied that the accident had occurred. For three days following the initial explosion there was no information. A callous policy of misrepresentation and cover-up has been put in place.

We have seen this pattern of state-controlled misinformation in the past. Is this not a repeat of the 1933 Ukrainian famine cover-up? The apparent openness of the Soviet Government in the past several days is nothing more than a public relations exercise. Given the past record of this secretive regime, we are left to fear the worst.

I urge the Canadian Government to use every resource at its disposal to pressure the Soviet Government to release factual information regarding this disastrous event.

* * *

EXTERNAL AID

AFRICA—CANADIAN ASSISTANCE MEASURES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Government is to be commended for its consideration of a moratorium on loan repayments by African countries. These countries are desperately anxious to rebuild after years of famine. They need relief from the repayment of loans to western aid agencies in order to devote scarce resources to agricultural development.

A loan moratorium is a wise Canadian response. It is also a just one. As the Secretary of State for External Affairs (Mr.

Clark) reminded me just last week, some 80 per cent of the goods and services provided within CIDA's bilateral projects must be purchased in Canada.

Aid dollars which Canada has given to African countries have already created jobs in Canada and generated income for Canadians. The Government has already received tax revenues resulting from this aid-based economic activity.

I support the Government's moratorium proposal. I also encourage the Government to redouble Canadian efforts to achieve the aid target of 1 per cent of GNP.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Prime Minister. Last Friday he strongly condemned the action taken by the U.S. to impose a tariff on the shingle and shake industry and said that the Government would seek a reversal of that particular initiative. Why has the Government now changed its position? Why is the Government now seeking only compensation, which at best would simply provide for reductions in tariff barriers in another industry? Why are we conceding the loss of those 4,000 jobs rather than continuing the fight to have that position reversed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are doing no such thing. The Hon. Member knows full well that the statement he has just made is at variance not only with the facts but with all of the matters that have been raised in the House. We are following a course designed to be helpful to the industry and to retain those jobs. In fact, we have just concluded a successful meeting with the unions and representatives of the industry from British Columbia and I think they are in general agreement with the policy adopted by the Government of Canada.

CANADIAN REQUEST FOR COMPENSATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, there has now been another change of position and I think it is important—

Some Hon. Members: Oh, oh!

Mr. Axworthy: No, it is important that we clarify this. Is it not true that yesterday Ambassador Gotlieb made a formal request to the U.S. Government for compensation and that compensation would only have the effect of providing some change or reduction in tariff barriers on other products and would have nothing to do with actually providing for the protection of jobs in the shingle and shake industry? Would the Prime Minister please clarify what it is that they are doing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is widely known that the only people who either have no position on an issue, or two positions on an issue, are members of the Liberal Party.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The position of the Liberal Party as expressed by the Hon. Member for Saint-Henri—Westmount on Friday was altered by the Leader of the Liberal Party on Monday, and that has now been changed again by the Hon. Member for Winnipeg—Fort Garry.

We are following a course of action which I think meets with approval of all the people affected by this decision and is designed to protect those jobs and strengthen that industry in British Columbia. It involves action on a number of fronts and flanks, and we are taking all of those actions consistent with our responsibilities to the people of British Columbia in those industries.

CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, compensation is not the answer that will help the workers in that industry. If there are other courses of action, would the Prime Minister please elaborate on what they are? In particular, could he tell us what will be on the negotiating agenda this week when Ambassador Murphy will talk with Canadian officials about the shake and shingle industry? Will we simply be asking for compensation or will we be asking Ambassador Murphy for a reversal of the decision to impose tariffs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, speaking of reversal, my hon. friend has just highlighted a very profound one. On Friday the official representative of the Liberal Party asked that the bilateral talks be scuttled, and now the Hon. Member for Winnipeg—Fort Garry is wondering what is on the table at the talks.

We are using the talks as a comprehensive vehicle to rid both countries of these irritants and the problems that are being caused or could be caused. This is why we declined to accept the recommendation of the Liberal Party last Friday as not being in the national interest at all, and least of all in the interest of the people of British Columbia. The Premier of British Columbia pointed that out with a great deal of emphasis. We are following a course and taking a number of actions designed to be helpful to the industry, the workers in the industry, and the process of a comprehensive trade agreement which we believe will be helpful to Canadians in providing jobs and greater riches for Canada.

TOKYO SUMMIT INQUIRY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. On April 29, a full eight days before the Premier of British Columbia wrote the Prime Minister about his concerns about cedar shakes and shingles, Mr. Mike Apsey, the Executive Director of the Council of Forest Industries of British Columbia, wrote the Minister for International Trade asking that the, at that time, potential 35 per cent tariff issue be raised by the Prime Minister with the President of the United States during the course of the Tokyo Summit. I would ask the Prime Minister whether or not the Minister for International Trade brought to your attention the contents of Mr. Apsey's letter and whether or not you raised this issue with the President during the course of your meetings with him at the Tokyo Summit.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the potential for action in this regard by any country always exists. Everyone in the House, I think, recognizes the enormous pressures from protectionist sources that are on the President of the United States. This is why we included the Quebec arrangement. This is why we had the undertakings in Washington. This is why, on behalf of the Parliament of Canada, I raised the issue of more liberalized and less inhibited trade at the Tokyo Summit. That involved undertakings by the administration, a reference to which my hon. friend will find in the Quebec declaration. Anything at variance with that, we believe, was unacceptable and unexpected. This is why we have consistently defended the notion of more liberalized trade, ridding Canada of these problems and of the relationship of the threat of protectionist measures, which we believe will debilitate relations between the two countries.

• (1420)

Mr. Speaker: A supplementary question through the Chair, please.

LETTER FROM COUNCIL OF FOREST INDUSTRIES OF BRITISH COLUMBIA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I want to ask the Prime Minister whether or not the Minister for International Trade brought to his attention the letter from Mr. Apsey, written eight days before the Premier's letter on the very same issue. If so, did he specifically raise the matter of a potential 35 per cent tariff on cedar shakes and shingles with President Reagan in Tokyo, as requested by the Executive Director of the Council of Forest Industries of British Columbia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am in constant touch with the Minister for International Trade. He raises concerns not only about British Columbia products but about Newfoundland fish products, which were brought to my attention and to the attention of the Secretary of State for External Affairs. We raise them constantly with the President of the United States, with the Secretary of State, and with the Secretary of the Treasury. These are raised on an ongoing basis.

POSITION OF COMPANIES AND UNIONS ON COMPENSATION ISSUE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. I am concerned about a possible misleading of the House, and I hope the Prime Minister will be clear on it. Just 15 minutes ago I met with the representatives of the four companies and of the trade unions with whom he met. They told me that they flatly rejected the Government's approach on compensation. All four representatives on the business side and all four trade union representatives said that they rejected the Government's attempt to get compensation. The Prime Minister has just told the House the opposite, saying that both sides supported the Government. Is he saying that they misled me, or is he misleading the House?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Broadbent: I directed my question to the Prime Minister.

Miss Carney: —I should like to respond to that question because I attended the meeting to which he referred, in the company of the Prime Minister for part of the time and in the company of the Secretary of State for External Affairs before he left for Halifax.

Mr. Gauthier: It has nothing to do with energy. Come on!

Miss Carney: I should like to point out that the statement he has made is completely at variance with the views expressed at our meeting.

PROCEEDINGS AT MEETING WITH BUSINESS AND UNION REPRESENTATIVES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister, and I hope he deals with it. The Minister has now said that what the representatives of the business community and of the trade unions told me was completely at variance with what she said they told the Government. Is the Prime Minister aware that the representatives of the business community, four leading competitive companies, and the four representatives of the IWA, flatly reject the Government's attempt to get compensation and that instead they want their jobs back? Does the Prime Minister know that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, he does not have to yell; he does not have to yell.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: Of course Canadians quite properly want their jobs back and Canadians want jobs. This is why they so strongly support this Government which has created 630,000 new jobs.

Mr. Rossi: You must be joking.

Mr. Guilbault (Saint-Jacques): The usual baloney.

Mr. Mulroney: I was in the meeting, and my hon. friend asked me a question. I attended part of the meeting. All I can do is tell my hon. friend what took place. Statements of appreciation and support for the action of the Government of Canada were made and I believe were recorded by the media. This is not to suggest that the unions or the business people endorse everything the Government does in every circumstance.

• (1425)

Some Hon. Members: Oh, oh!

Mr. Mulroney: Oh, oh, oh, the Member says. I said no, no, no to any suggestions to the contrary. Why is there such surprise? I have nothing at variance with the facts that took place while I was there—

Mr. Speaker: Order, please.

Mr. Mulroney: I think the surprise—

Mr. Speaker: Order, please.

Mr. Broadbent: Mr. Speaker, the Prime Minister gets away with this too often in the House. Unless the Prime Minister is prepared to withdraw the comments he made earlier, I am suggesting that he is misleading the House.

Mr. Speaker: Order, please. I take it the Hon. Member for Oshawa intends an implication to be taken from that statement. I must ask him, therefore, to withdraw it.

Mr. Broadbent: Mr. Speaker, I want to ask the Prime Minister will he—

An Hon. Member: Withdraw.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member, I think, has heard me. I think he intends, at least the Chair, to take an implication from what he has just said. I must, therefore, ask him to withdraw it. If he would please do that then I will hear his question.

Mr. Broadbent: Mr. Speaker, I have absolutely no intention of withdrawing anything I have just said.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa knows that when questions of fact are involved—perhaps the Hon. Member for Oshawa could listen to this—there is not an issue. I took it that the Hon. Member was implying that the Prime Minister was deliberately misleading the House. That is the intention he intended to leave. If he says to me that is not what he intended, I will accept that. But if that is what he intended, he must withdraw it.

Mr. Broadbent: Mr. Speaker, I sought clarification from the Prime Minister. I gave him the opportunity to clarify remarks that were totally at variance with the truth. Therefore, I have no intention of withdrawing anything I have said this afternoon.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Order, please. I have indicated the Chair's dilemma with the language that was used. I have asked the Hon. Member to help the Chair and indicate what he meant. He is leaving with the Chair the impression that he meant the Chair to understand what the Chair understood. I, therefore, have no choice but to name Mr. Broadbent for failure to respond to a request of order from the Chair and ask him to withdraw. I have no choice in the circumstances.

The Hon. Member for Windsor West.

[*Editor's Note: And Mr. Broadbent having withdrawn.*]

UNION'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. I understand that Jack Munro, president of the union representing the workers in the shake and shingle industry, insists that he and his union representatives did not tell the Prime Minister and the Ministers he met with that they supported the Government's position that there should be compensation rather than protecting and saving the jobs of the 4,000 workers. Why does the Prime Minister insist on his perfectly untenable position that the unions agree with the Government's position on this matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I explained to the Hon. Leader of the New Democratic Party that while I was at the meeting, I attended at the beginning of it, and it went on, that there was support expressed for what the Government had done. I indicated that I had not put forward the view that the unions or the business agreed with every action that the Government had taken or contemplated—

Mr. Blaikie: He used the word essential.

Mr. Mulroney: —but that we were moving forward on all fronts to be helpful to British Columbia.

PRIME MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, may I ask the Prime Minister this question? Isn't it correct that what the Prime Minister is saying to the country and, in particular, to the 4,000 workers is that as far as he is concerned their jobs are gone and that compensation is good enough for this Government, instead of protecting the jobs in the shake and shingle industry? That is what he is saying to the country.

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am saying the opposite. I am saying that the Liberal Party hopes those jobs are gone—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Oh, come on.

Mr. Mulroney: That is what you are hoping for.

Some Hon. Members: Come off it.

Mr. Mulroney: That is all the Liberal Party is hoping for. The Liberal Party is hoping to trade on the hardship of other people.

Mr. Tobin: You wouldn't know the truth if it jumped up and bit you on the nose.

Mr. Mulroney: We are taking a mature, responsible position designed to save those jobs in British Columbia—

Mr. Tobin: The truth is a foreign concept to you.

Mr. Mulroney: —and to strengthen access to those markets.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nunziata: You're an absolute fraud.

Mr. Gauthier: He sure is.

Mr. Nystrom: Pinocchio.

Mr. Speaker: Order, please. The Hon. Member for Skeena.

UNION POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. I want him to address it very directly and very carefully. I just met with representatives of the IWA and the shake and shingle industry as well. They made it very clear to us at the beginning of the meeting that they reject, wholly and totally, the Government's proposal in relation to compensation. Our Leader has been ejected over this.

Would the Prime Minister make this clear. Is he telling the people of Canada in the shake and shingle industry that when they met with him they said that they wholly and totally supported the Government's proposal on compensation?

Mr. Epp (Provencher): He never said that.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will tell my hon. friend the exact same thing I told his Leader. I made no such comment. I indicated that the meeting began in a very co-operative and supportive manner. The unions and the industry indicated support for what the Government of Canada had done. At no time did I suggest that this implied support for every action that the Government of Canada had taken or would contemplate. That is what I told the Hon. Leader of the NDP and that is what I repeat to this Member.

GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, the only proposal that the Government has forward right now is on compensation. Would the Prime Minister get up and tell the shake and shingle industry and the IWA what part of the Government's position they support? He has not had the guts to phone President Reagan and tell him to get that off the table.

Some Hon. Members: Hear, hear!

Some Hon. Members: Right on.

Mr. Speaker: Order.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that this will offend the NDP, but it was a constructive meeting at which people got along.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Representatives of labour, management, and Government sat down in a mature and thoughtful manner and tried to work out a solution to the problems of British Columbia. No one harangued anyone else, no one cast aspersions, and no one cast blame on people. We were looking for a solution. It was a very co-operative effort undertaken by all involved.

GOVERNMENT POLICY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let me try my luck at getting the truth this afternoon. My question is directed to the Prime Minister and is on the same issue. What has changed since last Friday that the Government is now prepared to accept the loss of this industry and 4,000 jobs when, only a few days ago, the Government was demanding a complete reversal? Why the flip-flop?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, nothing has changed our mind, nothing that precludes action by any reasonable Government on a number of fronts in a matter this complicated. This is a very serious matter in which people's jobs and futures are involved. Comprehensive negotiations are under way. Retaliatory pressure and protectionist measures exist in the United States. It is not an easy matter to resolve. However, we are working

with the unions, management, and the Governments involved to bring about a solution. There has been no change in position. We are opening up new possibilities on different fronts trying to be helpful to those involved.

[*Translation*]

CONSEQUENCES OF REQUEST FOR COMPENSATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary. Does the Prime Minister not realize today that by asking for compensation he is just accepting the fact that this industry has been utterly destroyed? Does he not realize this?

Right Hon. Brian Mulroney (Prime Minister): Not at all, Mr. Speaker. This step is entirely appropriate in the circumstances, and we are trying a number of alternatives on behalf of the people affected by the decision. It seems to me it is entirely normal to do so, and one option does not necessarily preclude others being tried as well. We are working in any number of ways to help the industry and get them interested in the industry.

[*English*]

EFFECT ON INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a letter which was sent by Ambassador Niles to various newspapers in the country. With respect to the shake and shingle decision he says:

> This should not constitute a mortal blow to the Canadian industry, and should not endanger many of the roughly 4,000 jobs in the Canadian industry.

Does the Prime Minister agree with that assessment by the Ambassador from the United States which was directly contradicted by representatives of the industry only half an hour ago?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member is aware, there was a very fruitful meeting this morning between the industry and representatives of the Government, including the Prime Minister. At that meeting a number of options were discussed. Certainly the predicament of those people working in the industry was very much a concern of Government representatives at the meeting. These matters will be discussed further to develop—

Mr. Berger: That wasn't the question.

Mr. Wilson (Etobicoke Centre): —a fuller assessment of the direct impact on the people who work in that industry. At such time in the future as may be appropriate further action may be taken.

Mr. Langdon: Mr. Speaker, the Government has gone a long way to avoid answering questions, but that is the most excessive yet.

UNITED STATES AMBASSADOR'S LETTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I will direct my supplementary question to the Prime Minister. Does he also agree with the statement of Mr. Niles in this letter that U.S. and Canadian government officials have discussed this case in Ottawa and Washington since the filing of the U.S. industry's petition?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it has been indicated previously that there are differences of opinion as to what the impact of this decision will be on the workers in that industry.

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

Mr. Wilson (Etobicoke Centre): We are reviewing the matter.

Mr. Langdon: Answer the question.

Mr. Wilson (Etobicoke Centre): If the Hon. Member is not going to listen to the answer he is not going to learn anything from it.

Mr. Heap: You're not answering the question.

Mr. Wilson (Etobicoke Centre): We are assessing the impact and working with representatives of management and the workers in the industry, after which we will be able to make an appropriate assessment.

TELEX SENT BY BRITISH COLUMBIA PREMIER

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to direct a question to the Prime Minister on the same issue. On May 7 the Premier of British Columbia wrote to the Prime Minister asking him to phone the President of the United States. Yesterday in the House the Prime Minister admitted that he did not follow that advice. I have in my hand a copy of a telex sent by the same Premier on May 20.

If you did not want to pay attention to the letter of May 7, why did you not at least pay attention to the telex sent by the Premier on May 20 in an attempt to avoid the impasse which we are presently facing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that question has been answered three or four times in the House of Commons.

Mr. Speaker: The Member will put his supplementary question through the Chair.

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Mr. Sergio Marchi (York West): Mr. Speaker, the answer has not been given. Why did the Prime Minister not contact the President as requested in the letter of May 7, the telex of May 20, and other representations which he received? Did he

or did he not have the integrity and the courage to pick up the hot line?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that kind of question ought not to be dignified with any answer. However, I will tell my hon. friend that I have already responded to that question put in proper perspective by other Members of the House on earlier occasions.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and is about gasoline prices. Could the Minister tell the House why, when the price of crude oil goes dramatically down, it takes 60 to 90 days for the consumer to feel it at the pump, but when it goes up slightly the consumer gets hosed at the pump? Could the Minister tell us why that happens?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I find it difficult to understand the source of the Member's question. As he well knows, gasoline prices have fallen across the country by an average of 10 cents a litre. They dropped another 2 or 3 cents a litre in Montreal. I understand that they have gone up in other areas, which shows that the market is dictating the cost of gasoline.

REQUEST FOR PUBLIC INQUIRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my source is Bob Runciman, the Tory critic in the Ontario Legislature. Does the Minister agree with Mr. Runciman who yesterday criticized the Ontario Liberal Energy Minister for being conned by the oil companies and called for a full public inquiry into the price of gasoline at the pump in Canada?

• (1440)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Conservative MPP involved was, I am informed, simply reading back to the Liberal Government the position they had taken in a campaign.

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NATIONAL PARKS

INSURANCE DIFFICULTIES OF COMPANIES PROVIDING SERVICES

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, my question is directed to the Minister of the Environment who is also responsible for Parks Canada. One local business, a boat rental agency, cannot yet open in Riding Mountain due to its inability to get liability insurance. In light of that, can the Minister explain what avenues his Department will pursue to ensure that the much desired private sector companies will be able to offer service to anyone who visits a national park this summer?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has put his finger on a very serious problem, both for the private sector interests which are providing the relevant services, and for the public for whom the services are extended. I am working hand-in-glove with my colleague, the Hon. Minister of Justice, on four or five options that we are looking at on an urgent basis. I must say our sense of urgency is heightened by the pressure the Hon. Member is putting on all concerned.

* * *

[*Translation*]

RAILWAYS

POSSIBLE CLOSURE OF CN SHOPS IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport.

[*English*]

The Minister of Transportation for the Province of New Brunswick recently said in the New Brunswick Legislature that the federal Minister of Transport had given him assurances last winter that the CN shops in Moncton were not in danger of being closed in the foreseeable future. Is that statement fact or fiction? Did the Minister give those assurances to the provincial Minister?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is clearly aware that this is an issue that CN has been wrestling with for quite some time as part of a survey of its maintenance shops right across the country. There will have to be some adjustment and rationalization and consolidation. When a decision is finally agreed to and taken to the board and management of CN, I will be in a position to respond in a more appropriate fashion.

MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, would the Minister please answer my question. Did he give assurances to the provincial Minister of Transportation that the jobs in Moncton would be protected?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have said on a number of occasions that there would not be, I would hope, any massive lay-offs. What we are trying to do is work towards the maintenance of the largest number of employees possible under any adjustment or rationalization.

Oral Questions

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—REQUEST FOR RESUMPTION OF NEGOTIATIONS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of State for Multiculturalism. The President of the National Association of Japanese-Canadians indicated yesterday that the Association has not achieved agreement with the Government on any item in a redress package, not on matters of principle any more than on matters of financial compensation. I thank the Minister for returning. Will he resume negotiations with the NAJC in order to arrive at agreement on the whole package on which the Association has made recommendations to the Government calling for action, and ensure that the redress package is acceptable to the community?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, as the Hon. Member knows, discussions with the NAJC, as well as other Japanese-Canadian organizations, have been going on for quite some time. It is only less than a week ago that the NAJC made a proposal to us. This was the first of its kind. That proposal has now been put forward for consideration by Cabinet along with other proposals, and is being considered.

REQUEST THAT NEGOTIATOR BE APPOINTED

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I will direct this question to the Prime Minister. The Minister has failed so completely to bring this matter to a satisfactory resolution before bringing it to Cabinet that I call upon the Prime Minister, whose personal honour is on the line here because of statements he made in June, 1984, to appoint a representative who will negotiate this kind of package. Will the Prime Minister appoint a representative to ensure that a redress package is negotiated?

Mr. Forrestall: You have the best one in the world.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I want to clarify again for the Hon. Member that discussions have been ongoing throughout the course of the last year and a half with all interested groups, including the National Association of Japanese Canadians. We have attempted in every way, shape and form to open the doors to discussion, suggestions, and recommendations. Those suggestions have now come forward. We have put them on the cabinet table for consideration. I can assure all Hon. Members that this Government is going to keep its commitment and come forward with a fair, equitable, and honourable resolution to the problem.

GRAIN

TRANSPORTATION AND HANDLING SERVICES IN PEACE RIVER RIDING

Mr. Albert Cooper (Peace River): Mr. Speaker, my question is directed to the Minister of Transport. As he is aware, I have been working for several years now to try to get some improvement of grain handling services in Valleyview and areas like that in my riding. When will we have some sort of program in place to help these people, and can we give them assurances that there will be something in place to handle this fall's crops?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member has been an ardent supporter of innovations to improve the transportation system in his particular part of the country. We have undertaken a number of pilot projects in all three Prairie provinces to try to address this problem, particularly in the frontier areas. Yes, I can tell the Hon. Member that we are still working on a pilot project in co-operation with the Government of Alberta, and we hope to be in a position to do something in the very near future.

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REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION MODERNIZATION AGREEMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the President of the Treasury Board. At the end of December the then Minister of Regional Industrial Expansion announced an agreement with the Province of Nova Scotia for the second phase of the modernization of Sydney Steel Corporation. This agreement was signed at the end of February, yet the federal Government refuses to make any money available under this agreement. Has the agreement for the second phase of the modernization of Sydney Steel Corporation received the full approval of Treasury Board?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to take the question as notice and communicate with my hon. colleague as soon as possible. I cannot give him a yes or no answer on that question. I will have to check.

TREASURY BOARD APPROVAL

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this is a signed agreement and the President of the Treasury Board cannot tell us if it has approval from his Department. When is this agreement going to be approved by Treasury Board? It was signed in February, and people are counting on the money and the assistance it can bring.

Hon. Robert de Cotret (President of the Treasury Board): I will be very happy to give the Hon. Member all the information he wants on the case. I would just like to take notice and check exactly whether it is before the Treasury Board, if it has been presented to the Board, when it is going to be presented to the Board, and when action will be taken.

* * *

[*Translation*]

CANADA POST CORPORATION

INQUIRY WHY MINISTER CANCELLED MEETING WITH DELEGATION FROM MONTREAL

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for Canada Post.

Why did the Minister cancel a meeting previously arranged with a delegation from Montreal? Is he afraid of meeting people who are upset about being treated like second-class citizens as far as home mail delivery is concerned?

I would like an answer please.

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, on behalf of the Minister responsible I would be very pleased to take the question under consideration and bring it to the attention of the Minister on his return.

Mr. Speaker: Order, please. Under the circumstances I think the Hon. Member for Papineau.

Mr. Keeper: Supplementary, Mr. Speaker!

Some Hon. Members: No.

Mr. Speaker: Order, please. The Hon. Member knows the practice is that, when we simply have a "take note" answer from a Parliamentary Secretary, we go to the next questioner.

Mr. Keeper: It was an inadequate response.

Mr. Speaker: Order, please.

Mr. Keeper: I would like to put a supplementary question to the Parliamentary Secretary. If he was answering a question for the Minister I would like to put a supplementary question to him.

Mr. Speaker: Order, please. The Hon. Member for Papineau.

[*Translation*]

COMPETITION

INQUIRY IF MERGER PROVISIONS IN BILL C-91 WILL BE PROCLAIMED WHEN LEGISLATION RECEIVES ROYAL ASSENT

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs.

Is the Minister now in a position to accept a suggestion made by the Leader of the Opposition, and to confirm that the part of Bill C-91 that deals with mergers will come into effect immediately after royal assent is given? And could the Minister issue a press release to inform Canadian companies and businessmen accordingly?

• (1450)

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am pleased to advise the Hon. Member for Papineau and the House that the Government intends that the merger provisions included in Sections 63 to 70 of Bill C-91 will take effect on the day of proclamation, right after the Bill is passed.

[*Translation*]

INQUIRY IF BILL C-91 WILL HAVE SUPREMACY OVER OTHER LEGISLATION

Hon. André Ouellet (Papineau): Mr. Speaker, I am glad to hear this. Similarly, could the Parliamentary Secretary confirm to the House that Bill C-91 will take precedence over the Investment Canada Act in case of mergers that would involve foreign take-overs?

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am pleased to advise the Hon. Member and the House that the provisions included within the Act, the Competition Act and the Canada Business Corporations Act, will take precedence over Investment Canada. That is clearly spelled out in the intent of the legislation as it pertains to both the Competition Act and the Canada Business Corporations Act.

* * *

THE CENSUS

PUBLIC AWARENESS OF IMPORTANCE

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of Supply and Services. Next Tuesday, June 3, is census day in Canada. As the Minister knows, the co-operation of every Canadian is important in gathering

these valuable statistics. Given the Minister's limited advertising budget, what has he done to create an adequate public awareness which is so crucial to the success of the national census taking?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I must clarify that we do not have a limited budget; we have no advertising budget. This was a restraint that we accepted in undertaking the census this year. However, I am absolutely confident that the importance of the census has been brought to the attention of all Canadians by business, by the media, and by Members of Parliament. May I take this opportunity to express—

Some Hon. Members: No. Sit down.

Mr. Rossi: Statements by Ministers.

Mr. McInnes: —my appreciation to all groups—

Mr. Speaker: Order. The Hon. Member for Nickel Belt.

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EXTERNAL AFFAIRS

EMPLOYMENT OF WASHINGTON LOBBYIST

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. It concerns the Michael Deaver dealings in Washington. I realize that this started before the Prime Minister began directing a new moral standard day by day here in Ottawa. However, will he assure the House that the Government will co-operate fully with the special prosecutor who is to be appointed to get at the facts in this case?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that has already been said. I assume the appointment of a special prosecutor will ensure that the matter will be treated in a non-partisan manner.

REQUEST THAT EMBASSY OFFICIALS PROVIDE EVIDENCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I take it from the Prime Minister's answer that he will co-operate with the special prosecutor. Will he give the assurance that that co-operation will include the appearance before that special prosecutor of any official in Canada's Embassy in Washington who may have evidence to give?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is a hypothetical question, in much the same way it is hypothetical to ask whether the Member for Winnipeg—Fort Garry will want to appear, given his interest in the case down there.

INSURANCE

COMPANY PRACTICES IN MONTREAL—REQUEST THAT LEGISLATION BE INTRODUCED

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of State for Finance. The CTV program *As It Is* in Montreal showed very clearly how the insurance business allows deals among unregulated management insurance companies, affiliated insurance companies, and general insurance companies. Such practice was described as a major cause of bankruptcy in the insurance industry. When will the Minister put a stop to these sweetheart deals among insurance companies and introduce the legislation which she promised in January, 1986?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sympahetic to the Hon. Member's question. He knows that I also regard this as an important issue. Our legislation is in the final stages of preparation and I should have it in the House before the end of June.

[*Translation*]

REQUEST THAT GOVERNMENT INTRODUCE FIRE INSURANCE LEGISLATION BEFORE END OF JUNE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, how many more people like Mr. Bernard Lévesque from the town of Gaspé will have to lose their homes due to fire and then find out that their insurance company has gone bankrupt, before you intervene? That is what the situation has been like since January. Could you give the House the assurance that the legislation will be in the House by the end of June?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would appreciate it very much if the Hon. Member would bring the specifics of this case to me. I would be very happy to look into what happened. I think it might have been something to do with his broker and I would be happy to see if there is anything we can do about it.

* * *

AIR CANADA

TREATMENT OF FLIGHT ATTENDANT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Prime Minister *sotto voce*. It involves the situation of an Air Canada flight attendant being suspended and facing dismissal after 13 years of service, after a Tory delegate to the Conservative Convention wrote a "Dear Don" letter to the Minister of Transport. Will the Prime Minister tell us why Mr. Ian Hamilton of his office, when notified of this injustice last week, chose to tell the flight attendant that no action would be taken to defend this citizen's job or right to freedom of speech?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, perhaps I can respond to that question. First, I checked into the allegations that were made by my hon. friend yesterday. I am advised that the employee in question is not suspended but is held out of service pending the investigation.

Mr. Benjamin: What is the difference?

Mr. Mazankowski: Held out of service with pay, pending the investigation. Second, Air Canada has no policy that prohibits public contact employees from discussing politics—

Mr. Boudria: Why have the investigation?

Mr. Mazankowski: —politics, religion or any other subject with customers. My understanding is that the investigation is to be completed on Thursday, May 29 and, pending the results of that investigation, any action with respect to suspension or disciplinary action will be taken into account.

I should also say that the Hon. Member charged yesterday that my correspondence group requested the suspension of this particular person.

Mr. Benjamin: I didn't say that.

Mr. Mazankowski: I want to advise the House that I merely received the letter and sent it to Air Canada for a response.

Mr. Benjamin: If there is no policy against the activities of that flight attendant, what is the investigation about? I find it strange that the Minister of Transport answers questions about the behaviour of members of the Prime Minister's staff.

FORWARDING OF LETTERS TO CROWN CORPORATIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, my supplementary question is directed to the Prime Minister. Does he appreciate that Ministers of the Crown cannot be allowed simply to simply forward the whims in personal letters from Tory delegates to Crown corporations?

Mr. Epp (Provencher): You do that every day.

Mr. Benjamin: In the name of fairness and his open Government, will he reverse the damage caused by this action of this Minister—

Mr. Speaker: The Member will appreciate that this is a little long.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I told the Hon. Member yesterday and he knows that our office receives many letters, both complimentary and of a complaint nature, which we send on to Air Canada for a response to the person who inquires. There is nothing abnormal or irregular about that. If it is a New Democrat, a Liberal, or a Conservative, they are all treated the same.

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

RATIONALIZATION OF SHIPYARDS IN QUEBEC—GOVERNMENT'S METHOD OF PROCEEDING

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the the Minister of Transport.

During a telephone conversation with a *Globe and Mail* reporter, Versatile Corporation President Saunders said that the only way he might be awarded a contract this spring was to accept the responsibility of rationalizing the Quebec shipyard industry.

Can the Minister explain why the Government would resort to such methods, and tell us whether putting such pressure on company presidents is common practice?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, my understanding is that my predecessor indicated to Mr. Saunders that he should engage in discussions with other representatives of the shipbuilding industry in the Province of Quebec with a view to rationalizing the shipbuilding industry in that province, as is occurring in the Province of Ontario under the aegis of Mr. Martin and Mr. Leitch, all of whom recognize the difficulties in the shipbuilding industry and the tremendous over-capacity not only in Canada but throughout the world. This is an attempt at an orderly rationalization of an industry in order that its future may be secured.

[*Translation*]

REQUEST FOR CLARIFICATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I thank the Minister for being so frank. Can the Minister explain how he can reconcile Mr. Saunders' statement with his own and that of the Minister of State (Small Businesses) who told Sorel workers last week that the Government had not given a mandate to Mr. Saunders? How can these two answers be reconciled?

• (1500)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think what my colleague, the Minister of State for Small Businesses, said was that there was no mandate to shut down any shipbuilding entities in the Province of Quebec. I wish the Hon. Member would stop misleading—

Some Hon. Members: Oh, oh!

Mr. Gauthier: That's not what he said.

Mr. Mazankowski: Maybe it is not deliberate but I wish the Hon. Member would stop that exercise because there is no point in spreading fear and apprehension amongst the workers

in the Province of Quebec, or in the Province of Ontario for that matter.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the type of language which is sometimes used in this House, I believe, brings from time to time disrespect to the Prime Minister (Mr. Mulroney), other Members of Cabinet and all of us as colleagues. It is disrespect certainly for Parliament which is the highest body in this land.

I distinctly heard the Hon. Member for York South—Weston (Mr. Nunziata) use the word "fraud" after the Prime Minister had replied to a question. I looked up the word "fraud" in the Oxford dictionary on the Clerk's table. It describes "fraud" as "deceitfulfulness, dishonest trick or stratagem, dishonest contrivance". I would ask you, Mr. Speaker, to bring the full weight of your office to bear so that we elevate the conduct of this House to the proper—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: Am I to understand the Hon. Member for Don Valley East (Mr. Attewell) to say he heard the Hon. Member for York South—Weston (Mr. Nunziata) accuse the Prime Minister (Mr. Mulroney) or another Member of being a fraud?

Mr. Attewell: I heard the Hon. Member for York South—Weston (Mr. Nunziata) call the Prime Minister (Mr. Mulroney) a fraud.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I take it no one else is intervening on this point of order, in which case I will of course—the Hon. Member for Hamilton Mountain (Mr. Deans)?

Mr. Deans: Mr. Speaker, my quick reading of Beauchesne's would lead me to believe that the use of that word has been ruled both parliamentary and unparliamentary, but most frequently to be parliamentary.

Mr. Speaker: I did not hear the words put in exactly the way the Hon. Member is suggesting.

Mr. Gray (Windsor West): Mr. Speaker, I think the weight of precedents with respect to the rulings of previous Speakers regarding the word in question would be such that the Chair could easily find that the word is parliamentary. In any event, I suggest there has to be more than the allegation of the Hon. Member opposite to connect that word with the Prime Minister (Mr. Mulroney). Although the Hon. Member opposite may have his conclusions, I hope his colleagues do not agree with him in that regard.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Point of order.

Mr. Speaker: On the same point of order?

Mr. Allmand: Mr. Speaker, when you are considering the point of order just raised, I would like you to consider this; on the one hand an Hon. Member can be put out of the House for questioning the truth of another Hon. Member in the House.

Some Hon. Members: Oh, oh!

Mr. Forrestall: Withdraw.

Mr. Allmand: On the other hand—

Mr. Speaker: Order, please. The Hon. Member is dealing with this point of order, please.

Mr. Allmand: Mr. Speaker, I would like you to also consider that the Prime Minister (Mr. Mulroney) can stand up and say that the Liberal Party takes great joy in the loss of jobs in British Columbia and the rules will not allow us to do anything about it. Yet the Speaker can put people out of the House for much less than that. That is the kind of place this is becoming.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The fact that we are now carrying on like this indicates that the complaint about language generally is clearly true.

I did not hear the matter complained of. Of course, under the circumstances, I will reserve.

Let me say to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) that the Chair does not ever happily do what was done today. That is why the Chair goes to some length to try to explain the dilemma the Chair is in when the Chair has heard such a matter. The Chair tries to give the Hon. Member involved in such a thing time to withdraw, as the Hon. Member for Notre-Dame-de-Grace—Lachine East knows personally, with respect.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): On the same point of order, Mr. Speaker.

Mr. Speaker: I have indicated I will reserve.

Mr. Lewis: Yes, I am sorry, in the by-play I did not catch that. I would just ask, since it has been pointed out that rulings have gone both ways, that the Chair take it in the context of the way it was in the House today and decide whether we are going to deal with this as a precedent or as a principle, and what kind of a House we want this to be.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Hon. Herb Gray (Windsor West): Point of order.

Mr. Speaker: I hope the Hon. Member for Windsor West (Mr. Gray) is rising on the business question and not on this point of order because he knows I cannot allow this to become a debate, with respect.

Mr. Ouellet: It's a reflection of the quality of the answers we are getting.

Hon. Herb Gray (Windsor West): Mr. Speaker, when you consider this particular point, I would appreciate you also considering whether it is parliamentary for the Minister of Transport (Mr. Mazankowski) to have said that an Hon. Member on this side misled the House and then went on to say "maybe it was not deliberate". It would seem to me that in order to use the word "misled" in the way which is acceptable, the person using it must make clear he does not suggest it was used deliberately, without equivocation.

Mr. Siddon: That's what he did.

Mr. Ouellet: He said "maybe".

Mr. Speaker: Order, please. The Hon. Member is in fact raising a different point of order about another Hon. Member's language. I listened very carefully to what the Minister—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps all those involved, including Ministers and backbenchers, would please stop this. I listened very carefully, as I did earlier to the Hon. Member for Oshawa (Mr. Broadbent). I had some difficulty in knowing what was being said in that situation which is why I intervened. I listened very carefully because I think the Chair tries to hear people as being in order. I think that is the Chair's intention. So I listened to what the Hon. Minister said and it seemed to me he very carefully tried to indicate that if an impression was left that he was accusing someone of something unparliamentary he wished it to be withdrawn. That is what the Chair took from the Minister's language at the time. However, that is the dilemma the Chair is always in when interpreting language, which is why the Chair rose earlier where it was not clear to ask that it be made clear.

Mr. Moe Mantha (Nipissing): Mr. Speaker, in the Speaker's penalty box is one of our fine Canadians, the best referee—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. The Hon. Member's point of order is completely out of order no matter what one thinks personally of the gentleman involved.

Point of Order—Mr. Forrestall

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Parliamentary Secretary to the Government House Leader and, in that capacity, the Acting House Leader, what business the Government intends to call for the remainder of the week.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I advise the House that tomorrow it is our intention to call Bill C-88, an Act to Authorize the Acquisition of Marine Atlantic Inc. Once the House has completed second reading debate on that Bill we will move to second reading of Bill C-111, an Act to Amend the Customs Tariff Act.

In the event that the debate is completed on those Bills during the day, we will discuss this from time to time with the other House Leaders and advise them as to what Bills we intend to call.

[*Translation*]

I would also like to announce that Friday will be the ninth allotted day of the current supply period.

[*English*]

Mr. Redway: Mr. Speaker, I would like to ask the Parliamentary Secretary when he is going to be calling Bill C-67 for report stage and third reading? Can we expect that this week?

Mr. Lewis: Mr. Speaker, we will be discussing this matter with the House Leaders and it will come up in due course.

* * *

POINT OF ORDER

DECORUM IN THE HOUSE

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to return to another point of order because of the history and the nature of what went on in the Chamber this afternoon. May I join with those Hon. Members who share some concern—

Mr. Speaker: Order, please. The Hon. Member knows I am in some difficulty, since I thought he was on a different point of order, and I have indicated I am going to reserve on the earlier point of order raised.

I can hear the Hon. Member on a separate point of order but not on the same one we have discussed.

Mr. Forrestall: Then permit me on a question of privilege, as someone who has sat here for some 21 years, to say I regret deeply what has happened in the Chamber this afternoon.

Mr. Guilbault (Saint-Jacques): Come on. We will all stand up on this.

Point of Order

Mr. Forrestall: I can only sympathize—

• (1510)

Mr. Speaker: Order, please. The Hon. Member knows that that is what I think the Hon. Member for Hamilton Mountain (Mr. Deans) calls a "point of view". It is not a point of order or a question of privilege.

Mr. Forrestall: Why would you then allow somebody to denigrate this Chamber?

Some Hon. Members: Oh, oh!

Mr. Ouellet: Kick him out.

Mr. Speaker: Order, please.

Mr. Ouellet: In 21 years he has not learned.

Mr. Speaker: Please, the Hon. Member for Papineau (Mr. Ouellet) as well.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to four petitions, Nos. 331-431, 331-475, 331-476 and 331-508.

* * *

[*English*]

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mr. Jack Shields (Athabasca): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Veterans Affairs. In accordance with its order of reference dated Thursday, February 27, 1986, Your committee has considered votes 1, 5, 10, 15, 20, 25 and 30 under Veterans Affairs for the fiscal year ending March 31, 1987, and reports the same.

LABOUR, EMPLOYMENT AND IMMIGRATION—SEVENTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the seventh report of the Standing Comittee on Labour, Employment and Immigration, requesting a brief extension of our order of reference regarding family processing of family class immigration.

PUBLIC ACCOUNTS—TWELFTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the twelfth report of the Standing Committee on Public Accounts. Pursuant to Standing Order 99(2), the committee requests a comprehensive government response to the recommendations.

The committee is concerned about the timeliness of the audit findings in the Auditor General's annual reports. Certain of these findings are out of date by the time they are referred to the committee. Therefore the Committee is recommending that the Auditor General Act be amended to permit the tabling of comprehensive audit reports on a completion date basis.

Second, in order to place greater emphasis on the accountability process added attention should be given to Public Accounts Committee Reports. The Public Accounts Committee is recommending an annual debate in this House.

Finally, in view of the committee's familiarity with and understanding of the Auditor General's work it is recommended that any matter relating to the office of the Auditor General, including the Estimates, should be referred to the Public Accounts Committee.

ENERGY, MINES AND RESOURCES—THIRD REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Energy, Mines and Resources, in both official languages.

[*Translation*]

OFFICIAL LANGUAGES—FIFTH REPORT OF JOINT STANDING COMMITTEE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I have the honour to present the fifth report of the Standing Joint Committee of the Senate and the House of Commons on the Official Languages.

[*English*]

It is, of course, in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

[*Translation*]

PETITIONS

REQUEST THAT THE GOVERNMENT REVISE ITS DECISION RELATING TO CERTAIN PROJECTS CONCERNING PLANNED EMPLOYMENT PROGRAMS

Hon. André Ouellet (Papineau): Mr. Speaker, I have the honour to present a petition signed by constituents of the riding of Papineau who express their disagreement with the

Minister of Employment and Immigration (Miss MacDonald) who has eliminated projects for maintaining job planning programs at home. They urge the Minister to reconsider her cruel and inhuman decision which deprives hundreds of elderly people of an important service.

POSTAL SERVICES—REQUEST THAT THE USE OF GREEN BOXES BE ELIMINATED AND THREE TIMES WEEKLY MAIL DELIVERY SERVICE BE PROVIDED RIVIÈRE-DES-PRAIRIES, QUEBEC

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, I have the honour and pleasure to present to the House a petition signed by residents of the Rivière-des-Prairies ward in my riding who are victims of discrimination on the part of Canada Post. Rivière-des-Prairies residents urge the House and Canada Post to ban the use of green boxes in their riding, and they also ask for home mail delivery three days a week.

[*English*]

REQUEST FOR CONTINUATION AND EXPANSION OF CO-OPERATIVE HOUSING PROGRAMS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and pleasure to present a petition signed by a number of residents of Saint John, New Brunswick, and Halifax, who request that this House consider co-operatives as democratically-controlled and self-administered affordable housing. They humbly pray and call upon the House to reject any recommendation that would reduce government funding to continue with housing co-operatives. In the interest of stable community development, they request that the Government continue and expand the co-operative housing program.

CANCELLATION OF KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is appropriate that today, the day on which we will discuss a motion relevant to Government youth policies, I again have an opportunity to present two petitions. The first is from the Province of Quebec and the second is from Windsor. A total of 150 names are on these petitions. The petitions protest the cancellation of Katimavik, which cancellation is symbolic of the Government's youth policy.

* * *

ENERGY ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Pat Carney (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-112, an Act to amend the Energy Administration Act and provide for certain matters in relation thereto.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 551 will be answered today.

[*Text*]

HEAVY OIL UPGRADER PROJECT

Question No. 551—**Mr. Caccia:**

1. Did the Government contribute $63 million to the Husky heavy oil upgrader project in Lloydminster and, if so (*a*) what proportion was/is to be spent on environmental studies (*b*) what are the specific areas or topics that will be studied in relation to the (i) construction (ii) operation (iii) closing phases of the project?

2. Was the project referred to the Environment Assessment Review Process for full public review and, if not, for what reason?

Mr. John McDermid (Parliamentary Secretary to the Minister of Energy, Mines and Resources): 1. The Government of Canada, Alberta and Saskatchewan have agreed to contribute $63 million in total to the Husky upgrader project; $36 million from Canada and $13.5 million from each of the two provinces.

(a) Of the $50 million expended to date, $1.5 million has gone directly towards the preparation of an Environmental Impact Statement. Considerably more money has gone towards the engineering designs required to develop industrial process technologies which are relatively environmentally benign. In addition, approximately $0.5 million has been spent on optimizing waste water design specifications to bring them to the "state of the art" and approximately $1 million has been expended on deep well disposal test systems for waste products.

(b) (i)—(iii) The Governments' contribution will assist Husky Oil in completing the pre-construction engineering phase and will produce definitive estimates of construction costs, ongoing operating expenses and conditions, and the probable useful life of the project. Based on these results, the governments and Husky Oil will be able to assess the desirability and need for future support to the project. As part of its final report, Husky Oil will provide a summary of the costs incurred before April, 1986, and to the end of this phase of work early next year.

2. The three Governments agreed to use the Saskatchewan Environmental Impact Assessment Process and to have equal representation on any review by all governments.

In November, 1984, Saskatchewan Environment issued guidelines for the development of the Upgrader Environmental Impact Statement which Husky Oil subsequently prepared. Following a thorough review and acceptance of the statement

by all the key parties, Saskatchewan extended environmental approval in principle to the project. This approval followed a public review period in Saskatchewan and is subject to Husky completing, in the near future, a detailed investigation of liquid waste disposal options (including both deep well injection, and treatment and discharge of wastes into the North Saskatchewan River).

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary have been answered. Shall the remaining quesitons be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—JOB CREATION PROGRAMS—DIVERSION OF CHALLENGE '86 FUNDS TO PRIVATE SECTOR

Mr. Howard McCurdy (Windsor—Walkerville) moved:

That this House condemns the Government for its management of job-creation programs and in particular for diverting Challenge '86 funds for youth employment from non-profit service organizations to the private sector, thus not only eliminating valuable social services but at the same time limiting new job creation and career experience for youth.

He said: Mr. Speaker, just moments ago I tabled two petitions which protest the Government's cancellation of Katimavik, which cancellation led to considerable focus being placed upon the Government's youth policy, or lack thereof.

The motion we are debating today dramatizes in a way the narrowness of the perspective which the Government has brought to the issue of youth policy. As Hon. Members well know, when questions have arisen in the House with respect to youth policy the Government has repeatedly responded by reference to its employment and training programs. I certainly would not deny that employment programs and training programs are a significant and important part of the development of youth policy.

I would like to draw attention to the fact that youth policy does not simply entail Challenge '86 or the Canadian Jobs Strategy but, as has been dramatized by the New Democratic Party task force, the Senate committee task force and many, many others, the issues involving youth are manifold. We should at least address the fact that these must include the enhancement of participation and a vehicle by which young people can be heard and by which they can build their own mechanisms for addressing the policies affecting them and the entire country.

• (1520)

As well, it is perfectly clear that primary, secondary and post-secondary education is of dramatic importance not only to young people but to the entire country. When we address the issues of economic development and opportunities and the Government's own economic policies, we must be concerned about the fact that the Government has not brought to bear the kind of focus on education that it deserves in terms of the future of Canada, let alone the needs of youth.

I would be remiss if I did not point out that there was a great deal of confusion resulting from the debate on youth policy, not only about what it should entail but about where it is to be established. After the unfortunate discovery of the real motive behind the activities of the Government with respect to youth, the recruitment of youth to the Progressive Conservative Party, resulting in a great deal of criticism from youth over the rather compassionless, complacent and incompetent youth ministry, the Ministry was mysteriously transferred to the Department of Employment and Immigration. Again, this dramaticizes the rather narrow and restricted concept the Government has of youth policy.

Quite frankly, I think we must call attention to the fact that when in committee we elicited from the Secretary of State (Mr. Bouchard) clarification of the Government's youth policy that was to be released by the end of the fiscal year, the end of the spring, the fall and maybe the winter, he said that he did not know. I think it is about time that youth received an answer, not only as to what youth policy will be but where it will be formulated, by whom it will be formulated and the directions it will take.

We rise today to talk specifically about the Canadian Jobs Strategy. It is really not quite a jobs strategy as such, but is a program designed to allow for training. I think that is the fittest description that can be applied to it. At the outset, I have to say that there are many components of the Canadian Jobs Strategy which we think are quite good. We think its concept is good. On a theoretical basis there is much to recommend it. The Job Entry Program and the Job Development Program are excellent concepts. We do have some doubt about the Innovations Program because we do not know what that means, and the Community Futures Program is another obscure concept. However, let us focus on the strategy's practical application.

We have a considerable number of questions about the strategy's practical application. To say that we have a considerable number of questions is to pose the key question. It is very difficult to find out what is happening with the Canadian Jobs Strategy. The other day, we had occasion before the Committee on Labour, Employment and Immigration, to attempt to determine from the Assistant Deputy Minister the status of this program. We received a cloud of obfuscation, but among the things we did find out was that there was a freeze imposed during the 1985-86 fiscal year which, we are told, substantially paralysed the Department with respect to the processing and funding of grants, not only for those applications received last year but indeed those received this year. We were told that the funding freeze that has been imposed and at times even contested by various members of Government but confirmed all across the country has resulted in no funds being made available in the form of allocations to be used for successful programs to proceed. We were told that because there was no money to travel, there was no possible way to process any of these programs at least until the end of May. Even more seriously, there is a horrendous number of examples of urgently needed job training programs for which no money was made available.

At the committee meeting we were cited the example of British Columbia. We were informed that some $15.8 million had been returned to the Treasury Board while $260 million worth of grant applications were lying fallow. Of course, those grant applications represent a great many people including a significant number of young people who do not have jobs.

In order to further dramatize the effect of that kind of processing, one could refer to the situation in Windsor. The funding of a considerable number of applications received in the Windsor area in 1985 was delayed until this year. I am having difficulty finding the papers, Mr. Speaker. I hope you will bear with me.

* * *

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS' BUSINESS THURSDAY, MAY 29

Mr. Deputy Speaker: I will take this opportunity to inform the House that I have received written notice from the Hon. Member for Prince Albert (Mr. Hovdebo) that due to a prior commitment, he is unable to be present in the House on Thursday, May 29, 1986, to move his motion during the hour of private Members' business. Accordingly, I am directing the Table to drop that item of business to the bottom of the order of precedence. Since notice will thereby be removed, the hour for privte Members' business will be suspended and, pursuant to Standing Order 39(2), the House will continue with the business before it prior to that hour until the ordinary hour of adjournment.

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—JOB CREATION PROGRAMS—DIVERSION OF CHALLENGE '86 FUNDS TO PRIVATE SECTOR

The House resumed consideration of the motion of Mr. McCurdy:

That this House condemns the Government for its management of job-creation programs and in particular for diverting Challenge '86 funds for youth employment from non-profit service organizations to the private sector, thus not only eliminating valuable social services but at the same time limiting new job creation and career experience for youth.

Mr. Howard McCurdy (Windsor—Walkerville): Thank you, Mr. Speaker. That was very kind of you.

There are two offices in the Windsor area, and out of the eastern office we found that $318,000 worth of eventually approved allocations for 1985 were delayed until this year as a result of the freeze imposed last year. For this year only $205,000 was made available. Similarly, out of the central office, $446,000 in allocations for last year were delayed until this year while this year's applications will be funded only to the extent of $260,000.

With respect to the broader issue, we find that in spite of the statements made by the Government about its commitment to the Canadian Jobs Strategy, it has in fact cut $190,000 this year and, furthermore, will likely cut $400 million to $500 million next year. The matter looks even worse after reviewing what was done in 1985.

One must recall what the Minister said and what in fact was done up until March 13 of this year, almost the end of the fiscal year. The Minister promised that $350 million would be allocated to the Job Entry Program but $81 million was spent. The Job Development Program was supposed to receive $700 million but approximately $400 million was spent. On and on it goes. The Minister made promises that were only partially fulfilled at the cost of thousands of jobs and perhaps the futures of thousands of young people. There is a lack of commitment to the program the Government itself has adopted.

I would hasten to point out that I do admire some of the components of the Canadian Jobs Strategy, to the extent that they try to address the significant problems of employment, training and job-entry experienced by young people. The fact is that it is too limited and has not addressed itself to the manifold problems of ensuring complete access to all opportunity for all young people as would be provided by the Youth Prospects Program which we proposed in our task force report.

• (1530)

In particular, Challenge '86 has come under the magnifying glass. Of course it is a program which is supposed to fund summer jobs for students. At the very beginning there was a reneging on the implied promise to young people when it was announced that $30 million of the moneys which would have gone into that program had been shifted to the census activity to provide jobs that last, on the average, about five weeks or

six weeks. Those jobs will occur in May and June, a time of year when the scholastic obligations of many young people prevent them from having access to the program. They may hope to make as much as $600 or $700 if they manage to get one of the jobs allocated to young people in the census activity. In terms of the needs of young people in the Province of Ontario, for example, the province assumes that university and college students will earn something in the order of $1,300. That puts that kind of opportunity into perspective.

For all intents and purposes we can say that Challenge '86 has been cut when compared with the allocations to Challenge '85. However, what has been revealed and dramatized in recent days is the absolute ideological commitment on the part of the Government to fulfil the mandate it has from business, big business in particular, and the way in which it shifted funds from 1984 to 1986 in the direction of private enterprise and away from non-profit charitable organizations and local municipalities.

In 1984, about 90 per cent of Summer Canada funds went to non-profit organizations. In 1986, according to the Minister, approximately 38 per cent of Challenge '86 funds will be allocated to private enterprise. If jobs were provided to young people in the same numbers as before, and if we used that as our only criterion, I suppose our conclusion would be the same as that of the Government, that everything was fine. However, we have been hearing from across the country about the denial of funding to non-profit charitable organizations which have served a great many important needs—the needs of the urban poor, the disabled, the mentally retarded, certain classes of women, and so on. There is no substitute for those services. Day care programs and summer camps for poor children have been denied funds.

I should like to cite a couple of examples of where and how this has happened. In 1985, Chetwynd received $52,000. It had 25 group workers and served something in the order of 240 poor children in the City of Toronto. In 1986 it will not receive a penny.

Many of us on both sides of the House had an opportunity the other day to talk with members of the Save our Summer group, a coalition of charitable organizations which up until now has depended upon Challenge '86 funding for summer programs. They dramatized the tragedy of the misguided, compassionless attitude on the part of the Government.

One might say that it was just an inadvertency or kind of an accident, that they received so many applications from so many places they did not notice in this rush to create jobs for young people that in fact they were subsidizing those who were likely to find jobs anyway in private enterprise, probably at the cost of full-time workers, while at the same time depriving useful organizations of the opportunity to carry out their useful functions.

What dramatizes the silliness and lack of compassion of the Government is that it had a report prepared by its own people. It was an evaluation of Challenge '85. It demonstrated how utterly misguided is the Government. The report indicated that if the Government wanted to create new jobs, it should put money into non-profit organizations; if it wanted to create useful jobs which serve a need, it should put money into non-profit organizations; if it wanted to create career-oriented jobs which provide opportunity for young people to enhance their qualifications for the future, it should put money into non-profit organizations; and if it wanted to create an experience at the end of which young people would feel proud of their accomplishments and would have made a contribution to the country which would not otherwise have been made, it should put money into non-profit organizations. However, the Government ignored its own report. Where did it put the money? It put the money into the hands of its friends.

Let me make perfectly clear that in my riding and in ridings across the country my colleagues and I have made every attempt to ensure that the very small business will take advantage of this kind of program, because that is from where young people will get career-oriented experience in business. In big business they are liable to be doing what the advertisements of the Government indicate—they will be carrying paintbrushes, perhaps whitewash brushes, and will be less able to claim experience of any significance in our modern technological society at the end of their summer experience than they would have had they done the useful kinds of jobs in which the non-profit organizations are involved.

I think it is clear from the arguments I have made, arguments which I am sure will be supported by my colleagues in the Official Opposition, that if one pays attention to all that has been said by those dependent upon Challenge '86 for fulfilling the needs of the various groups I described earlier, and if we are to respond to the cry from across the country that the Government should not ignore in its programs the plight of the non-profit voluntary sector, then the House will agree to the following motion:

> That this House condemns the Government for its management of job-creation programs and in particular for diverting Challenge 86 funds for youth employment from non-profit service organizations to the private sector, thus not only eliminating valuable social services but at the same time limiting new job creation and career experience for youth.

I hope the Minister of State for Youth (Mrs. Champagne) has heard the criticisms, which I deem constructive criticisms, of the Government's failures. I hope she will rush back to her Department and, with the great strength and force of her prestige, bring about a change which will respond to those cries.

Mr. Weiner: Mr. Speaker, my hon. friend has condemned the Government for its management of the job-creation program. We have created 630,000 new jobs since September, 1984. In British Columbia alone we have created 59,000 jobs. We have the lowest unemployment rate in four years. The Hon. Member criticized us for poor management, yet we have created 59,000 jobs in B.C. in 20 months, compared with the previous Government's record of 29,000 in 4.5 years.

[*Translation*]

In Montreal, we created 39,000 jobs in the last twelve months. The unemployment rate went down by 1.2 points.

• (1540)

[*English*]

We have restored confidence in the community. We are giving Canadians hope. We are putting a new feeling into the society. I can tell you—

[*Translation*]

The value of construction permits increased 11 per cent in 1985. During the first two months of 1986, 32 per cent more construction permits were issued than for the same period in 1985. Retail sales have increased 12 per cent since the last election.

[*English*]

We have done all of these things since September, 1984. The Hon. Member criticizes us for poor management yet we have created 31,889 jobs a month. Talking about youth unemployment, the rate was 18.4 per cent when we arrived. That rate was higher during the previous administration. It is dropping now. We say it is not good enough. We are going to work harder until we see it wiped out.

Mr. Orlikow: What is it now?

Mr. Weiner: A lot of this is due to our desire to co-operate with business to promote employment opportunities, something which the NDP with anti-business attitudes will never understand. Ask the people of my province, the Province of Quebec, what happened to jobs when an anti-business Government was elected. Ask what happened to business and jobs under that provincial Government. Yes, we are stressing career enhancement employment, not make-work projects. There are funds being spent on preparing youth for future occupations and to encourage those still in school to enhance their education. Under Challenge '86 every project was evaluated on its merits and its job creation potential, not only by the Department but by each Member of Parliament. Every project was examined in detail, riding by riding on its merit. It was on merit that the decisions were made. In addition, there was an increase in the number of applicants this year. Some received less than in previous years, or in some cases were not accepted, not because they were not good but because there were other new applicants, many of whom applied for the first time. No organization, private sector or non-profit should plan budgets, programs *et cetera*—

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

Mr. Deputy Speaker: I can guess what the point of order is going to be. I had given the floor to the Hon. Member for Dollard (Mr. Weiner) on a question or comment. Is that what he understood?

Mr. Weiner: I am raising comments on the Members' speech.

Mr. Deputy Speaker: Could I please ask the Member to conclude his comments to give appropriate time to the Hon. Member for Windsor—Walkerville (Mr. McCurdy) to reply and to allow other Members to ask questions.

Mr. Orlikow: If he wants to make a speech, let him make it on his own time.

Mr. Weiner: Mr. Speaker, those were all points raised by the Hon. Member. I am just saying how good we have managed the country since September, 1984 so that everybody will have a chance to reflect on our record.

Mr. McCurdy: Mr. Speaker, it is always a pleasure to see the enthusiasm with which my colleague across the way defends the Government, even when he is defending the Government against allegations or criticisms that in large part have not been made. Let me respond to a couple of things the Member said. He said that the Government is responsible for the changes in the unemployment picture. Let me first inform the Member, if he is not aware of it, that there has probably been about a 150,000 decrease in the total number of youth during the time the Government has been in office.

Second, it is ridiculous to lay claim for the improvement of the economic picture. Everyone who has looked at this with any understanding knows that the automobile industry, a significant example, responsible for something like 25 per cent of our exports and 25 per cent of the economy of Ontario, is largely responsible for industrial economic growth. The Government is on the verge of killing that golden goose by its policies on the automobile industry.

What the Hon. Member has not answered with respect to Challenge '86, has not refuted, is the allegation, the observation, that there has been a significant shifting of funds from the non-profit service and municipal sector to private enterprise. I have no problem with funding training opportunities in private enterprise.

Some Hon. Members: Oh, oh!

Mr. McCurdy: In my own riding I have taken an aggressive stance to ensure that small business will have access to the Canadian Job Strategy Program and the Challenge '86 Program, but not at the expense of needs that will not be met as a result of deprivation of significant agencies of funds as this Government has done and has admittedly done. There is no denying it. There is no denying that it has its own internal report. The Member has not addressed that. The report said if you want to create net new jobs, you do not put money into large private concerns that will create those jobs anyway to make it cheaper for them to displace their full-time workers. That is insane, Mr. Speaker. The Member has not answered my question with respect to the funding freeze in 1985 or the issue of the funding freeze that exists right now. Until he answers that question, all the pretty words in response to what

I say will not make an impression, not just on me, but on anybody.

Mr. Allmand: Mr. Speaker, I rise on a point of order. I meant to raise this point of order when the Hon. Parliamentary Secretary was speaking, but I did not have an opportunity. I would like to refer you to S.O. 82(14) which says:

Following the speech of each Member, a period not exceeding ten minutes shall be made available, if required, to allow Members—

Members in the plural, Mr. Speaker.

—to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

I felt the type of intervention being made by the Parliamentary Secretary completely violated the spirit of that Standing Order. I would ask that in the future when people rise to ask questions and make comments we have them comply with the rule in Standing Order 82(14).

Mr. de Jong: Mr. Speaker, I rise on the same point of order. I wish as well to draw the same matter to your attention. It seems to me in the past while that Parliamentary Secretaries particularly have been using the occasion of the 10 minute period after a Member has given an address to use most of the 10 minutes as a rebuttal. Very often government Members will not give speeches but will bootleg their ideas in the 10 minute question and answer period. Very often the speakers themselves do not have the opportunity to rebut the points made by Government Members, and in particular Parliamentary Secretaries. I think it goes against the very spirit of this important parliamentary reform. I think it is important that the Chair study this matter with some care and advise Members of the intent of our Standing Orders, particularly Government Members, when it appears as though they are using most of the 10 minute period to make short speeches.

Mr. Deputy Speaker: Let me deal briefly with both Hon. Members' points of order. The Hon. Member for Dollard (Mr. Weiner) has the right like anyone else to make his comments. I found them a bit long. That is why I intervened. We must also remember that in that particular case the Chair saw only one other Member in the House who was ready to ask a question or make a comment.

Mr. Valcourt: Exactly.

Mr. Deputy Speaker: It depends on each question. I realize 10 minutes is allowed for questions or comments. If the Chair sees many Members stand who wish to speak, the Chair tends to cut off Members more abruptly. In this case, I wanted to give the time to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) who I saw rising at the same time as the Parliamentary Secretary. I will make sure that the Hon. Member for Windsor—Walkerville (Mr. McCurdy) gets at least equal time for reply. On a question or a comment, the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

• (1550)

Mr. Allmand: I was rising for debate.

Mr. Deputy Speaker: We are still on questions or comments. I will recognize the Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: I would lke to address a question to my colleague. It was important that he pointed out that he is not opposed to job creation efforts of the private sector. In Saskatchewan we have had a Conservative Government since 1982 and we have seen a steady erosion of support to social agencies, organizations that help the handicapped and the mentally retarded and help kids go to summer camp. Traditionally university and high school students have been able to find work during the summer doing important social services in the community. These students have been able to earn income to enable them to go back to university by providing important services. We are now in a period of cut-backs to social services and job creation programs which help people involved in social services. Does my colleague not find it shameful that there are cut-backs, not only to human services for the disadvantaged in our communities but also to summer employment programs which have also traditionally helped the underprivileged?

Mr. McCurdy: Mr. Speaker, I would like to emphasize what my colleague said about our Party's attitude on job-creation programs of small business. We must focus upon the fact that, as the internal report of the Department of Employment and Immigration demonstrated, in so many instances Challenge '86 is funding jobs which would have existed anyway. It is incumbent upon the Government to demonstrate that, with respect to private enterprise jobs, career-oriented opportunities will be created and that these will not be at the expense of full-time workers.

Anyone who has contemplated the future knows that there will have to be a re-examination of our concept of useful work. Young people across the country were aware that their contributions in terms of human health services are just as valuable as those of computer programmers, carpenters, politicians, and any of the other previously recognized jobs. There must be a recognition that the future must involve the enhancement of opportunities for useful work in providing needed human services. The Government has failed to anticipate that. If the Government had listened to youth, it might have learned that.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Liberal Party fully supports the motion before the House which condemns the Government's policy with respect to summer employment. With respect to summer employment, the Conservative Party is misdirected, inadequate, short-sighted, cruel and contradictory. I will deal with each of those points in turn during my remarks.

The disaster in summer employment policy is only part of the Government's disregard for youth. Right after the election

the Government cancelled the First Choice Program which would have put 100,000 young people into positions in which they could train on the job, building a bridge between the school and the workplace. In recent months the Government cancelled Katimavik. It cancelled the youth conference which then went ahead under the initiative of youth groups throughout the country. The Government cancelled the Minister's budget in her former Department and then, to save her face, it reintroduced her under the Department of Employment and Immigration.

The motion this afternoon is principally directed to the Challenge '86 program which deals with student summer employment. The subject is student summer employment. Each time we put questions to the Ministers and the Parliamentary Secretaries they do not answer them. I do not know if they are badly informed or are doing it on purpose, but they continually confuse youth unemployment statistics with student unemployment statistics. As we all know, to qualify for the Challenge '86 program you must be a person who will return to university or college in the fall. The general program for youth unemployment deals with that great mass of young people between the ages of 15 and 25 who are not going back to school. That is another group of people.

The high rate of unemployment to which the Parliamentary Secretary referred, which came down from 18 per cent to 16 per cent, refers to youth unemployment. It does not deal with the problem of student unemployment, which is dealt with separately by Statistics Canada. These are people who are going back to university or college in the fall. That is what we are talking about this afternoon and I do not want to hear statistics about the general unemployment rate. I know that helps to divert attention from what we are discussing. I do not want to hear statistics about the youth unemployment rate because that is not what we are discussing.

With respect, that is what has caused a lot of the disruptions in this House. If we received more statesmenlike and direct answers to the questions put in this House we would not have instances of what happened today in the House. Some of the Ministers on that side answer questions properly, but I am afraid that the Prime Minister (Mr. Mulroney) and many other Ministers do not and they actually mislead the House.

In this House I have brought to the attention of this Minister and the Minister of Employment and Immigration (Miss MacDonald) grievances which were brought to my attention in my constituency office and here in Ottawa by community groups which have either had their funding cut entirely this year or cut to a great extent in relation to what they received in previous years. The other day I asked the Minister to restore the budget and make the system more flexible. Instead of answering my question she said:

> I find it rather deplorable that the Hon. Member for Notre-Dame-de-Grâce—Lachine East should be against jobs for ergotherapy students, for Concordia University physiotherapy students, among others, for Henri Bradet Centre gerontology students in his own riding. He is against that? I fail to understand.

I do not know what I can call that to avoid violating the rules of the House, Mr. Speaker, but it is completely false and the Minister knows it is completely false. If she made a statement like that outside the House I could sue her for libel before the civil courts. For her to say that I am opposed to students at Concordia University, the Henri Bradet Centre and others getting jobs like that is false. She knows that I never said that. However, that is the kind of diversionary tactic that is used by her and other Ministers which causes the disruptions which have been happening in the House. The Minister knows very well that I support those projects. If she was in touch with her Department throughout the country she would know that I initialled support for those programs.

I am opposed to the cut of $19 million in the SEED program, the primary program for student employment. I am also opposed to the Government's policy of giving more of that smaller amount of money to the business sector rather than the community voluntary sector. A lot of good community organizations are getting no money at all, or are being cut back considerably.

That was my question to the Minister. She brought up this red herring about me being opposed to some very good projects, which I was not opposed to at all. That was false. I cannot say she was lying to the House because they will throw me out again. I cannot say she was telling an untruth because they will throw me out again. However, she was not telling the truth when she said I opposed those programs. If she can find any quote of mine where I said I opposed those programs, in writing or verbally or whatever, I will make the greatest apology to her that one has ever heard in the House of Commons. I will even write letters to all the Montreal newspapers apologizing. I know she cannot do that.

• (1600)

This year the Government has cut the Challenge '86 program from $205 million in 1985 to $108 million in 1986. The SEED component was cut from $146 million 1985 to $127 million in 1986. To put that in better perspective, let us look at how it touches various groups in Toronto. For example, in 1985 the average grant to community groups in Toronto was $15,600. In 1986 it is $8,800, or a cut of 44 per cent. These figures are based on a survey of community groups in Toronto who were cut back this year. That is what I want the Minister to deal with. Explain that. Justify that. In 1985 the average number of student work weeks was 66.5 for community voluntary groups. In 1986 it was 36.2 work weeks, a decrease of 46 per cent. That is the sort of thing we want answers to.

The Minister says there are no quotas limiting the number of voluntary community projects which can be accepted. Let me put this on the record. In the 1984 Summer Canada Program, a carry-over of the program put in place by the Liberal Government, 100 per cent of the SEED money went to non-profit and community groups. In 1985 some 80 per cent of the money in the SEED component went to voluntary community groups. This year so far it is about 65 per cent. So we had

a decline from 100 per cent to 80 per cent to 65 per cent. In the House the other day the Minister asked: "What is wrong with that?" Of course, half the groups being funded are good groups. We have no objection to those groups being funded. However, this policy of diverting, which is what it is, money from the community voluntary sector to the private business sector is leaving a lot of very worth-while community service groups high and dry. These groups have operated during the summer for over 13 years. They were more or less built upon and improved upon year by year by various Governments, Conservative and Liberal. In 1979 the Conservative Government helped improve the programs. In the first year of this Conservative Government it did not tinker with that program. If anything, it tried to improve upon it. However, starting with the Challenge '85 program we saw a movement of funds towards the private sector.

I say that contradicts Conservative policy. One day of the week the Conservatives are saying let us not throw money at problems. I heard the Prime Minister (Mr. Mulroney) saying that many times. The private sector can do it all. We should deregulate and let the private sector do its job. That is why I find it kind of strange when the Parliamentary Secretary gets up and says "We created 600,000 jobs". I thought the private sector created most of those jobs. The Conservatives are now claiming they created 600,000 jobs. I wish they would make up their minds. One minute they believe in the private market economy, which means business operates free of Government intervention; the next minute they are claiming responsibility for the creation of jobs put in place by the private sector. They are now taking money away from the voluntary sector which relies on public funds and things like the United Appeal, and giving it to the private sector. They are distorting the operation of the private market economy. In my riding there are examples of one private sector business being funded under this program and a competitor down the street is not getting a subsidy. So the one business has an unfair advantage over the other. That is distorting the market economy in a small market area.

There is a policy of diverting funds from the community sector to the private sector. The Minister has admitted that. The Deputy Minister admitted that. The Minister of Employment and Immigration (Miss MacDonald) admitted it. Whether they call it a target or a goal, I call it a quota. It boils down to approximately 40 per cent of the money going to the private sector. The very evening of the day I was put out of this House for questioning the veracity of the Minister's statements, I went to the Standing Committee on Labour, Employment and Immigration. The Minister was not there, neither was her Parliamentary Secretary. The Deputy Minister was there and I put it to him. I checked all over the country and it is coming out to about 40 per cent. Is that a quota? He said they do not call it a quota. It is not a quota. It is a goal. Approximately 40 per cent goes to the private sector but it is not a quota. I said in this constituency, that constituency and this other constituency, when people are going to their project officers and saying they would like to take the money from three of these business organizations and give it to two or three or even one voluntary community group, the project officer says no, they cannot do that because a certain percentage of the money has to go to the private sector. What does the Deputy Minister say? He says they have a very decentralized Department and the managers in the field, in putting into operation these goals, might in fact be operationalizing what the Department wants to do by using what I might call quotas. If I ever heard playing with words, that is it. That is why I asked the Minister the next day what she calls it. Of course, she did not answer my question. There is a policy that approximately 40 per cent of the money, and it varies from region to region, goes to the business sector.

A lot of very good projects in the community sector are being eliminated. The Department did an evaluation of the Challenge '85 program. What did it say? It said that the non-profit sector was more successful than the private sector firms in generating jobs. It also said that almost two-thirds of the positions created in a non-private sector were of the administrative, professional variety, as compared to about one-quarter of the positions funded by the private sector. The community sector is better than the business sector with respect to career oriented jobs.

• (1610)

It also states that participants placed with employers in the non-private sector were considerably more likely to make positive statements about their summer employment experience than their private sector counterparts. There is more satisfaction from the students who work with the community projects than with the business projects.

It also points out that the lower degree of incremental impact in the private sector is of particular concern in light of the finding that 33 per cent of the career related jobs funded in the private sector were not, in the students' opinion, related to their course of studies. These are not my words, but the words in the evaluation report that was mandated by the Department of Employment and Immigration.

The Department did not even follow that report. The evaluators made those recommendations but the Department gave more money to the business sector instead of less than the previous year. While that is the Department's right, I wish it would be straightforward and say so, rather than trying to talk around the issue, gild the lily, and not answer the question. The Department's policy amounts to giving more assistance to the business sector and to ignoring the community volunteer sector.

Let me point out some of the projects that are being left out as a result of this policy. I will commence with one that I have already mentioned several times, and my colleague, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), will mention it again when he speaks later. In centre Montreal, the Montreal Association for Retarded Children runs a summer camp for retarded children every year. Last year under the Challenge '85 program they hired 30 university students to

monitor these retarded children during the summer. This year they can only hire five or six students, which means that many retarded children who would have gone to camp will have to stay in the centre of the city during the summer. The Department is taking that money and funding employment at La Ronde, an amusement park in Montreal. The same thing is happening in Vancouver. There is not much career relation to those jobs.

The Minister mentioned some good projects in my riding that are being funded, but let me mention some good projects that are not being funded as a result of her policy. These are projects that were funded year after year. SPARA Foundation helps young people who have problems with drug addiction. It is a very substantial program that has been supported by business and public sector people in Montreal for a long time. It will receive no money this year.

The DES Action Program has attempted to advise young women across the country that they might be subject to cancer as a result of the DES drug that their mothers took 25 years ago when they were pregnant with these young women. It is a group of people who have had cancer problems in their own families. They are trying to do something about it but their funds have been cut off. The Salvation Army residence for senior citizens will receive no money. Alliance Quebec, the action group for minority language rights in the west end of Montreal, will receive no money.

I believe the point of this debate is to ask the Government to consider restoring the budget we had last year, to make sure that those voluntary community groups that are providing essential services to the community continue to receive the same funding. Of course, if they have done a bad job they should be cut off, but there is no evidence of that.

I ask the Minister to consider a return to the use of constituency advisory groups. When we had the constituency advisory groups the choice of projects was in the hands of people from the community. These groups consisted of people from small business, from churches and from community organizations which would advise the Minister and the Member of Parliament. In my constituency we used to have 12 to 15 representatives who got together every year, considered all of the applications and voted on them secretly. They decided on the priorities and recommended what programs should be funded. This process worked very well most of the time. Furthermore, it is better for the Government and the Member of Parliament because it is a community based, grass roots process.

I ask the Minister to consider those three proposals. She should restore the funding, eliminate that criteria of 40 per cent or 35 per cent funding to the private sector, and consider bringing back the constituency advisory groups for next year.

Mr. Orlikow: Mr. Speaker, the Hon. Member described what was happening to many worth-while non-profit community projects in his constituency which were turned down for funding this year. It is very similar to what we are experiencing in virtually every city in Canada. While he was making his inquiries with the Department officials in Montreal, was he able to see some of the private sector employment programs which have been funded and assess their value?

Let me give him an example of one such program in Winnipeg. It involves a grant of almost $200,000 to train people in the retail field, 20 of whom will be working at the Hudson's Bay Company. First, there are no assurances from the Hudson's Bay Company that those people will find employment there once they are finished. Second, I have not been able to determine what these persons wil do for that nearly $200,000 that has been given. The money is not used to subsidize the wages, and Lord knows that the Hudson's Bay Company does not need any subsidy. As far as I can determine, the funds are not used for academic training. Has the Member experienced this situation and been able to determine any more about these private sector projects which look like real rip-offs to many of us?

Mr. Allmand: I have been able to get some information, but it has been very difficult. I have been able to get the information from Members of Parliament who have had to examine the list for their own ridings. I have been able to get the information from certain officials in the Department who are themselves upset with the program and have surreptitiously sent me information. However, when I have tried to get information directly from the Department it will not release it. It is a rather strange approach for a Party that said it stood for freedom of information and criticized the Liberals because they thought our Bill on freedom of information was too restrictive. Now we cannot get simple items like this from the Government.

Let me give the Member an example. I illustrated some of the projects in my constituency that were turned down. Let me tell the Hon. Member about some of the projects that were funded. The Minister will probably talk about some very good projects that have been funded; the fact is that if the Government is going to spend $127 million some good projects will be funded. However, some should never have been funded. For instance, Zellers is probably a very good business organization—

Mr. Orlikow: Profitable too.

Mr. Allmand: Very profitable. It does not need subsidies from the Government in order to hire students for the summer. There is a very large pharmacy chain that is receiving money to hire students. I learned that these students are putting boxes on shelves, which confirms the comments in the evaluation report that was done by her own Department last year.

There are corner candy stores, ice-cream stores, corner supermarkets, bicycle stores and small landscaping firms that are being funded. No doubt, all of these are probably good businesses, but I do not know why they are being funded under this program. The Minister will probably say that I am against private business, but that is not true.

However, in answer to the Hon. Member's question, why should scarce public funds be diverted from the community sector that takes care of the aged, disadvantaged children, the handicapped, the retarded and others, to be given to these free enterprise businesses which did not need this money in the past to hire students? In any case, the jobs are not very career related. Some private sector jobs, such as ones for engineering and accounting, are very career related, but I do not see how laying sod, selling drugs over the counter and so on is very career related.

The Government would at least be honest if it said it merely wanted to create summer employment, no matter what it was. However, it is hypocritical when it claims to support career related projects and then funds jobs like that in the private sector.

[*Translation*]

Mr. Lopez: Mr. Speaker, I fail to understand why the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) is wasting so much energy criticizing the Government. When the Hon. Member was in power, he worked very hard at doing nothing.

Everybody in this country knows that youth unemployment has gone down since the Progressive Conservative Party came to power. And it could go down even more, if we could spend the time of the House on being more constructive. If the time he spent criticizing had been used to propose valid arguments and new ideas to create more jobs, that would have been far more constructive.

We are not satisfied, because we still have unemployment among our young people. Our goal is to get rid of youth unemployment altogether. However, we are realistic and we realize there is a lot less unemployment than there was in the Hon. Member's time. I think we are on the right track. What we need now is for everybody to be realistic. We must all work together and work toward the same goals instead of indulging in negative criticism. And if he can't think of anything else, after so many years' experience in Parliament, if that is all they have learned, I am really disappointed in his performance. I have been a Member of the House for only a year and a half, but I think my attitude is a lot more constructive.

And I would urge you to do likewise.

• (1620)

[*English*]

Mr. Allmand: Mr. Speaker, the Hon. Member's question indicates how much out of touch he is with what is going on in this country. I challenge him to come with me and meet the people I have met in different cities of Canada. They are the ones who are complaining, and I am simply here to put on the floor of the House their complaints. The other day I met with a coalition of groups from Halifax, Montreal, Toronto, Winnipeg and Vancouver representing hundreds of organizations which were being cut back. They were complaining. When the Hon. Member for Windsor—Walkerville (Mr. McCurdy) and I bring this up in the House, we are doing so on behalf of those people.

Some of those people saw the Minister of State for Youth (Mrs. Champagne) and the Minister of Employment and Immigration (Miss MacDonald) in their offices on Monday morning, but received no positive response whatsoever. The Hon. Member fails to even understand the nature of this Parliament. It is our job in the Oppositoin to criticize programs when they are inadequate, when they are a step backwards rather than a step forward. The Challenge '86 Program this year is a step backward from what the Government did last year. We on this side of the House will continue to criticize on behalf of those young people and those service groups from all over the country who come to see us in our offices and write us letters, because we represent them, not big business.

Mr. Warner: Mr. Speaker, I would like to point out that in Challenge '85 we created a record number of jobs in my riding of Stormont—Dundas, and indications this year are that we will create an even larger number of jobs in our area.

I would like to point out that where these jobs are, and where these jobs are going to be over the next few years, is in the expanding sector of our economy. Surely both the NDP and the Liberal Party realize that the private sector is where most of the new jobs will be created. If we are going to have career-related training, surely it is going to tend more towards the private sector than the public sector.

I would also suggest that as prosperity increases the voluntary sector may be a little stronger and have more resources than they had in previous years. We might see the voluntary sector responding to some of the areas where the Hon. Member is suggesting we are not funding as we funded before.

In my riding we had a tremendous amount of over-subscription and a lot of very good projects had to be turned down. But I also know that this year we will create a record number of jobs for students, not just funded by Government. We are going to have less Government and we will have a stronger private sector.

Mr. Allmand: Mr. Speaker, in response to the Hon. Member's question, of course there were probably more jobs created under the program in his area last year than previously. That is easy to do when we take a great percentage of the money and give it to the private sector where we only have to pay for 50 per cent of the jobs, whereas in the voluntary sector we had to pay 100 per cent. It does not take a lot of imagination or intelligence to know that if one takes $100 and gives it to the voluntary sector it will only produce 100 jobs, but if one gives it to the business sector it will produce 200 jobs. That is simple. That is what is being done.

An Hon. Member: What is wrong with that?

Mr. Allmand: What is wrong with that? What is wrong is that many of those jobs were going ahead anyway and were not counted under the Government's program. If we count the jobs under the Government's program it is true, because in the past under Summer Canada we could only fund voluntary groups. So under the program, of course we are going to fund more jobs, but a lot of those jobs in the private sector went ahead anyway and I have definite proof of that from my own area.

Second, if it is in the private sector where the Hon. Member says the growth should be, I agree, but I always thought from listening to the rhetoric of Hon. Members opposite that the private sector should be private. The Prime Minister has said: "Let's not throw money at the problem". The private sector should operate privately. I thought they were big boys, operated in the free market economy and did not need the help of the Government. The scarce resources should go to the people who are not in the private economy. So I support the private economy, but I do not believe in doing it in this way, which is a distortion of the private economy and misuses public funds for the wrong reasons.

[*Translation*]

Mr. Deputy Speaker: Debate resumed. The Minister of State (Youth) (Mrs. Champagne).

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I welcome this opportunity to speak positively this afternoon on the subject of what the Government has accomplished in the way of job creation and youth projects, and especially Challenge 86.

[*English*]

I must say that the Hon. Member for Windsor—Walkerville (Mr. McCurdy) has really outdone himself today in drawing up the motion in front of us. It really seems as if he has emptied his mind completely in a jumble of buzz words which could easily lead one to believe that he is against jobs for youth rather than the opposite, so much so that he felt he had to correct his words himself. His colleague, the Hon. Member for Regina East (Mr. de Jong), also had to ask us not to believe that the Hon. Member for Windsor—Walkerville is against jobs.

The Hon. Member's motion jumps from pillar to post. He would do well to heed the words of David Lloyd George who said: "The most dangerous thing in the world is to leap a chasm in two jumps". The Hon. Member has taken two or three jumps in his motion today.

Nevertheless I will do my best to interpret what he appears to be saying, even though one's first impression is that he is condemning those youths who find jobs in the private sector. Is that what he is saying to our youths? Is private sector employment a dirty word now?

Mr. Orlikow: If it's not useful, yes.

Mrs. Champagne: Is summer employment for a larger number of students such a damnable goal?

Mr. Allmand: Call it subsidized private employment not private employment.

[*Translation*]

Mrs. Champagne: Mr. Speaker, in the first part of his motion, the Hon. Member condemns the Government for its management of job-creation programs, a criticism that is clearly unjustified if we look at the facts. Jobs have been created as never before since this Government was sworn in. Jobs have been created in every province, and as the Minister of State for Youth, I am especially pleased about the fact that since September 1984, nearly 100,000 jobs have been created for young people. I think this compares very favourably with the 285,000 jobs lost in this category under the Liberal Government, but that seems to fall on deaf ears.

[*English*]

In the month of April alone, 52,000 new jobs were created for youth while the unemployment rate declined almost a full percentage point. That is job creation. It is true that many of our youths, too many, are without jobs, but they have not given up hope. On the contrary, as the results of a research survey published in the January 7, 1986 issue of *Maclean's Magazine* revealed, today's youth are not disillusioned. They are not despairing or lacking direction. They have adopted a pragmatic attitude toward the challenges ahead of them.

[*Translation*]

Mr. Speaker, according to the survey, more than 80 per cent of respondents felt that reliance on personal initiative and skills was preferable to depending on the Government for everything, especially in the matter of jobs. Clearly, Opposition Members are not getting the message from our people. They are not taking the trouble to listen to them, and, as we saw again on the weekend, they are not around when youth speaks.

Last summer the Government proved that it had been listening to young people. The Innovations employment program we set up for them turned out to be an unqualified success. Challege 85 made it possible to create over 100,000 jobs for Canadian students, close to 20 per cent more than the previous year. Not only were there more jobs, but they were also better jobs in the sense that from the employer's viewpoint they met the needs of local industries while giving students opportunities to work in fields related to their chosen career.

• (1630)

[*English*]

This summer the Government is continuing along this successful path with Challenge '86. We have also built on the lessons learned last year. Improvements to component programs have been made in response to the assessment and comments of business associations, student organizations, community groups and elected representatives at all levels. As

in 1985, the six Challenge programs are structured to serve the widest possible range of student and sponsor needs and to fit local and regional priorities.

Funding for Challenge '86 is $180 million, as the Minister of Employment and Immigration (Miss MacDonald) and I announced on December 19. Some $127 million, or 70 per cent of the funding, will be channelled through the Summer Employment-Experience Development component of Challenge '86, SEED for short.

A success beyond expectations last summer, once again SEED offers employers wage subsidies to stimulate the creation of incremental career-development opportunities for students.

[*Translation*]

Mr. Speaker, there can be no question of subsidizing jobs which would have been available to begin with. Employers must prove that these jobs would not have been created otherwise, and if they have already agreed to hire a given number of students, salaries for students hired as additional help will be subsidized. Priority is given to employers in all sectors—private industry, municipal administration, educational institutions, non-profit organizations—particularly to employers hiring students for jobs which will ease their transition from school to labour market.

[*English*]

Last night on *The Journal* we saw a very good segment concerning youth employment. We heard young people say: "It is so very difficult to get a job". When asked why, they responded: "Because I do not have experience". Of course, these young people are now between 19 and 22 years of age and have gone through summers in which they did not learn anything practical. They now have to go back, as we saw last night, and utilize programs such as Job Entry to learn skills which will allow them to enter the labour force.

What we are trying to do now with programs such as Challenge '86 is to help students while they are in school, during the summer, to get some practical experience that will facilitate the transition between school and the workforce upon graduation. This is what the program is doing. Over the years we will see great progress as these young people finally graduate and enter the labour force.

[*Translation*]

The Summer Employment/Experience Development program has the full support of profit-oriented organizations, unions and others such as the Canadian Chamber of Commerce, the Canadian Labour Congress, the Canadian Manufacturers' Association, the Canadian Federation of Independent Business, and the Federation of Canadian Students.

[*English*]

A while ago we were talking about Vancouver. Yes, wage subsidies from SEED will help create jobs for students as hosts and hostesses at the Canada pavillion in Vancouver. The undertaking will be cost-shared with the British Columbia Ministry of Labour contributing to both students and youth.

Even the fine achievement of Expo 86 has not escaped the reckless criticism of the Opposition. In fact, CEIC will be contributing $158,000 out of the $250,000 set aside for 49 student host and hostess jobs at the Canada pavilion. The balance of funds will help support other student jobs through the Challenge '86 B.C.-Canada Summer Employment Program and not Expo 86.

Under the on-side training incentive program, which is not a part of Challenge, CEIC has to date contributed nearly $570,000 toward the training of 4,037 students hired or to be hired on the Expo 86 site. Total funding of these initiatives represents less than 5 per cent of the funds allocated to the British Columbia region.

The Expo 86 initiative is one of many ways the federal Government is working with the provinces and territories in jointly funded and administered Challenge '86 projects. There may also be instances of separate provincial and federal programming, with every effort being made to operate in a complementary way.

I come now to the supposedly contentious issue of fund allocations under Challenge '86. Members of the Opposition, with their fixation on comparing private sector versus non-profit allocations, have lost sight of one essential point. They have forgotten the students themselves. The issue needs to be understood in the light of this Government's entire approach to training and job creation.

[*Translation*]

When the First Ministers announced the Canadian Jobs Strategy in Regina nearly 18 months ago, the various levels of Government in this country agreed on a number of principles. First of all, they agreed that training and job creation should be economy-oriented and that the emphasis should be on small business and on stimulating Canada's entrepreneurial spirit.

The First Ministers also indicated that the new formula should be adjusted to current labour market needs. The provincial and territorial Governments gave their approval, and I am happy to say that the federal Government has adhered to these principles when developing the Canadian Job Strategy programs.

[*English*]

What the motion is saying is: "Never mind about training and job creation that is geared to the labour market. Never mind about helping young people gain real job experience in the regular work environment. Forget about all that and put all your dollars into the non-profit sector".

[*Translation*]

However, the motion fails to indicate what Opposition Members intend to do with all these young people once they have acquired experience in this not very profitable sector.

[*English*]

The Government is not discriminating against the non-profit sector through its Challenge '86 funding. This year the private sector is more active in the program with 26 per cent more applications than last year. Non-profit applications are at about the same level as last year. In these circumstances it is only natural to expect more funds to be directed toward the private sector than was the case last year. As I have indicated, in line with the Canadian Jobs Strategy, we welcome private sector participation. I find it hard to understand why some Members can be so totally against young students getting jobs which usually last longer, pay better and in which they can really obtain practical experience, as in the private sector. This is where the great majority of them will find permanent, rewarding employment upon graduation. There are no quotas. We are trying to encourage good balance at the national level between private sector and non-private sector jobs. We are thinking primarily of the students and of their future careers.

• (1640)

To date, $77 million has been allocated to the non-profit sector. Surely there is a large number of jobs being created and a large number of needy people being helped. Our goal is to help young people move in a direction that will prove advantageous to them over the long run. They must fasten their hopes and aspirations on jobs that will open up a world of opportunity.

[*Translation*]

Mr. Speaker, this year the Government spent about 700 million dollars on the youth employment and training program. This represents about 40 per cent of total funding allocated to the Canadian Jobs Strategy. Furthermore, the Government will spend 30 million dollars on hiring thousands of young people to work for the Census this summer. And through our network of 450 Canada Employment Centres for Students, we are once again working together with business, local agencies and Governments to provide jobs for as many as 435,000 students, and maybe more.

Needless to say, these students need our support and the co-operation of all sectors in our country.

I would like to emphasize the word *job*. Our task consists in working very closely with other sectors to help young people, especially those who manage to find a job or would be able to do so: Helping young people is our aim.

[*English*]

One component of Challenge '86 deals particularly with potential school drop-outs and young people with learning disabilities. It was started as a pilot project in 1985 and was called Work Orientation Workshops or WOW. These workshops are conducted in partnership with community organizations, businesses, social service agencies and local school boards. Together they help ensure that these young people overcome barriers to future participation in our labour market. A combination of workshops and on-the-job skills training encourages them to continue their schooling or seek more specific training related to their ambitions. These are significant initiatives. Students not only get a chance to earn wages but also to build a bridge between their education and the real world of work.

We are not just concerned with students. The Canadian Jobs Strategy focuses on the needs of young people who have left school and are currently at odds with the labour market. Already thousands of these young people are participating in the Job Entry Program. Let me give the House an example of this.

A young woman visited one of our Canada Employment Centres in southern Ontario recently. She is a high school drop-out, depressed and on welfare, with a history of brief work spells interrupted by long periods of unemployment. She talked to an employment counsellor, who referred her to the Job Entry Program. Through this program, she has been receiving computer-based instruction from a private training firm. She is now applying these skills in the business office of a major hotel. She is not only learning in the classroom but she is also gaining practical work experience and training in the workplace. She is now much more confident about her chances.

[*Translation*]

Mr. Speaker, this is just one young women, but this small investment is very important to her future career. And so society has another winner. This combination of on-the-job training and institutional training, plus practical experience, makes it much easier for our young people to enter the labour market.

[*English*]

I repeat that our concern is with people, particularly young people. If Canada is to sustain the momentum for economic renewal, we must use our resources in an effective way. Challenge '86 was designed as a job-creation and a skills-training program. The Government's determination is that the funds allocated to the program will be invested in those projects and in creating opportunities which will produce the largest possible number of jobs for young Canadians.

Mr. McCurdy: Mr. Speaker, earlier I referred to the complacent incompetence with which the Ministry of State for Youth is operated. Surely to have come to the House with words that were completely written out on 20 sheets of paper with a complete absence of any knowledge of the content of debate is a demonstration of the validity of that allegation and the refusal of the Government to address the real issues.

We heard from the Minister a failed leap of rhetoric in her criticism of the language of Shakespeare, but I do congratulate her for the attempt. She said that one should not leap over a chasm in two leaps. We know that the Minister has already taken one leap from her own Ministry to the Department of Employment and Immigration and we know what the end of that will be.

Mr. Orlikow: Next election she'll be gone.

Mr. McCurdy: I would not accuse the Minister of State for Youth (Mrs. Champagne) of lying because it may be untrue and it certainly would be unparliamentary. I would not accuse the Minister of State for Youth of misleading the House because while it may be true, it certainly is unparliamentary. However, when the Minister of State alleges—

Mr. Deputy Speaker: I should tell the Hon. Member that he is walking on slippery ground right now. It may not be unparliamentary, but I would ask him to proceed.

Mr. McCurdy: Having reached the shores of that little excursion into rhetoric, let me point out the subject of it. The Minister of State said that there was a meeting of young people over the weekend in the City of Ottawa. Let me point out that that meeting was held because the Government failed to hold the forum it had promised those young people it would hold. Of course, the Minister of State could not have known that I was there because they refused to invite her. She could not see that I was in fact there.

If the Minister had been listening to debate rather than reading what her assistants had written for her, she would also know that we have not been so silly as to criticize young people for taking private-enterprise jobs.

Mrs. Champagne: Mr. Speaker, I rise on a point of order. Very inadvertently, the Hon. Member for Windsor—Walkerville (Mr. McCurdy) has misled the House by saying that I could not have known whether he was there or not because I was not invited nor were members of my staff. I did meet with the young people so he is misleading the House, Sir.

Mr. Deputy Speaker: I think that is a matter of debate. I do not think that the Minister meant that the Hon. Member was deliberately misleading the House. I think it is a matter of debate.

Mr. McCurdy: No, Mr. Speaker, it's true. They met with the Minister of State for Youth after the meeting that she did not attend.

Mr. Deputy Speaker: I will allow the Hon. Member for Windsor—Walkerville to complete his comments.

Mr. McCurdy: Thank you, Mr. Speaker. I would like to ask just a couple of questions.

Mrs. Champagne: Well, ask them.

Mr. McCurdy: In evaluating the private-enterprise career-oriented summer jobs as opposed to those in the non-profit area, would it be appropriate to ask if those jobs would have existed whether or not they were funded by Challenge '86? So much of what the Minister says flies in the face of her own report. She says that career-oriented jobs in the private sector are better than those in the non-profit sector, but she has her own report that was prepared for her, just like her speech was. She ought to know that there are more new jobs created in the non-profit sector than in the private-enterprise sector and that those jobs are satisfying and more useful.

• (1650)

My God, when government Members enter into debate, let them participate on their own and not be limited to what others tell them to say and thus fail to address the question.

[*Translation*]

Mrs. Champagne: Mr. Speaker, the evaluation referred to by the Hon. Member had to do of course with the 1985 program. As in any self-respecting department, once the program has been in place for a few months we try to assess its strong points and its weaker aspects. That is a matter of course. It is something we did in order indeed to improve the Challenge 86 program, and we are quite proud of the changes made. Besides, I think that change we made precisely to make sure the jobs allotted to the private sector would not have been otherwise created and this is something we have done. We have also asked employers to sign a form in that case.

Something else has helped a lot. Last year, when applications came in, jobs were provided only on a first come, first served basis. But such has not been the case in 1986, because a deadline was set. We could then match possible employers with possible employees. And each Hon. Member, including the Hon. Member for Windsor—Walkerville (Mr. McCurdy), could decide, make recommendations and discuss with the people at the Employment and Immigration office the projects that would be accepted or not. And the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) said so himself earlier. He also has done that.

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for a question or comment.

Mr. Malépart: Mr. Speaker, I have a very brief comment, because I will be speaking later and the Minister will be there. I have three questions to test the Minister's intellectual honesty.

First, is it a fact that in each and every constituency in the Montreal area, 40 per cent of the moneys were reserved for the private sector? I would like the Minister to produce the written instructions sent to those people.

Second, can the Minister tell us why, in my constituency, a company such as Aqua Parc got, without my permission, an extra $22,000, this money being given to a private sector operator who would have created the jobs anyway, and in turn an FTQ project was turned down?

Mrs. Champagne: Mr. Speaker, in reply to the Hon. Member's first question, I have never seen any written instructions or other form of percentage rule being given to anyone.

We received 27 per cent more applications from the private sector to create the greatest possible number of jobs. Yes, we

made sure that a certain number of jobs went to the private sector, but without there being a quota. I never heard of that figure in any form. Indeed, the current figures are in the vicinity of 35-65, and you could ask for instance in other constituencies, according to areas, if I am not mistaken it is in the constituency of our colleague for Nickel Belt (Mr. Rodriguez) where industry is perhaps in greater difficulty, in his constituency I think 20 per cent goes to the private sector and 80 per cent to the other side.

Mr. Malépart: Some 40 per cent in all the ridings of the Montreal area!

Mrs. Champagne: I have never seen any written direction to that effect.

As to the other question, the Hon. Member must be very happy indeed that additional amounts were made available to his riding. I am happy for instance that a student in the hotel business will work and be in charge of food management. Another student specializing in mechanical engineering will work and be in charge of a pumping station, while another student specializing in law enforcement techniques will work for the security service. These are only three of several jobs which have been created.

And when you say without your permission, my dear friend . . . I am sorry, Mr. Speaker, I address the Chair. The Hon. Member has stated that all of this was done without his permission. I think that everybody is well aware that Hon. Members have been able to see a list and come to an understanding with Employment and Immigration Canada officials. Whenever there was a consensus, there were no problems and all projects were accepted. When there was no agreement, the Minister's office had the responsibility to make decisions, a procedure everybody is aware of.

[*English*]

Ms. McDonald: Mr. Speaker, I share the concerns which have been raised here about the whole program. I want to raise a question about my own riding. Certainly non-profit community activities such as day care, sports, and others were cut back. Extremely good projects were cut back from previous years.

However, I should like to raise a particular question with the Minister concerning consultation with the MP's office. A number of projects came in. My office was consulted. I gave advice, some of which was not taken and some of which was taken. On the majority of projects there was no consultation. We received a batch of projects by special delivery. My assistant replied the very same day by telephone, but was told that the decisions had been taken without any input from the MP's office. Further, there was a project for which we never saw any application whatsoever. Thus, out of $190,000 worth of projects, $137,300 were allocated without input, improperly allocated. Is the Minister prepared to have this money made up so that there can be input according to the normal understanding?

Mrs. Champagne (Saint-Hyacinthe—Bagot): Mr. Speaker, on the second point raised by the Hon. Member, I do not know how it could have happened. I will certainly inquire. I know that my colleagues and I spent one day from seven o'clock in the morning until eleven o'clock at night looking at each and every one of the projects in Saint-Hyacinthe—Bagot, trying to make what would be an acceptable choice to the people in the riding. I will look into the dates and so on and get back to the Hon. Member.

The Hon. Member said that there were some cut-backs and that even some of the non-profit organizations did not receive any funding. I think we must realize that this is a job-creation and training program for students during the summer. It is not a way to give core funding to social organizations, and this is what has been happening for the last 15 years. These organizations were counting on summer employment money as their core funding. This is wrong, and this will not happen again.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to say how much the people of Winnipeg and I appreciate the fact that we are having this debate. This year thousands of community organizations, which were able to provide very necessary and needed services to people who were handicapped, old, and sick, will not receive the funds they received in other years. They have come here to Ottawa and have held meetings in cities across the country to express their amazement, consternation, and complete dissatisfaction with the decisions of the Government.

The reason they are unhappy is very simple. I wish the Minister could remain here to listen to some of the complaints. We have learned that the budget for the Summer Employment Experience Development Program for this year has been cut by $36 million. There was a further diversion of the shrunken amount into private sector wage subsidies. In the case of the SEED program, non-profit groups are receiving about 50 per cent of the $127 million in current funding instead of up to 80 per cent of last year's $163 million, which is an over-all reduction of almost $67 million this year. It is not surprising that there have been very vigorous complaints from non-profit groups in urban centres. They feel the rug has been pulled out from under social service programs which are so necessary in their communities.

• (1700)

The Government made a very clear ideological choice. The Government started with a very simple principle, that jobs in the private sector are useful, necessary and good; jobs in the non-profit sector are wasteful and not very important. Starting with that principle, the Government paid wage subsidies to private business in preference to providing social services. The Government ignored the problems of the inner city in order to pad a business balance sheet. What it is saying in stark terms is: "We are not going to help the helpless. We are going to help those who do not really need it".

This ideological choice, and it was a heartless choice, was brought to the attention of the Government just this week by a

coalition of groups from five cities. They came to Ottawa, met with the Minister of Employment and Immigration (Miss MacDonald) and with the Minister of State for Youth (Mrs. Champagne). They wanted to try to bring the Government to its senses and so they presented some valid information, such as the fact that 14,000 jobs for youth in the non-profit sector were at risk and that thousands of Canadians will lose day care, counselling and other services.

Let me digress for a moment, Mr. Speaker. I am sorry that the Minister of State for Youth has left the House.

Some Hon. Members: Order.

Mr. Orlikow: I wish she were here—

Some Hon. Members: Order.

Mr. Orlikow: Let me read a couple of paragraphs from an article which appeared in the Montreal *Gazette* on Tuesday of this week. It reads:

> One hundred mentally retarded youths in Montreal won't go to camp this summer because the federal Government has decided to give more job-creation grants to businesses and less money to non-profit community organizations.
>
> The Montreal Association for the Mentally Retarded, Spera drug rehabilitation program, the Côte des Neiges Black Community Association, the Salvation Army and about 100 other Montreal charities and community services are among the victims of Employment and Immigration Canada's decision to cut $36 million from its job-creation program for students.
>
> The non-profit agencies hired students to run day camps, counsel drug addicts or care for the elderly, and received full wage subsidies from Ottawa, under the Summer Employment Experience Development Program.

Those programs are not being funded this year. I would challenge the Minister of State for Youth or the Hon. Member for Dollard (Mr. Weiner) who participated in this debate to go to Montreal to meet people from the 100 groups who are not getting funded and give them examples of the programs that were funded in the private sector which were more socially useful or more practical—I see the Hon. Member for Dollard coming into the Chamber.

Mr. Weiner: I didn't miss a word you were saying.

Mr. Orlikow: That is wonderful. I challenge the Member to meet with these 100 community groups in his city and explain to them how the projects in the private sector which the Government funded are more worth-while than the programs that were cut off. I am sure the Member for Dollard will not do it. He does not have the courage to meet those people and explain the Government's program.

What happened when this committee, representing the Save Our Summer Coalition, saw the Ministers? They got very little thanks for their efforts. They were told by the Minister that she held out "no hope whatsoever that there was any chance of doing anything for the summer". This was despite her own departmental evaluation of Challenge '85 which found that the non-private sector was more successful than private sector firms in generating jobs and in generating career related jobs for students.

Having given an example from Montreal, let me talk for a few moments about my own City of Winnipeg. We have in the core area of Winnipeg a very large number of native people and a very large number of single parent families. Estimates done in the last year or two in that area tell us that there is close to 50 per cent unemployment. Yet in Manitoba the summer job-creation funds were cut from $5.5 million to $4 million, or a cut of 27 per cent, this year. Not only that, but a greater share of the funds will go to the private sector. In addition, money that was to be spent on job development funding was not spent in that way and was earmarked for projects of the Fisheries Department.

Many proposals were made by the public non-profit community organization which had done, is doing and wants to continue to do very essential useful work. Let me put on the record some of the proposals that were turned down: the North End Women's Centre. This Centre wanted to implement a program to retrain women prostitutes and former prison inmates into community workers; the BLAST child care centre wanted a program to train community persons for child care work; Pritchard Place, a program to train staff for the young people's drop-in centre; the Manitoba Child Care Association, a program to train workers for child care centres in 20 communities; Rossbrook House, an example of which any city could be proud and which any city could emulate with great benefit—if the Member on the other side wants to speak, let him speak on his own time. Rossbrook House was a program to train three youth Outreach workers; The Victoria-Albert Parents Council, a program to train local people to be language instructors, in an area with a large number of immigrants from many countries; the native KLAN, an organization which has been successful in helping native people who have been in prison to get back in the work stream, and which wanted a program to hire former prison inmates to work on redeveloping the river bank areas; the Lions Club, which had a management program service to train workers to work with the elderly in geriatric programs. The Lions Club has done a fantastic job in building housing for seniors. All of these programs were turned down.

I think no fair-minded person could say that those projects—and they are just a few of the kind of projects which were turned down—were not worth-while and could not have brought benefit to a part of the City of Winnipeg which needs all the help it can get. Yet a few weeks ago, when a meeting was called at Rossbrook House to discuss the problems which these organizations were having with funding, the Government was conspicuous by its absence. I was there. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) sent someone to represent him. The Minister of National Health and Welfare (Mr. Epp) was invited. He said he could not be there but he would send somebody. Nobody came with authority to speak for the Government.

If the Government wants to stand on its record, the public has a right to know what the record is. I called the people in charge of the programs for the employment department in

Winnipeg. I gave them a list of detailed questions that I would like answered so we could really see what was going on. I was promised answers, Mr. Speaker, but of course I did not get them. I asked for a list of all the job entry projects, for the names of all the training co-ordinators for each project, both individuals and companies. I asked for the number of trainees and occupational areas covered by each project and for the extent to which each project relies on an existing source of training to accomplish the delivery. I asked for the process of approval used for each project, including who approved them and what Government Departments, federal, provincial, or municipal, were represented when the proposals were approved. I asked what the process was for evaluation to see whether there would be jobs after the project finished. I also asked for itemized costs for each project. I could not get that information.

• (1710)

Let us look at a couple of the private sector projects which were approved. Jorge Management got $158,000 to train 25 people for the retail sector over 36 weeks. Twenty of those people now work at The Bay. Surely the Government and the people of Canada do not have to susidize Roy Thomson. Surely The Bay can manage on its own. The Bay made no commitment that there would be permanent jobs for these people. There is a revolution going on in the retail sector with more and more part-time people being hired and fewer and fewer full-time people working. That $158,000 did not cover the training allowances. As far as I can tell, it went to the promoter for setting up the job.

The Principal Group is receiving $128,000 to train 20 people over 20 weeks for the hospitality sector. These would be housekeepers, bartenders, maintenance, and front office workers. Do we know whether there will be jobs for these people when they finish? Will the jobs be at adequate wages or the minimum wage? Does the industry not provide its own training in these jobs, particularly in association with schools and community colleges? Of course it does. In short, why should we fund those types of projects and cut back on community projects? These are valid questions which have been raised by me and people in the dozens of organizations in the core area in Winnipeg.

The Fair Action for Community Employment group in Winnipeg has asked a number of related questions regarding Challenge '86 and the Jobs Strategy Programs. They have made seven demands of the Government in terms of the two programs, and they deserve answers. I want to put their requests on the record. They demand a complete list of those who applied and those who received approval for funding in the year ending March 31, 1986. They want to know what amount these approved programs received. They ask that all future applications for funding be reviewed and assessed on individual merit, rather than being grouped together. They ask for the re-establishment of the Ministerial Advisory Committee comprised of community and government representatives to be formulated to review, assess and approve all future applications. They ask that 75 per cent of the total allocations under the Canada Jobs Strategy be designated for non-profit organizations to employ the disadvantaged, native, youth and women. They ask that the $1.5 million that was cut from the Challenge '86 budget for Manitoba youth be reinstated. They want to know how Challenge '86 is going to address the increased student unemployment when Manitoba youth will receive $1.5 million less than last year.

Members of the House can readily see that these community agencies are very angry with the way in which these programs are working. There is profound doubt that these programs are functioning to help those who need help the most. That is why our Party has proposed the motion under consideration today and why we condemn the Government for the way it has been handling the problem of youth unemployment. As was pointed out on *The Journal* last night, to which the Minister referred, we still have 16.8 per cent unemployment among young people. That figure is unacceptable to me and should be unacceptable to any Government in the country at this time.

• (1720)

[*Translation*]

Mr. Deputy Speaker: Questions or comments, debate. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, before I start my speech, could you ask the Hon. Member for Madawaska—Victoria (Mr. Valcourt) whether he wouldn't mind barking outside? This is supposed to be a place for civilized people. And the same goes for our Small Business Minister over there. Now that is cleared up . . . . This is for grown ups. Let the kids play outside so we can get on with our business.

Mr. Speaker, I think the motion moved by the Member of the New Democratic Party is correct in saying that the House condemns this Conservative Government for its management of the Challenge 86 project for young people. First of all, I must say quite frankly that when I asked the Minister, who unfortunately has cleared out, and that was a wise decision, Mr. Speaker, because she would be ashamed—

Mr. Deputy Speaker: The Hon. Member is an experienced parliamentarian and knows perfectly well that one does not refer to a Member's absence. The Hon. Member may proceed.

Mr. Malépart: Mr. Speaker, the Minister's answer just now was not true! In my own riding, I am ready to back the word of the project officer in whom I have a lot more confidence than the Minister, against what the Minister said, namely that 40 per cent of the funding allocated in the riding of Montreal—Sainte-Marie and all other Montreal ridings was reserved for the private sector, and that if the Member did not want a given company or business to participate, the funds were to be allocated to other private sector businesses, which is the first false statement!

Second, Aqua Parc at La Ronde is a company that would have created jobs anyway, without Government assistance. It is not because of any disagreement between the officer and myself. We provided assistance to this company. But what I would like to know is about the "godfathers" in this party. We had a "godfather" who took care of another region. Which "godfather" recommended allocating $22,000 in extra funding? And I wish the Conservative Members would explain why being in charge of a pump or a pool at Aqua Parc is more interesting than working at Notre-Dame Hospital helping patients. Why did the Minister prefer that? Why did the Minister prefer, without consultations—and I have the impression that Conservative Members were personally involved in other ridings as in other sectors—why did she give preference to someone who will be responsible for security or sell hot dogs at La Ronde instead of giving this to a home for the handicapped, Lucie-Bruno, or rather to the FTQ which applied for research grants? Why? And I am talking about my own riding only, for I am sure that if we dig a little deeper we will find the truth, just as we found the truth today, and the Minister of State (Small Businesses) will realize that in the case of Mr. Saunders. I am convinced that the truth about this will come out sooner or later. I think the Minister would be well advised to set the record straight at the earliest opportunity before looking even worse than she does now.

This is not the first time, Mr. Speaker, and when I see the Minister giving the example of a mother who retrained through this project, I have to say that this program has been in existence for 10 or 12 years and has helped people gain practical experience. The Minister did not invent anything, Mr. Speaker.

An Hon. Member: Neither did you.

Mr. Malépart: Mr. Speaker, it is due to the whole community, not to the lesser Minister of State (Small Businesses) who has not invented anything either, he is not even allowed to respond and all he ever does is carry suitcases. But that is something else, I am not talking about the handicapped.

Mr. Speaker, I think the Conservative Members should wake up, for some of the decisions made by the Government are unacceptable although I have nothing against the private sector. Perhaps in the riding of Dollard it would have been better to award 60 per cent of the projects to the private sector if they were to create good jobs. It is unthinkable that people should have been forced to accept 40 per cent of projects in funeral parlors in my riding. These jobs will be created in barbecue restaurants, and this is what you call promising jobs! Yet, there are specialized jobs in the community sector for the Quebec Cancer Society, in the important area of research, which the Government has refused to finance.

Mr. Speaker, I suggest that Hon. Members should think this thing over. There is in my own riding the Quebec association of retirees and pre-retirees which is fighting for the people who have been arbitrarily denied unemployment insurance eligibility; this association too was in need of young university students to do some researching in the area of garanteed minimum income computation. It saw its funding cut and its money go to the private sector at the Aqua Park level. Someone will try to convince me that an employee who digs holes for Gaz Metropolitain is more important than an employee who will carry out scientific research for a non-profit organization.

The program is there to train and help train young people, all young people without distinction. We have young people by the hundreds who are learning the techniques of organized recreational activities. They are excluded because of the conservative caucus which has decided to fund only profiteers. We have also young people studying the social sciences who are excluded because of the Conservative party which is looking after its friends. There are in my own riding thousands upon thousands of young men and women getting trained in hairdressing, upholstering, cabinetmaking, bookbinding, etc. Every year, the Montreal Catholic School Board, the people in charge of the polyvalent school, the parents' committee made it possible for young graduates to gain practical experience in their own trades. This year, fewer young people will benefit from such training because the Conservative Government has decided to help instead its friends in the private sector to hire people who will serve hot dogs, sell tickets and act as security guards.

Mr. Speaker, in the past, every Member of Parliament had a say in the selection of projects for his constituency.

Some Hon. Members: Ah, ah!

Mr. Malépart: The Minister has just said so. Every Member had a say. When I see... Mr. Speaker, the Conservative dummies are waking up! Ah, ah! The Minister has just said that every Member had some input. I understand why the Minister of Employment and Immigration (Miss MacDnald) cannot trust the 58 Conservative Members from Quebec in view of everything that has happened. I understand why the Minister of Employment and Immigration cannot trust her colleagues. We have seen in the past that she cannot even trust them to select community projects because she does not know what will happen next.

Who pays for all the mistakes and blunders made by the Conservative Government? Our young people do! Our young people attending university to study various subjects, such as recreational activities, social animation and health services. These people are left out because this Government has decided to help its friends in the private sector.

Many young people are being penalized because of the incompetence and lack of direction of this Government. It is all very well for the Minister to make speeches. She was well known as a soap star when she played the role of Donalda in Séraphin, but her role here is worthless. Her only duty to young Canadians is to cut ribbons, and even this she does badly.

The Minister speaks about the constituency of Saint-Hyacinthe, but I was there to look at the case of the people who took early retirement, and I can tell you that things are not going too well in her constituency and that the people want to see her!

Mr. Speaker, I would like the Conservative Members to explain why there is more glory in working for an architectural firm than in working for the head office of a union doing research on collective agreements or collective bargaining. Why is there more glory in giving a law student a job with a law firm than in finding him work at the head office of a union or a non-profit organization fighting to defend the rights of citizens? Why should these people be put in certain categories when the work is the same? Why is it better to employ a student architect in a private office than at a technical ressources group which helps cooperatives at a discount and which does not exploit people as much? What difference is there?

I see the Hon. Member for LaSalle (Mr. Lanthier). I know that it is to his own financial advantage. That is another Conservative who will soon be involved in a scandal.

Some Hon. Members: Oh! oh!

Mr. Malépart: Mr. Speaker, can you tell me what difference there can be between two law students when the Government decides to favour the one who finds a job in the private sector and reject the one who will work for a non-profit organization or a union? It is the same for the architects. It is the same for young people who study health care in the hospitals. There are many occupations and trades which deserve fair treatment and all students should be treated the same, whatever their subject.

However, once more, as in every other case, whether when deindexing old age security pensions, imposing a tax on medication, deindexing family allowances, or allowing corruption, the Members opposite are concerned only for the rich. They care nothing about the middle classes and the poor.

However, the fact is that the population has had enough of the Conservatives. This is true for the people who took early retirement and who feel badly treated, it is true in Quebec in the case of the shipyards, in Eastern Montreal and in Matane. The people have had enough of the Conservatives. Throughout the country, the people have had enough of this Government and the way it is managing its programs.

Mr. Valcourt: Come to Madawaska—Victoria and you will see how the people greet you!

Mr. Malépart: Mr. Speaker, the smart guy opposite does not have enough courage to rise. He is hiding. If he can get up and invite me, I shall go to his constituency, Mr. Speaker. I shall be very happy to meet him for a public debate. However, I know that he will not do it unless he can be sure that only patronage profiteers are in the audience. I will not be there, because I do not mix with these people.

Mr. Speaker, our young people's future is much too serious to allow ourselves to be distracted by clowns like the Hon. Member for Victoria—

Mr. Valcourt: Madawaska—Victoria.

Mr. Malépart: There are a number of young people who came to Ottawa to see the Minister to be sure to get a job, not only to gain experience, but to continue their education. When I see members of the Conservative party like the one who is shouting now trying to ridicule these young people, Mr. Speaker, I feel it is an insult our young people will certainly not forget.

Mr. Speaker, let me continue with my comparison. We see in the projects for Sainte-Marie alone—I am sure that if we take projects from all the ridings—

Mr. Valcourt: Compare that with the Liberals in 1984!

Mr. Malépart: —we will see the difference, Mr. Speaker. Why is it preferable to grant projects and create jobs working for the Gaz Metropolitain company rather than for the Quebec Cancer Society? Why is it preferable to support companies in La Ronde, Aqua Park, rather than to support the Lucie-Bruneau shelter which looks after handicapped people or the Notre-Dame Hospital which takes care of the aged? Why grant a project to the private sector and on the basis of what criteria of social justice have these same Conservatives decided to grant money to the Victoria Precision company rather than to a social organization looking after the senior citizens of the whole Sainte Marie riding? Why are these people, and I can see them—the Hon. Member for Champlain (Mr. Champagne), the hon. Member for Trois-Rivières (Mr. Vincent)—so delighted to see that these people have no jobs and that the jobs all go to the private sector, Mr. Speaker? Its scandalous to see the attitude and behaviour of these Hon. Members.

I should like these people to tell me why it is preferable to create a job for someone in the private sector rather than for a young man who will work in recreational activities organization—

Mr. Lanthier: What is the use of a young person involved in recreational activities?

Mr. Malépart: The Hon. member for LaSalle (M. Lanthier) would like to know what is the use of a young person involved in recreation . . . Mr. Speaker, it's a scandal!

Mr. Lanthier: You have never earned a living, so you do not know what it means to work.

Mr. Malépart: He is sincere. Mr. Speaker, the Hon. Member for LaSalle—it is important to record this—wants to exclude all young students involved in physical education, community leadership and recreational organization. I will make sure that his LaSalle constituents know of the stand taken by their insignificant Member: he will not be there long.

What are those young people doing as recreational leaders? In youth centres, besides being involved in sports, in recreational and cultural activities, in order to prevent delinquency? It is my feeling the Hon. Member for LaSalle would rather send everybody into the army, have everyone work for a dollar while he fills his pockets. That is Tory philosophy.

Mr. Speaker, there are co-operative housing organizations in the constituency of Sainte-Marie, and even in neighbouring constituencies. I heard a Conservative Member brag about the Government's policy in the area of co-operative housing. But why brag about it, if he condemns the people who are involved in that. What a shame!

Again, Mr. Speaker, daycare centres are not important for those Conservative Members. Cuts were made there also. Training for that kind of work is provided in the class-room. Why prevent those boys and girls who are studying in those areas from getting employment to acquire job experience? I appreciate this may be politically less rewarding, but why deprive them?

There are youth centres, humanitarian centres, centres for the aged, the Cancer Institute, the Writers' Union, the labour unions, Mr. Speaker. Labour unions are important in my view. The CNTU, the FTQ. I see I have still one minute to go.

Mr. Speaker, this is important. I appreciate the Hon. Member for Trois-Rivière who says it is too much. I understand he does not want us to tell the truth, because in his constituency he does not tell the truth. I appreciate that, Mr. Speaker. I was in his constituency for a debate, and people booed his secretary because he was not telling the truth.

Mr. Vincent: You are telling lies.

Mr. Malépart: I can understand that the Hon. Member for Trois-Rivières does not want me to tell the truth here in this House. I can understand that! As my colleague for Saint-Léonard—Anjou (Mr. Gagliano) just suggested, I just woke up that flock of sheep, those little snorers.

Mr. Lanthier: Louder! Louder!

Mr. Malépart: To conclude, Mr. Speaker, the only time they wake up is when I refer to their scandals and to their patronage. Are they afraid of being caught? See here! Your turn will come. Just you wait and see, you too will hit the headlines.

Mr. Speaker, in closing, I hope the Minister for Youth (Mrs. Champagne) will find a way to provide the extra moneys needed to respond to the just and fair applications of people in Sainte-Marie.

• (1730)

[*English*]

Mr. Deputy Speaker: Before we proceed to the period for questions and comments, I wish to advise the House that since the Hon. President of the Privy Council (Mr. Hnatyshyn) has designated this coming Friday as an allotted day, the item which had been scheduled for Private Members' Business will therefore be dropped to the bottom of the order of precedence.

[*Translation*]

Questions and comments. The Hon. Member for Champlain (Mr. Champagne).

Mr. Champagne: I think the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) better not say we don't take care of our constituents. First of all, I may remind the Hon. Member that Challenge 86 is a program for students, but I don't think it is up to the Hon. Member for Montreal—Sainte-Marie or any Member of his party to rise in the House and decide what these young people, those who are going to school and those who want a career, what they should do. I think they would be better off staying home and waiting until our young people have made their own decisions. We don't need the Hon. Member for Montreal—Sainte-Marie, and above all we don't need the Liberals, Mr. Speaker, because when they were in power, there was this little Minister for Youth—people don't even remember his name—and he wasn't able to do a thing for our young people.

And as for the Hon. Member for Montreal—Sainte-Marie complaining that we don't give them enough money, Mr. Speaker, perhaps I should give some figures. In 1984, the previous Government, his own party, allocated $456,956 to the riding of Montreal—Sainte-Marie, for 231 jobs.

An Hon. Member: How much?

Mr. Champagne: Four hundred and fifty-six thousand dollars for 231 jobs. In 1985, Mr. Speaker, we gave him $1,098,352 for 631 jobs. Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie is lying when he tells Canadians we are not helping him. He is getting 140.4 per cent more money—

Mr. Deputy Speaker: I would like to ask the Hon. Member for Champlain to withdraw the terms he knows perfectly well are unparliamentary.

Mr. Champagne: Mr. Speaker, first I want to rephrase this. The Hon. Member for Montreal—Sainte-Marie did not tell the truth—

Mr. Berger: On a point of order, Mr. Speaker—

An Hon. Member: Sit down, my friend!

[*English*]

Mr. Deputy Speaker: Order. Hopefully we can proceed with order. The Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. Orlikow: Mr. Speaker, surely the Member cannot say another word until he withdraws that remark he made, which even he should know is unparliamentary. You ought not to permit him to say anything until he does.

Mr. Deputy Speaker: The Chair is satisfied that the Hon. Member has withdrawn. I am sure the Member for Montreal—Sainte-Marie (Mr. Malépart) is also satisfied.

[*Translation*]

Mr. Champagne: Mr. Speaker, may I continue . . . As the Hon. Member for Montreal—Sainte-Marie was saying, it bothers him, and my other colleague who rose should listen, he should listen to what we are saying, he should see what we are doing because—look at the youth unemployment rate. When the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) tells the Minister to be careful about what she says he tells her: Madam Minister, you should be careful about what you say, you might be the subject of legal action. Considering everything the Member for Montreal—Sainte-Marie has been saying, he would be charged with libel if he were to repeat that outside the House. So you should listen more carefully, then you could come and argue with us any time; we will be pleased to accommodate you because we did create more jobs with Challenge 86 than you ever did with Employment 84.

Mr. Malépart: Mr. Speaker, the Hon. Member for Champlain is jumpy, which proves I touched on a sensitive issue. I know what he would not want me to talk about, so I will not. I know very well, I went to his riding for a debate but unfortunately he and the Member for Trois-Rivières (Mr. Vincent) chose to be represented by their secretaries, like brave men, Mr. Speaker.

Still I would like to respond. I thank the Hon. Member for reminding people that I had to be one of the better Members because last year I did manage to get projects worth $1 million. Mr. Speaker, I even warned the Minister that I would get more than anybody else. Unlike the dummy Conservatives, I have experience in the social field and I can tell you that I got more than $2 million for other projects, which makes all my neighbouring Conservative colleagues look like a bunch of dummies. The difference is, I'm honest. The difference is, as I told the Minister: I will not tolerate that in the riding of Hochelaga—Maisonneuve, just because it has an incompetent Conservative Member, that in the riding of Gamelin and the riding of Mercier, young people have fewer jobs because their Members are less competent. Mr. Speaker, I want to thank the Hon. Member for bringing this up. I announced this in my riding, but it just means they have a Member who works hard. And the difference between me and all the Conservative Members is that people voted for me because I was a hard worker, but you were elected on a wave of Conservatism. They don't even know you, and you are going to be swept away by another wave, this time a wave of Members who know what they are doing.

• (1740)

[*English*]

Mr. Orlikow: Mr. Speaker, earlier in today's debate I put on the record the report which appeared in the Montreal *Gazette* which told the story that 100 community organizations doing essential work in the City of Montreal were not receiving funds this year. I wonder if the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would be willing to arrange a meeting between representatives of those organizations, the Minister of State for Youth, and the Hon. Member for Dollard so they could meet those people and illustrate the private sector projects which have been funded and which are more beneficial than the projects turned down, such as work with the handicapped, the aged, the sick, and so on. Would the Hon. Member be willing to arrange such a meeting since those Hon. Members do not seem to be able to do so?

[*Translation*]

Mr. Malépart: Mr. Speaker, I want to thank the Hon. Member for his offer, and I must say that every year in my riding, after every project session on community development or study employment, I organize a meeting of all the sponsors and all the people who have projects in order to discuss—and I should be delighted to meet the Conservative Members in my riding on Monday, June 16.

Furthermore, I am prepared to do what I did when I was working on the Montreal East case, which is to work together with the Conservative Members and get together with all private sector and community project leaders in the Montreal area to arrange for consultation, and I can inform the Hon. Member that various youth groups have come to see us and talk to us, and it happens to be the young people themselves who disagree with the Conservative Government's decision, not their elders. And when we talk about young people, it was not their decision to award contracts to the private sector. I am positive that Aqua Parc would never have had any projects because it would have hired young people in any case, and it would have meant that 22 more young people could have been hired elsewhere.

Mr. Deputy Speaker: The Hon. Member for Lac-Saint-Jean (Mr. Côté), for questions or comments.

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, I was in my office where I was listening to the speech made by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). I thought it was a very sad and very disappointing performance. This week, we have some young Canadians here in Ottawa, from all over Canada. These young people were selected, on the basis of their ability and school marks, for a trip to Ottawa to get first hand experience of how a Government operates. The performance given by the Hon. Member for Montreal—Sainte-Marie was atrocious.

An Hon. Member: Gross!

Mr. Côté (Lac-Saint-Jean): On television it was even worse. You know, he practically fills the screen with his generous propositions, but when he called—

Mr. Malépart: On a point of order, Mr. Speaker. If the Hon. Member wants to launch an attack on those members of

our population who are obese like me, I wish he would have the guts to do so publicly and suffer the consequences. If he wants to attack all the fat people in this country—

Mr. Deputy Speaker: Order, please.

Mr. Côté (Lac-Saint-Jean): —I didn't mean it that way. I just wanted to describe what we saw on television, because you know how the camera zeroes in on the Member who has the floor here in the House. I was never my intention to make disparaging remarks. However, Mr. Speaker, calling people all kinds of names, and this goes for Members on this side as well if they should feel like doing so—calling people dummies, miss compoops, profiteers, soap stars, and so on, well, Mr. Speaker, I think that the Hon. Member for Montreal—Sainte-Marie has demonstrated that he could, if you will, make his presence felt, that he could debate and make speeches, but for the sake of all Canadian men and women I would urge him to show more respect for this House. Mr. Speaker, this has degenerated into a shameful spectacle. He said earlier that the Minister of State (Youth) (Mrs. Champagne)—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but I would like to recognize someone else on a comment. So I will give the floor to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) and ask him to be brief, then I will recognize the Hon. Member for Laurier (Mr. Berger) on a short question or comment.

Mr. Malépart: Mr. Speaker, to each his own style, his own way of defending cases, his own corpulence. I am like I am, but my reputation is as good as that of the Hon. Member who just spoke. Sad to say, had I not acted as I did to defend the interests of the elderly in the case of old age pensions, these people would no longer be getting fully indexed old age pension cheques. Had I not acted in my own way with respect to people who suffer form diabetes, these people would now be paying a tax on syringes and drugs.

Mr. Speaker, the only people who will pass judgment on my behaviour are my constituents and, at the last election they treated me fair and square and re-elected me.

[*English*]

Mr. Deputy Speaker: I will recognize the Hon. Member for Laurier (Mr. Berger) for the last question or comment.

Mr. Blaikie: On a point of order, Mr. Speaker, with all due respect to the Hon. Member for Laurier (Mr. Berger), I think that if you check the Standing Orders you will see that in the question and comment period, the opportunities for questions or comments are to go to Members of Parties other than the person who is speaking unless, of course, no such Hon. Member is rising, then an Hon. Member from the Party of the person who is speaking might be recognized. In this case, there are other Hon. Members from other Parties rising and I see no reason why you should recognize the Hon. Member for Laurier.

Mr. Deputy Speaker: The point made by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) is well taken. The way the Chair interprets the provisions to which the Hon. Member refers is that preference should be given to Hon. Members other than the one who has spoken. I do not understand that as meaning uniquely. I recognized the first Hon. Member, I believe, from the Progressive Conservative Party, then an Hon. Member from the New Democratic Party, then an Hon. Member from the Progressive Conservative Party. I think it is only fair that the Hon. Member for Laurier (Mr. Berger) should be allowed a brief question.

Mr. Blaikie: I rise on the same point of order, Mr. Speaker, and I am not trying to be difficult, but this has happened before. When two Hon. Members rise—and in this case at least two or three Hon. Members rose to participate in the question and comment period—the Standing Orders say the Chair should prefer Hon. Members of a Party other than that of the Hon. Member who spoke. In this case the Chair preferred to recognize the Hon. Member for Laurier, who is a Member of the Party of the person who was speaking.

I was a party to the drafting of those Standing Orders and to the recommendation, and I can tell you, Mr. Speaker, that the intention was that as long as there were members of Parties other than the Hon. Member who last spoke rising, an Hon. Member from the Party who just spoke ought not to be recognized.

Mr. Deputy Speaker: I understand very well the representations made by the Hon. Member. I would be willing to discuss this matter with him. But it is not the way I understood the Standing Orders. I know the Hon. Member is well versed on procedure and was on the committee. However, for this time I will recognize the Hon. Member for Laurier (Mr. Berger). I would be willing to discuss this matter with the Hon. Member at some time in the future.

[*Translation*]

Mr. Berger: Briefly, Mr. Speaker, I should like to support the comments made by my colleagues this afternoon by giving a few examples from my riding.

Last week I met with the young students of a theatre company, students who attend the *École nationale de théatre* in my riding. They had applied for a $23,000 Government grant representing 35 per cent of the total cost of a project they had prepared to create summer jobs. They were able to get about $12,000 from the private sector. They took the initiative of conavassing hundreds of companies, and very seldom do we see students who can manage to get the private sector to contribute that kind of money. So they were asking the Government not to finance the whole operation but only to give some support to their own efforts and add a little more to the funds they had been able to obtain from private interests. But what happened? The project was not given priority because it did not come from the private sector.

I can give you another example briefly, Mr. Speaker. I was personally involved with this case. I called the Minister and I hope that this project can go forward because these young people—

An Hon. Member: You would have to say so publicly.

Mr. Berger: If this project goes forward, I can assure the Minister of State for Small Businesses that I will say so publicly.

[*English*]

Mr. Berger: Finally, Mr. Speaker, I would like to give just one other quick example. I received a letter from a doctor at the Royal Victoria Hospital which is associated with McGill University. There are five full-time professors who were willing to give their time to train students in clinical research this summer. Last year, five jobs were created under the summer project. This year only two students have been accepted. The doctor wrote the Minister of Employment and Immigration (Miss MacDonald) saying that this year the need is greater. He asked why this program should be cut back. The doctor urged the Minister to restore the program to last year's level and to give meaning—and I am quoting his words—to the slogan "jobs, jobs, jobs". That is what we are asking the Government to do.

[*Translation*]

Mr. Deputy Speaker: Order, please. To conclude, I will recognize the Hon. Member for Montreal—Sainte Marie.

Mr. Malépart: Mr. Speaker, I think that the comments of my colleague for Laurier (Mr. Berger) clearly show the difference between a Member of Parliament with feelings and sensitivity who defends the interests of his constituency and the heartless Members of Parliament on the side of the Conservatives who are only interested in money.

• (1750)

[*English*]

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, in the few moments that are left for debate I think I should enlighten some Members opposite with respect to the actions of the Government in terms of Canadian youth.

When Challenge '85 was announced, members of the Opposition said it was just a reformatting of the old Liberal summer employment programs. Today, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) told us that the programs were a step backward. What he fails to see, and he was partly responsible for it, is that these programs are different. They are designed with the primary emphasis on student training and employment needs. That is the significant difference. Throughout the debates we have had on this subject over the last year I have found that Members opposite have had a great deal of difficulty understanding where our Government is coming from and how much benefit Canadian youth are deriving from its action. I think it is incumbent upon me to inform Members opposite how significant these changes are and just what they mean.

There were a great many comments made today with respect to jobs in the private sector being Mickey Mouse jobs. It has been said that we have been depriving the non-profit sector of opportunities which are far better for young people.

Mr. Berger: Let the Hon. Member tell us what is wrong with hospitals.

Mr. Clifford: There is absolutely nothing wrong with hospitals. Nor is there anything wrong with veterinarians, dentists or engineers. There is nothing wrong with a great many jobs in the private sector.

I would like to say that there are two other programs with which Members opposite do not seem to be familiar. They must understand that these things work in concert. I refer to the Innovations Program. Today, the Hon. Member for Windsor—Walkerville (Mr. McCurdy) said that there are some good things in the Canadian Jobs Strategy. We must remember that he was the fellow who moved the motion. He then said that he did not know what the Innovations Program is. I would like to tell the Hon. Member that it is a very vital program to young Canadians—all Canadians. I would also like to point out to him that tomorrow the Self-help Centre for Canadian Youth will be opened in London, Ontario. The Minister of State for Youth (Mrs. Champagne) and the Minister of Employment and Immigration (Miss MacDonald) have encouraged and developed this innovation which will help Canadian youth. It is something which will be shared by all Canadians since it will be available to all constituencies.

Something else that Members opposiite really seem not to understand is that the Government is helping the non-profit sector. It is doing so through something called co-operative education. I think there is a tremendous lack of knowledge on the opposite side of the House with respect to this programming. It is something behind which our Government has stood. It has financed it and made a commitment to it for the next four years. Many schools, hospitals, universities and community colleges have taken advantage of this type of programming. The financing helps students obtain job experience while they are still in school. Most of these experiences are in the non-profit sector. They are opportunities nine months of the year by which young people learn about the real world of work in a particular sector. Members opposite fail to recognize how this program is part of the whole picture. Thus Challenge '86 is just one major focus we have in place to assist young people. It is not the only one, but it is a major one. Hon. Members must remember that it is working in concert with other programs.

I would now like to deal with another major issue which has been kicked around a bit today. The Government is definitely saying that since most students will work in the private sector after completing their educations, private sector employers are being asked to participate in the program. How can one obtain

real life experiences if one is not given the opportunity when one is young?

It has been said today that there are unfair subsidies in the private sector. It has been asked why jobs should be offered through Challenge '86 to the private sector anyway. I ask Hon. Members to take a good look at this. Once again, I think we have under-estimated the energy and commitment it takes from the private sector in order to become involved. Many private sector corporations and businesses do not want to particpate at a certain point in time because they cannot. They realize it takes a real commitment to take on young people through programs such as Challenge '86. It takes time, and time means money. Because it costs money to become involved, in certain cycles of their growth they are not able to do so, while others are.

Rather than being negative about the private sector, Members opposite should be encouraging it to make such a commitment. Members of the Opposition should realize it takes time and money for these small businesses, and even big businesses, to become involved in this commitment to the young people of Canada. They should be applauding these measures as opposed to being so negative. I think this is a point which should be driven home again and again.

I ask Hon. Members to do what I have done. I have talked to small businessmen in my riding. Members of the NDP have told us that they are very interested in the world of work in terms of small business. I ask those Members to talk to people involved in small businesses in their ridings to find out just how much commitment it takes for a small-businessman to get involved in a program such as Challenge '86. When they find out just how much time and energy it takes, they will find out what I have found out. That is to say that even though there is a heavy commitment to time, over 80 per cent of the small businesses in London—Middlesex want to come forward and serve the youth of Canada.

When one considers the results, one sees that they are not so overpowering. It will be seen that in 1986 some 34.6 per cent of the funds are approved for the private sector, while 65.4 per cent are approved for the non-profit sector. There seemed to be a great deal of criticism going on today that is completely unfounded. Members opposite are saying that we are placing all the money in the private sector. We are not. We realize that future jobs will come from this sector. I point out to Hon. Members that the majority of the rebuilding and economic renewal which is going on, to which we made a commitment in 1984, has been in the small business sector. The future for the rest of the 1980s and the early 1990s will certainly be in that sector again. So to give these young people an opportunity to work while they are learning in school and while they are training and then to progress into full-time jobs in the small business sector seems only appropriate. It seems that it is the right thing for the Government to do. Rather than being so negative about it we should be applauding the Government.

This is a great opportunity for me to be able to speak out on behalf of the Government today and the young people of Canada. I know that they have been all over Canada. They are asking the Government to move ahead. They cannot help but applaud our record to date with over 600,000 jobs having been created. They see that there has been a decrease in the percentage of youth unemployment from 18 per cent, which is what the figure was before we took office in 1984. They can see the figure decreasing, and they are very encouraged by our movements. I know that my study, which shows that the private sector wants to be involved, is matched by the enthusiasm of the applications of students from all over London and the surrounding area to be a part of it. We know that we are on the right track. So it is a pleasure to be able to say no to this motion today.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 6 o'clock, it is my duty to inform the House that, pursuant to the provisions of Standing Order 82 (12), the proceedings on the motion have expired.

[*English*]

This House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 29, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

INCOME TAX ACT—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-109, an Act to amend the Income Tax Act, I have the honour to report the Bill to the House in both official languages. The Committee has considered Bill C-109 and has agreed to report it without amendment.

[*Translation*]

STRIKING—PRESENTATION OF 36TH AND 37TH REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Thirty-sixth and Thirty-seventh Reports of the Striking Committee.

If the House gives its consent, I intend to move concurrence in the Thirty-seventh Report later this day.

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

* * *

[*English*]

PETITIONS

REINSTATEMENT OF KATIMAVIK PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have the honour and the pleasure to submit to you and to the House a number of petitions. These petitions come from several places including New Glasgow, Fredericton, Toronto, Kamloops and points in between in which the petitioners ask that this Parliament and the Government reconsider the ending of the Katimavik Program and that the decision be reconsidered in terms of renewing the program as of July 1 of this year.

[*Translation*]

Mr. Speaker, I also have petitions from residents of a number of communities in the province of Quebec, who humbly ask Parliament and the House of Commons that the decision to terminate Katimavik be reconsidered and the program renewed, starting in July.

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

STRIKING

CONCURRENCE IN THIRTY-SEVENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House gives its consent I would move, seconded by Mr. J. R. Gauthier, that the Thirty-seventh Report of the Striking Committee presented to the House earlier this day be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

MARINE ATLANTIC INC. ACQUISITION AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (for the Minister of Transport) moved that Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, be read the second time and referred to a legislative committee.

• (1110)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the purpose of Bill C-88, the short title of which is the Marine Atlantic Inc. Acquisition Authorization Act, is to establish CN Marine as a separate Crown corporation under a new name, Marine Atlantic Inc. This

move is the fulfilment of an original plan which goes back some eight or nine years. It is the culmination of a process which was envisaged when CN Marine was set up as a separate corporate entity in 1977.

At that time it was clearly understood that when CN Marine was in a position to stand on its own corporate feet action would be taken to make that possible. Action to this end started in December, 1984, when, under the provisions of Section 97(2) of the Financial Administration Act, the Governor in Council ordered the company to act as though it were a parent Crown corporation. This move presented a *de facto* separation of CN Marine from CN. Bill C-88 merely formalizes a situation which, as I have already indicated, already exists.

I would now like to deal with the two key elements of the Bill. The first one effects a name change and the other effects a change of ownership. The name is to be changed to Marine Atlantic Inc. so that the company will be more closely identified with the region which it serves. A transfer of shares will take place between Canadian National and the Crown, the final result being that the Crown will own all the shares of CN Marine, that is, Marine Atlantic Inc., thus making the company a Crown corporation. The changes in name and in status will not produce any material changes. The same group of people in the same corporate structure will continue to perform the same functions and deliver the same services under contract to the Government.

Improvement in the company's performance can be reasonably anticipated since it will no longer be conditioned by the corporate profitability desires of CN, but it will be free to develop as a marine entity unto itself with a potential for greater efficiency and cost effectiveness in the rendering of the services for which it contracts. The Bill will neither increase nor decrease the Government's control over the corporation's activities. The Government will continue to provide subsidies in support of Marine Atlantic ferry services under the terms of annual operating agreements already in place. Service level and tariff decisions will continue to be made by Government in consultation with all interested parties, and these will not be affected by the change of status.

In practical terms, the change has no impact on the provincial Governments directly concerned with Marine Atlantic activities. However, it should be noted that the company has already manifested its dedication to marine service goals by strengthening its presence in the two island provinces with vice-presidential offices in St. John's, Newfoundland and in Charlottetown, Prince Edward Island.

This outlines the general principles of the Bill. I know that a number of Hon. members will want to make comments with respect to it. We will be pleased to go into the details of the Bill in response to any questions which are deemed necessary as a result of the debate.

I commend the Bill to the House. In a sense it is a housekeeping matter. As I have said, it simply formalizes a situation which has been in existence for an extended period of time. With the consent of Hon. Members I hope that later today we can deal with the Bill in all stages, if that meets with the approval of my colleagues.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to rise in my place today to participate in the debate on Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto.

Anyone listening to the remarks of the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) will have the impression that nothing more is occurring today than simply a request for the authorization of Parliament to allow for the acquisition of Marine Atlantic Inc. I think the public should realize that Marine Atlantic Inc. is currently called CN Marine and that what we are talking about is more than a change in name. What we are talking about is taking the division of Canadian National called CN Marine, that division which operates ferry services on the east coast of Canada, and hive it off by wielding a long sword. With one clean and vicious stroke the Government proposes to sever CN Marine from Canadian National and give it a new name.

Members should ask themselves why the Government of Canada would want to sever CN Marine from Canadian National. It is a great and historic transporation company which personifies the concept of national unity being built with a national transportation policy. That is how the country was built, which is why Sir John A. Macdonald built a railway from one end of the country to the other. He did not build it because he wanted to see a train service running from the east coast of Canada to the west coast of Canada. He did not build it because it made a lot of economic sense in those days—it did not. He did not build it because he thought it would bring revenues to the Government of Canada. He built it because he wanted to have a sense of national identity running from sea to shining sea. He understood that if Canada were to develop as a nation and as a people who could share a common identity, a common sense of opportunity, there had to be a vehicle by which to tie the country together. Thus he created a national railway which ran from sea to sea.

Canadian National grew and became involved in many other divisions. It served the needs of the Prairies, as it served the needs of the hinterland and the North. It was a main engine which drove industrial development in Ontario and Quebec. It provided a ferry service to Atlantic Canada, those four provinces located on the great Atlantic coast, two of which are islands. The people in those four provinces realized that to fully participate in Confederation, to fully participate in the country and its economy, and because of our geographic location and our isolation, certainly in the early days, we needed to have a first-class transportation network. That was provided by CN Rail to all of Atlantic Canada as a result of CN's acquisition of the Newfoundland Railway at the time that Newfoundland joined Confederation in 1949.

Under the Terms of Union between Newfoundland and Canada, CN took over the operation of the Newfoundland Railway. A linkage was established through the development of CN Marine which guaranteed that the people of Atlantic Canada would not be penalized because of their location. It guaranteed that the people of Atlantic Canada would have access—because the country thought it was important to have access—to a first-class transportation service. The service was never perfect. There were always complaints; but there was a service and it was guaranteed. It was guaranteed to be a reasonable service in terms of cost and in terms of the quality of the service being provided. What has happened now? The Government of Canada has taken an action which, as I said earlier, with one fell swoop hived this off. It has severed CN Marine. Given the brief historical analysis of how CN Marine came into existence one would tend to ask oneself why the Government has hived it off. If it has played that kind of a nation-building role and has been that essential to the people who live in Atlantic Canada, why the name change and severance of CN Marine from the parent company?

• (1120)

You will note, Mr. Speaker, that Bill C-88 received first reading on December 5, 1985. Mark that date down, Mr. Speaker. You will also note that the Ministerial Task Force on Program Review headed by the Deputy Prime Minister (Mr. Nielsen), a very famous fellow around here, made its report to Cabinet in September 1985, two months before this Bill received first reading.

The Parliamentary Secretary would have us believe the reason for the Bill is to give the old company a new name. Let us see what the Deputy Prime Minister's task force on program review which came out two months before this Bill mysteriously appeared in the House had to say about the East Coast ferry service. Would that not make interesting reading?

Let us take a look at what the Deputy Prime Minister and his committee of slashers and hatchet men had to say about this great and historic East Coast ferry service. They said that there is a problem on the East Coast and that this commitment to national unity, surprise of all surprises, costs money. They said as well that compounding these cost pressures has been the typically very low rate of cost recovery for the subsidized service. They said that the way to reduce the level of subsidy is to reduce the level of service and to raise the rates that individuals and corporations pay to move themselves or freight on the East Coast ferry services.

In other words, the level of activity on the East Coast ferry services is relatively high and, given the level of subsidy, the total bill is substantial. The committee believes that fewer Canadians should use those services and the way to accomplish that is to reduce the frequency and quality of service and to raise the rates. The committee wants to discourage people from the East Coast of Canada from being involved in commerce or travel or from using an ingredient that is essential to the health of any economy, a good transportation system. If that happens, the subsidy can be lowered.

Sir John A. Macdonald would roll over in his grave to learn that a Government would treat Atlantic Canada like a chip on a Monopoly board. He would roll over in his grave to learn that a Government would tell the people of Atlantic Canada that they are simply a number on the bottom of a cost sheet and that a sense of national citizenship having one meaning in Canada is unimportant. The bottom number has to be changed.

The report was made to the Government of Canada in September and this Bill materialized in December, two months later. A plan of action was then undertaken. The Government of Canada knows that the ferry services that exist between PEI and the mainland and Newfoundland and the mainland are constitutionally guaranteed. Those ferry services were guaranteed in provisions of the Terms of Union signed between Newfoundland and Canada at the time of confederation in 1949 and in provisions of the Terms of Union signed between PEI and Canada when it entered into confederation.

What does the Deputy Prime Minister's task force say about the constitutional obligation of the Government of Canada to those two provinces? It calls them quasi-constitutional questions. Since when on one occasion is a constitutional matter a constitutional obligation cast in stone and on another occasion in another part of Canada a quasi-constitutional obligation? Are Atlantic Canadians quasi-Canadians? Are they entitled to or should they expect a different level of services from the Government? No, there is not one person between British Columbia and the great Province of Newfoundland who would say anything but that all of us are Canadians, that we all share the risk and share the reward, that we all carry the burden of cost and we all share the opportunities of being Canadians.

Can anyone imagine saying to wheat farmers in the West who have had a disastrous year with the lowest prices in decades and are on the verge of bankruptcy that the Government of Canada should not subsidize them? Can you imagine anyone saying that since they are producing wheat for less than cost they should be shut down? You are from western Canada, Mr. Speaker. Can you conceive of that being said? I would bet Hon. Members that the Speaker's heart rate has just gone up. He, being from the great Province of Alberta, would simply find it unbelievable that we would say to the people who till the soil and preserve the bread basket of Canada that they are not worth a buck today so we are not interested. No, I cannot imagine that.

What about the people who are involved in the dairy industry in Ontario and Quebec, an industry receiving an annual subsidy of $300 million. As Joey Smallwood used to say, that industry is receiving not $100 million, not $200 million, but three—count them—$300 million a year. Could anyone imagine saying to those dairy farmers: "Fellows, you are not making a buck right now. You are part of the Canadian mosaic, you are part of the Canadian family but at the

moment you are costing a buck, so go slaughter your herds"? There is not a Canadian who would suggest any such thing to the dairy farmers of Quebec and Ontario.

Yet the Deputy Prime Minister's task force report tells us that the ferry services along the coast of Labrador and Newfoundland are costing the horrendous amount of $25 million. Having discovered that $25 million was being spent to provide services for half a million Canadians who live 90 miles away from their fellow citizens across a body of water, the Government had a collective cardiac arrest and promptly found the axe-men who wrote this piece of legislation that appeared in December following the recommendation which appeared in September. It makes one wonder.

The cost of the subsidy in Prince Edward Island is substantially less than the cost of the subsidy in Newfoundland, but again, the gun has been brought to the shoulder and the collective eye of the administration has looked down the barrel, the bead has been placed, the target has been identified and the trigger is now being pulled. This Bill is the bullet.

The Government is severing CN Marine from Canadian National because Canadian National appears on television telling Canadians that CN is in business for Canada. Every time I turn on the tube, I hear: "CN, in business for Canada". It is, Mr. Speaker, except in Newfoundland and PEI. That tie is being severed, and a new company is being set up. It will be easier that way to identify how much subsidy the parent company pays out to run those ferry operations. It will be easier that way to raise freight and passenger rates. It will be easier that way to reduce the level of service and the frequency of travel of those ferries. That is why this is being done.

• (1130)

What I am about to say may come as a shock to some of my colleagues in the House. However, Newfoundlanders do not regard the ferry service between that province and the rest of the country as a scenic route by the sea used for a pleasant excursion across to Nova Scotia on the way to Toronto, Edmonton, Montreal, or Vancouver. It is a pleasant route if the sun is shining and the seas are not rough, but it is not just a scenic route or one of 25 different modes of transportation available to Newfoundlanders. Unless one has a lot of dollars in one's pocket it is the only game in town. Not everyone can afford to fly. There is not a bus which floats across the water. We in Newfoundland do not have special shoes which allow us to walk across the water. We are a province with great swimmers, but 90 miles of salt water is a bit far.

The gulf ferry service is as intrinsic to the economic health of Newfoundland as the blood which beats through your heart, Mr. Speaker. I am sure your heart pressure has increased, as you reel with compassion, anger, and frustration. I know you are a man of principle, a man of integrity, and a man of compassion. If it were not for the position you occupy in the chair, requiring you to maintain a neutral position in the House, you would be on your feet with your fists balled up and saying: "Enough. What kind of nonsense is this being perpetrated upon the people of that province?"

Atlantic Canadians are aware of the situation. As early as November, 1984 the Conservatives were barely in power long enough to leave their rear-end imprints on the front benches and they brought down an economic statement. The November 1984 economic statement was quite a statement. It resulted in a 15 per cent increase in fares on the East Coast ferry service. That was the thin edge of the wedge, and now the knife is being shoved in all the way.

The Parliamentary Secretary said that this Bill was merely a formality. He understood that there may be one or two Members who wanted to speak on it, but he indicated that they had already changed the name of the company to Marine Atlantic Inc., that they had already severed CN Marine from the CN parent company, and that everything was already in place. Is that not typical? Here we are today, on May 29, 1986 and the Government is seeking parliamentary approval and authorization for a certain series of measures contained in a Bill, and the Parliamentary Secretary rises and says that it is mere formality in that they have already proceeded. Not only does the Bill make a mockery of Parliament, because what is contained within it has already occurred without Parliament's authorization, but it is an example of the approach of the Government to the people of Atlantic Canada. No one has gone to Atlantic Canada and kept the commitment of consultation, which the Prime Minister (Mr. Mulroney) promised in the summer of 1984. No one has gone to Atlantic Canada and kept the commitment of co-operation promised by the Prime Minister in the summer of 1984.

Most citizens of Atlantic Canada will not fully appreciate the impact of the Bill until they discover that it will cost a lot more to ride a ferry and that many of the currently existing services, routes, and frequency of travel are gone. That is the kind of co-operation which Genghis Khan gave to the people he invaded. He left his calling card as he rode, hooves wild, across their lands, villages, and heads. We in Atlantic Canada do not need that kind of Genghis Khan consultation.

I remind the Government that Atlantic Canadians believe firmly in the old saying: "An eye for an eye and a tooth for a tooth". If one runs roughshod over their concerns, those things which are essential to a health Atlantic economy, and if one leaves a calling card in the carnage, then I warn that one shall reap what one sows. Atlantic Canadians will not forget this jackboot approach to the people of that region.

I should like to speak for a moment about another matter which is indirectly tied to Bill C-88 as part of the master plan of the task force report on ministerial review of the Deputy Prime Minister. There is a section of that report which is indirectly tied to this plan, gut the ferry service, raise the rates, and reduce the level of service. Logically one may say that if the Government does them in, in one area, perhaps it will give them better service in another area. However, what does this task force report say about another mode of transportation in Newfoundland? It actually says two things. First, it says that

under the terms of union, about which I spoke a few moments ago, Newfoundland was "guaranteed" a rail service between Port aux Basques and North Sydney and, second, that the Government of Canada assumed ownership of the Newfoundland railway. That service was not promised to Newfoundland, it was not held out as a carrot, it was guaranteed a railway service.

On the one hand Bill C-88 does a number on the gulf ferry service. However, what did the report say about the railway? Let me find the specific recommendation because I would not want to mislead the House. The first recommendation indicated that an agreement in principle would be reached with the Government of Newfoundland to phase out the Newfoundland railway in an orderly manner. In other words, close down, shut up, pull up the rails, burn up the ties, and consign the engines to the nearest museum. Gone was the Newfoundland railway; vanished in a moment.

Can one imagine 600 miles of track which the morning after looked like they took a direct hit from a nuclear weapon, vaporized? They not only plan a Chernobyl-type eradication of the gulf ferry service, they will slowly poison that service or choke the life out of it slowly. They are showing no mercy at all, but with the railway they are being merciful, kind, and considerate. They will not drop a neutron bomb because that destroys people and not property. They will drop another kind of bomb which will destroy property and people.

• (1140)

There were 800 jobs in a province with 30 per cent unemployment associated with that railway and the Nielsen Task Force report is saying: "Shut it down". How effective have these gentlemen of the Genghis Khan school been in convincing some people in Newfoundland that they ought to stand while the warhead zooms in from outer space on a direct loop from the Parliament Buildings in Ottawa? How successful have they been?

We had the spectacle a few weeks ago in the Newfoundland legislature of the Premier of Newfoundland, who can normally be counted upon to be as rational as an unguided missile, and he was again true to form, saying, "I do not think our constitutional case for the railway is all that good. I think we might get laughed out of court. I am for retaining the railway. I want to keep it. In fact, I want to see it upgraded and modernized, but with respect to our consitutional case, I think we might get laughed out of court". Here we had the Premier of Newfoundland telling Newfoundlanders that they do not have a constitutional right to their railway at the same time the Government of Canada, in the same document that recommends closing it down, acknowledges a Newfoundland constitutional right to the railway. It is not a matter of opinion, it is acknowledged, Mr. Speaker.

The Government of Ottawa has been saying to the Government of Newfoundland that it will either have some money for a reduced level of ferry service, or it will have some money for a railway service; it can have that, and money for nothing else. Or, if it wants some money for highway or money for other modes of transportation that every other province in Canada takes as their right of Canadians, it can but it is either/or. It is a situation that if it wants money for highways it has to give up the railway; it has to reduce the ferry service.

Mr. Forrestall: That is ridiculous.

Mr. Tobin: It is ridiculous. There is no other province in Canada that I know of that is being told: "Gentleman, it is either a highway or a railway. You cannot have both. It is either a Gulf ferry service or a railway. You cannot have both." Newfoundlanders are wondering what distinguishes us from other Canadians that we should receive this special select treatment by the Government of Canada. We pondered that question for months. I have not found an answer.

As a Canadian first, who comes from Newfoundland, I was never made aware at any time during my upbringing that somehow being a Canadian in one part of Canada distinguished you from being a Canadian in another part of Canada. Nobody ever said to me when I was learning about this country that we were anything but a nation where unity was found in diversity and where diversity was reconciled by national trends in services and rights that we all have in common, be we black or white, Protestant or Catholic, tall or short, from the centre, from the west or from the east. All of us as Canadians expect a number of services and rights that we hold common in this country.

We understand as well that when you have certain services and rights accorded to you as a Canadian, you have as well certain responsibilities. We in Newfoundland appreciate that. That is why the vast majority of Newfoundlanders have always believed in the whole debate about offshore oil and gas, now reflected in legislation, that if it is there in the multibillion barrel reservoirs to be developed, whenever the time is appropriate, it is a resource that belongs to all the country, not just to those who live in Newfoundland.

As we embrace the concept that a resource off the shores of Newfoundland belong to the whole country, so too, Mr. Speaker, do we embrace the concept that we as Canadians who live in Newfoundland, Nova Scotia or PEI, have a right to the same kind of consideration of our needs as people who live anywhere else in the country. We should have the same right as the dairy farmers in Quebec and Ontario, the same right as the wheat farmers in western Canada who find themselves confronted with recession, the same right as the cedar shingle and shake workers in the great province of British Columbia who have just been dealt a devastating blow and who properly expect the Government to assist them in their dilemma and in their time of need.

Bill C-88 is not a Bill that seeks to bind this country together. It is not a Bill that provides the glue that keeps this country together. It is a Bill that was designed with an axe. It is a Bill that severs CN Marine. To some that is a ferry ride, a boat in which you go bobbing around the ocean. This service is the way people move themselves, their goods, their produce

around Atlantic Canada. It is not just one way for those who use it, it is the only way. This Bill not only severs the company from CN but it is a Bill that severs and tears at the fabric of Canada.

I recall the words of a gentleman named Gordon Bradley. He occupied the same position you occupy, Mr. Speaker, in 1948 in the Province of Newfoundland when we were debating whether we would send a delegation in 1947-48 to the United States to seek union with the U.S. or a delegation to Canada to seek union with Canada. Mr. Bradley was the Chairman of the Commission that had been established to determine what Newfoundland's future ought to be and where it lay. For many Newfoundlanders there was no question. Newfoundland's future was with Canada, it was completing the 10 provinces from sea to sea. But there were others for their own reasons and their own convictions who felt that our future should be with the United States.

I have never doubted, neither from Canada's point of view nor from Newfoundland's point of view a scant few decades ago—1949 was not all that long ago, 37 years, when Newfoundland made its choice—that we made the right choice. I do not doubt it now in the face of Bill C-88 and other insults that have been hurled at my province and, indeed, PEI as well, that we made the right decision.

During one particularly acrimonious evening of debate as Members fought back and forth across the way, Gordon Bradley suddenly stood up and bellowed "Order". He said to the Members assembled: "Gentleman, I remind you that the eyes of the people of Newfoundland are upon you now. They are watching you. They are weighing your every word and sometimes I fear you have tried their patience much too far".

Those words spoken in 1948 bear repeating today. The eyes of the people of Newfoundland are upon this place. They are watching us. They are weighing our words. More important, they are measuring our actions. Legislation, which may seem to the Government merely an act of expediency, merely a piece of legislation to try to cut costs, to reduce levels of government subsidies, legislation that would be perceived by a Cabinet purely in an economic number-counting way, in Newfoundland is seen as an insensitive piece of work. It is work that has been badly done. It ignores the geographic, economic and the social reality of my province. I say that in the hope that Members opposite will understand those words and will receive them and will think about them in the spirit in which they have been said.

• (1150)

One must understand the message that Newfoundlanders believe is coming from Ottawa when their ferry service is reduced and the cost increased, when a railway is closed and when a fisherman is told that the small craft harbours program has been wiped out. It costs potato farmers more to grow their crops than they get when they sell them and they have suddenly been slapped with a new series of inspection fees. The message that these people are receiving is that they are expendable, are on the outer fringe, are not central to the country, and that the political power and influence in the country emanates from the centre and dies before it gets to the East Coast.

If that message continues to go out undiminished, it will create in my province, not for romantic or emotional reasons, but for economic and social reasons, a generation of people who will do as I do not, that is, question seriously the decision which was made in 1949.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I would like to add a few comments to the debate on Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto. I will start with the process.

Like the previous administration, this administration likes to do things by Cabinet decree and then come to Parliament to tidy up the paperwork. When the Government of the day decided, for whatever reason, that it was appropriate to make what we now know as CN Marine into the new Crown corporation, Marine Atlantic Inc., it should have come to Parliament first. It should have presented us with the legislation which will come into effect in a year from now and given us the opportunity to have a broad discussion on the appropriateness of separating out one of CN's components. We should have had an opportunity to determine whether it made sense, with regard to the economics and the social value of transportation, to break up the various modes of CNR.

More recently there has been a decision to dispose of the CN trucking operation. We are seeing a fragmentation. We are in a very difficult position because the act has been done. All we are doing through the process of the legislation is to confirm what is already in place. It would be ludicrous for us in the House to cancel the decision. You cannot turn time back, even though some Hon. Members on the other side of the House would like to do that. We must go forward to give legal approval to the actions that CN and the Government of Canada have taken. This is so typical. We have seen other instances where the Government has presented a Bill which gives it certain powers and then negotiated instead of doing the negotiating first. It is clear that the Government's view of operating things has no regard for the people of Canada.

This is a very important Crown corporation. We who come from mid-Canada do not appreciate the value of CN Marine or Marine Atlantic Inc. to the people of Atlantic Canada. We do not appreciate it because we do not have anything similar which we must use to communicate with the rest of Canada. We hop in our cars and drive down the TransCanada Highway. If we want a little variety on the way to Toronto we will go through Tobermory and take a ferry across part of the Great Lakes. However, that is only an alternative for us.

On the two island provinces in Atlantic Canda they do not have a choice. If they want to travel by surface transport they have to use one of the vessels of Marine Atlantic Inc. They are captive to the rules of that Crown corporation. They are

captive to the cost-recovery mentality of the present Government, as they were to that of the previous administration. I do not deny that the previous Government was moving in that direction, but the present Government seems to be moving much faster.

Even with the subsidy that is in place to offset the costs, and even though the report published under the name of the Deputy Prime Minister (Mr. Nielsen) suggests very strongly that the amount of subsidy should be reduced and the cost for the user should be increased, the reality is that residents of the two island provinces in Atlantic Canada are treated very differently than the rest of us in Canada. We do not have to pay a user fee to use the TransCanada Highway. We pay through income tax and gasoline taxes for the maintenance and operation, but there is no toll booth in northern Ontario. There is no longer a toll booth in northern Quebec. We have had toll booths in Atlantic Canada for too long.

I know that the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), who comes from Atlantic Canada, has a very strong position on this particular issue. People from his area are being taxed at a third level for transportation. They must pay a fee to travel by ferry or to transport goods from one area to another.

When we reach clause-by-clause deliberation I will move an amendment to the appropriate clause which, if adopted, would call on Maine Atlantic Inc., and therefore the Government of Canada, to treat the ferry service in Atlantic Canada as an extension of the TransCanada Highway with the corresponding fee structure. Thereby all Canadian taxpayers who contribute to the cost of running the country through work and investment will say that we should give our Atlantic Canadian neighbours the same rights as they have, the right to free surface transport in the nation's transportation system. I think it would be very appropriate for Members on the other side of the House to give consideration to the acceptance of that motion, should it be deemed appropriate under our rules. If it is not, I would encourage the Parliamentary Secretary to take that suggestion to the Minister.

Each year 2.3 million passengers and nearly 1 million vehicles use the services of Marine Atlantic Inc. If one did a traffic count in my community of Thunder Bay one might find similar figures—and perhaps higher. However, the important thing is that they must have the same kind of unrestricted access. I think the Government should remove the fee entirely and pay for the services out of general revenues.

• (1200)

I want now to deal with a couple of other areas regarding this Bill. One is not directly related to the Bill but is tied to the fee structure. We had extensive hearings this winter on a Bill which would give the Minister of Transport (Mr. Mazankowski) the power to impose fees for certain Coast Guard services. We had representations from Atlantic Canada. One of the concerns they raised was that the Bill C-75 would give the Canadian Coast Guard the power to charge for ice-breaking services. We were told by people in Atlantic Canada that for a great part of the year the ferries owned by Marine Atlantic Inc. must use the ice-breaking services of the Canadian Coast Guard. Under that Bill the cost of those services, which could amount to as much as $30,000 a trip, could be passed on in whole or in part to Marine Atlantic Inc.

Their alternative, unless the Government was prepared to accept the concept that there should be no tolls or fees to get on the ferry, was that the users were going to have to pay. We were then going to have yet another increase in the cost of using the ferries. Fewer and fewer people will be able to afford to take those trips. For Prince Edward Island the cost of moving its produce, potatoes in particular, will be even more expensive than it is today. How many more potato producers are we going to put out of work? How many more potatoes will we end up bringing in from offshore?

Instead of putting all these road-blocks in the path of Canadians, we in this Parliament should be working to remove them. We should, if you like, be deregulating the financial aspect of cost recovery. We need efficiencies of scale. We need to ensure that we provide the service without penalizing the people concerned.

One of my concerns is that we set up Marine Atlantic Inc. by statute, and if at some point in time the Government felt it was appropriate to dispose of the assets of that company, in other words to privatize it, the Government would have to come back to this House to get permission to do so. There would be a full public debate on the disposition of Marine Atlantic, which is not the case with CN Trucking and some other Crown corporations, which this Conservative Government in its blind belief in the private sector has chosen to privatize.

Therefore I encourage the Parliamentary Secretary to the Minister of Transport to give us a clear statement in this House on this before we get into clause-by-clause study. He should indicate that under the terms of this legislation the Government of Canada must return to this House for permission to dispose of those assets.

I now want to talk about the employees of what was CN Marine and is now Marine Atlantic Inc. Over 2,500 people work for this Crown corporation. Obviously if you are going to carve a new Crown corporation out of an old Crown corporation, issues like pensions and pension credits and fringe benefit packages, some of which have been system-wide across CN, have to be dealt with. We must ensure that the employees are fully protected. The benefit of the doubt should be given to them, not automatically to the company. When we fragment organizations like CN there is a belief by some people that it becomes an excuse to do some labour bashing. Carve them into a smaller unit and we can get at them.

In another part of the marine sector over this past week we have seen a thousand workers forced to leave their jobs because of the way in which Treasury Board has been handling negotiations. Those negotiations went to conciliation. There

was a majority report which the Government flatly rejected but which the union was reluctantly prepared to accept. That report would have begun to bridge the gap between east and west in the Department of Transport, the Department of Fisheries and Oceans and the Department of Public Works. Those workers were so frustrated with the way the federal Government handled the negotiations that they left their jobs. I do not want to see that happen with this new Crown corporation. I do not want to see Marine Atlantic use this as an excuse to reduce wages and benefits if they find it necessary to do some rationalization.

We all recognize that this modern environment of technological change, particularly in the marine sector, leads to change in labour allocation. However, we have to be sure we look after those people who become redundant. What an awful term. How would you like to be referred to as redundant? I do not think any of us would. We have to look for a new term which clearly indicates the status of those positions, not the employees but those positions, the need for which is no longer there. We have to provide early-out options at a decent level, and which are not then penalized by the Minister of Employment and Immigration. We have to make sure that our people are protected. I do not say "our people" in the sense that they are members of a union or because they are from Atlantic Canada, but because they are Canadians and deserve respect and fair treatment.

The final thing I want to deal with is, again, the question of rates and services. The Liberal Party spokesman raised the issue of the Nielsen task force report. He talked about the cutting of services. There are many ways to cut services. The post office is talking about alternate day delivery. That is one way. Another way was announced by Marine Atlantic last fall when it said it was going to start shutting down the ferry a little earlier. It is going to cut six and a half hours off the time when you cannot travel from point to point. Can you imagine if the Government of Alberta closed the highways at ten thirty at night and you were not allowed to travel, or if you were the owner of a trucking company? In northern Ontario we see it all the time, trucking companies that travel at night because they can make better time when there is less congestion. Quite frankly, this makes it safer for you and I in our little cars to have fewer of them on the road in the day time.

• (1210)

They do not have that opportunity in Atlantic Canada. They do not have 24-hour service. Marine Atlantic is proposing even less service. We have to be careful that, because we are allowing Marine Atlantic to be carved off from CN, they remain not only technically responsible and legally responsible, but morally responsible to this House and through this House to the people of Canada to ensure that they provide the same level of service that everybody else in the country enjoys, and to ensure that they do so at a cost to the individual that is not any more or less than the cost to any other Canadians, whether they be in Thunder Bay, Edmonton, Winnipeg or Toronto.

Those are the things that Marine Atlantic must adhere to, but they cannot do it by themselves. The Government of Canada sets the rules. If the Government of Canada says there has to be user-pay for the Coast Guard services, if they say there has to be user-pay for the users of the ferries in Atlantic Canada, then they have to accept the reality at election time that there is another form of user-pay, and that is the users of the service will pay that Government back by voting for somebody else. The Government should keep that in mind as they move to this kind of legislation.

I look forward with interest to the rest of the debate. I suspect it will continue until sometime this afternoon at least, and it should be very interesting.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Bill before the House today will in effect really not change anything. Most people in mainland Canada—as we say in Newfoundland, the mainlanders—would know of the service that is talked about in this Bill if they have ever travelled to the islands of the East coast of Canada. If you have ever gone to Newfoundland by car you would know that you put your car on the ferry boat at North Sydney, and then you travel 100 miles across the Atlantic Ocean to Port-aux-Basques. It is a hundred-mile journey, and it is an incredible trip. If you are ever looking for a place to go to watch whales this is the place. If you have your family with you then you can actually see the whales during the summer months. This is nothing new to me. I cannot really comprehend why a lot of people like watching whales. I suppose it is because they have never seen wild whales before in the ocean, but being a Newfoundlander I have seen them all my life. I do not take any great pleasure in watching whales. A lot of people do, so it is a great trip to take. You go 100 miles across the Atlantic Ocean. If you take the alternate ferry route it will actually be more than 100 miles, in fact a couple of hundred miles across the Atlantic. Then you go down to the Argentia ferry station in Newfoundland. It is a great trip to take. I can think of no other place in Canada to go in the summer months with your family that would be more enjoyable than Newfoundland using this service we are talking about here today in this House.

There are some problems that I should perhaps tell the House just in case Members think about taking that trip this summer, and then relate to taking the ferry boat to Newfoundland. It takes about seven or eight hours. The new boat, which is being launched today in St. John's by the Minister of Transport (Mr. Mazankowski), is supposed to be a faster, reducing the time, I understand, to five or six hours. That is neither here nor there. The Minister of Transport will stand up in St. John's today and say it is going to reduce the time to five hours. It is five hours if you are talking about May, June, July, August, September, October. If you go at any time other that, then it is going to take anywhere from five to 20 hours, depending on the time of year. Sometimes you have ice that has to be bypassed, and in some cases it will take you anywhere from 15 to 20 hours.

I would not advise anybody to go on the night crossing because that presents a problem. If you like driving in the day time, and you are leaving Ottawa, Toronto or Montreal in the day time, it will take you about 22 hours. You would normally arrive at the ferry boat at night. There is a problem in that CN Marine, this new Crown Corporation and the federal Government, have always had the policy that the boat that crosses to Newfoundland is not designed as a hotel. In other words, there are never enough cabins available. It is a great pleasure when you get on the boat and you start out to sea, but in the middle of the night you obviously want to sleep. There are not enough cabins, so the people sleep—you guessed it—on the floor. When you walk down through the ferry boat you have to be careful that you do not step on somebody's feet or head, or something like that. I have always wondered why CN Marine and this new Crown Corporation, Marine Atlantic Inc. have this policy that the boat is not a hotel. How many times has somebody from CN Marine, or any Government, any Minister of Transport, including this one appeared before the committee and said that we are really not operating a hotel. This leads to all kinds of problems. You can imagine children and elderly people sleeping on the floor, but that is the way it has been throughout the years, that somehow by some rationale we have allowed these boats to operate without enough cabin space.

At one point in time they even used to supply pillows, but that was stopped, or they would give you a free blanket, but that was stopped. They sell you a chair for an extra $10 called a "Day-Nighter" which can actually be tilted back. The other chairs on the boats are designed in such a way that it is absolutely impossible to lie down. In other words, they were made so that they will not tilt back. They have fixed arm rests which do not move, so one's only choice is, of course, to sleep on the floor. There is lots of sitting space on the chairs on all of the boats, but one cannot sit on the chairs because one's feet would be on someone's head. That has been the policy of CN Marine or, as we call it today, Marine Atlantic Inc. Is it any wonder that tourists are discouraged from returning to Newfoundland, having gone there once on the night crossing? After coming across on that boat at night one has to take a motel room during the day to get over it. That is one problem I wanted to outline.

• (1220)

The problem, of course, is one of management and of the Government. Those are the fellows, the accountants who sit in head office who cause the problem. That is the problem with the way CN Marine has operated over the years, and that is going to be the problem with this new Crown corporation, Marine Atlantic Inc.

There is something else wrong with this new Crown corporation which was created in order to save the Government $20 million. Things seem to have been arranged so as not to accommodate most of the people. In other words, in Newfoundland one gets on a bus instead of a train and travels across Newfoundland. Then one gets on a boat—there is no helicopter service. One has to go by boat to cross the ocean, and then one gets on a train to cross Canada. There is a separate Crown corporation which controls the bus. We have another Crown corporation which controls the boat and another Crown corporation which controls the train, and never these three shall meet on scheduling. The bus will meet the boat if it is not inconvenient, but the train leaves at exactly ten minutes after nine o'clock in the morning from Sydney. When one looks at the schedule of CN Marine or, as we call it now, Marine Atlantic Inc., we find one would have to spend overnight in Sydney in order to meet the train.

An Hon. Member: There is nothing wrong with that.

Mr. Baker: Yes, it is good for the motel business in Sydney, Nova Scotia. I like Sydney. I think it is a wonderful place. Cape Breton is the closest thing you can find to Newfoundland for excellence. I have little confidence in an organization which cannot match three schedules to allow people to have a convenient trip across this country. A lot of people travel that way because they do not have the financial resources to take a plane. A man looking for a job in Alberta, perhaps in your riding, Mr. Speaker, in Edmonton, would take the bus, the ferry boat and the train. He cannot afford sleepers. He takes that service and goes across the country. Sometimes women with children take that route. Sometimes whole families. But here we have, under the umbrella of the federal Government, three separate transportation systems with no links. That is absolutely atrocious. That is enough to make one vote against every single Bill which comes to this Chamber having anything to do with Canadian National.

If you spoke to the people who travel on that system, as I have, Mr. Speaker, you would come to the conclusion that the whole set-up needs to be examined by a judge of the Supreme Court. I have seen people taking a bus and having to spend 24 hours waiting for the boat because the weather was bad and the bus was late. The boat went on without them and they had to wait for the next boat. They get on the other side and have to spend another 24 hours waiting for the train to leave. There are women and children, whole families, going through that procedure because they do not have the money to take a plane. That is not good enough. If that were happening anywhere else in Canada it would not be allowed. The Government would step in.

I have now covered two points. First, one does not cross in the night time if one does not have a prearranged, guaranteed, prepaid cabin. If one does not have in writing that one definitely has a cabin, I would not advise it, unless one wants to spend the next morning in a motel somewhere sleeping it off. Second, those poor people who cannot afford to take a plane are being discriminated against to an incredible degree because there is no matching of schedules.

Let me move on to what is going to happen to those employees who will be displaced because the federal Government wants to save $20 million by creating a Crown corporation. I will just deal with one aspect, pension transferability when these people are laid off. If one is from the Province of

New Brunswick and is working with CN Marine one can transfer one's pension credits. In other words, if one were working with a provincial Government agency and one had worked with CN, then the pension could be matched up—that is if one is from New Brunswick. If one is from Nova Scotia, it does not work that way. There is no pension portability agreement. If one is from Newfoundland it does not work that way because there is no pension portability agreement. If one is from Manitoba it does work that way, because it has a pension portability agreement. What I am saying is that Transport Canada, with the creation of this new Crown corporation, should go after those provincial Governments and agencies and say: "For goodness sakes, sign a pension transferability agreement with CN Marine in order to take care of some of these people".

The Canadian Transport Commission and the Government of Canada have recently ruled that the guarantees under the terms of union on freight rates across the gulf do not apply. What that means is that what is in the terms of union in the Constitution of Canada in black and white really does not apply. We are told it is there in black and white in the Constitution and the Terms of union, but it is really not there. That has led to the CTC recently, within the last couple of months, and the Government of Canada, approving vast rate increases for freight across the gulf. If they get away with it, then we will have more increases, because under the Terms of Union one could not charge any more for a passage on that ferry for freight than you would charge for an equal distance by rail. So there was a subsidy built in to freight movement to and from Newfoundland as a result of the Terms of Union.

• (1230)

For the first time since Newfoundland joined Canada the Canadian Transport Commission is saying: "Although it is in the Terms of Union we do not think it really applies". That is quite a decision by the CTC. The Minister of Transport must approve or disapprove that interpretation of the Terms of Union.

When the CTC brought down its decision I checked with the Government of Newfoundland. I was told that it would appeal the decision. At the last moment there was an extension of the appeal period for one week. The matter is presently under appeal. Certainly what is in the Terms of Union is in the Terms of Union. If it were not, it would be something completely different. It is in the Terms of Union and the Government of Canada must realize that.

Those are my remarks as far as this Bill is concerned. I notice in the Bill that the figure $2,344,473,774 is used with respect to the value of the shares, as far as service is concerned. Someone might misread that and think that it is the actual value of the company. Someone might think it is the ultimate purchase price of the service. Of couse, that is not the case.

CN provides a necessary service between the provinces. I have never been able to understand why, back in 1949 when the Terms of Unions were being negotiated, we did not put it in black and white that this service is nothing but an extension of the Trans-Canada Highway, that people should not have to pay and that the cost of transportation should not be added to the cost of goods and services. In fact, the entire argument with respect to whether the Newfoundland Railway will continue is based on the fact that in the accounts of the railway in Newfoundland the actual cost of transporting goods from North Sydney to Port aux Basques is added to the cost of the operation of the Newfoundland Railway. Therefore the books of CN, which are held at its head office in Montreal, show that the Newfoundland Railway will lose $40 million this year. I caution anyone who looks at those figures to phone CN and say: "Is it true that you have the absolute audacity to add the cost of transportation to the Newfoundland Railway for moving goods from the moment they are taken off a truck in North Sydney and put on the ground? Are all the costs for loading them, carrying them across the gulf and unloading them added to the cost of the Newfoundland Railway?"

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. Are there questions or comments? The Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, I have one comment and one question. With respect to making the ferry service an extension of the Trans-Canada Highway, in British Columbia we have been saying that for years. We have been saying that in fact it is part of the Trans-Canada Highway and it should be picked up as part of the costs. My question is this. I am not familiar with the ferry about which the Hon. Member speaks since I live on the opposite coast. We have a pretty efficient working ferry system in British Columbia. He said: "Don't take the night ferry unless you want to spend the next day in a motel sleeping it off". I wish to ask him, sleeping what off?

Mr. Baker: Mr. Speaker, I am pleased to say that the way it will read in *Hansard* is the way the hon. gentleman put it. What he said was that the people of British Columbia have always maintained that the Newfoundland ferry system should be considered part of the Trans-Canada Highway.

Mr. Waddell: No, no.

Mr. Baker: That is exactly what the hon. gentleman said. That is what is in the official record. That is what has been taped and that is what these gentlemen have taken down in their notes. Perhaps the hon. gentleman will want to correct it. Why not leave it on the record? Why not say that that is what the Hon. Member supports, as do the people in his riding and the people in British Columbia?

The hon. gentleman also says that in British Columbia they do not have problems with their ferry service similar to the ones I outlined in my address. No, they do not. The Province of British Columbia is not 100 miles away from the rest of Canada at its closest point. We are talking here about 100 miles of Atlantic Ocean. I suppose it is a very difficult system

to operate. If someone were to place me in charge of the position today, in a part-time capacity—and I wish they would—with no pay, I would look at what would have to be done in order to actually supply the service. The needs of the people would have to be satisfied.

Do you know, Mr. Speaker, that for the last two months on this service the boats with cabins have been on the day run? The boats with no cabins have been on the night run. That is what has been going on for the last two months at CN Marine. A constituent of mine phoned me up and said: "George, you have to do something about this. I am taking my family across the gulf, but we can't get a cabin because there are no cabins on the night crossing ferry. They told us that if we wanted a cabin we would have to wait until the next morning". I phoned up CN Marine and I said: "Look, I just had a crank call from someone. They are telling bad stories about you. I have just been told that your policy with respect to getting a cabin in which to get some sleep is that you have to take the day ferry". The lady at the other end of the line said: "Mr. Baker, oh yes, that is right". I said: "Really?" She said: "Yes". I said: "When was this policy initiated?" She said: "Oh, a couple of months ago". I said: "There is obviously no problem getting a cabin to go to sleep in during the daytime". She replied: "No, sir, not at all. In fact, they are not being used up and I don't know why".

To answer the hon. gentleman's question with respect to what you have to sleep off—

Mr. Waddell: They're your words.

Mr. Baker: The hon. gentleman was probably talking about the bar. The bar closes at, I believe, 12:30 or one o'clock. It is good that the bar does close because the best sleeping space is on the floor in the bar. The benches in the bar are more comfortable. In fact, everyone rushes to the bar when it closes.

I hope that with the creation of this Crown corporation some changes can be made. If some changes are not made, then I will have camera crews down there. That is what we should have done a long time ago. We cannot pretend that this is some riverboat in some part of China or Africa or some place like that, that it is just a pleasure jaunt and people are kind of tired after travelling all day and they wish to sleep on the floor. I hope that will be corrected. If it is not we will have to get some camera crews down there in order to have film clips to show on the national news just so the rest of the country will know what is going on.

Mr. Mantha: We enjoyed the Hon. Member's lively speech, Mr. Speaker. I wish to ask the Hon. Member about the Pope coming here and the crazy schedule in terms of people getting to see the Pope. Was that the schedule of the previous Government, in all fairness, or was it this Government's? I do not want to put the Hon. Member on the spot.

Mr. Baker: The what?

Mr. Mantha: The Pope. You said a little while ago that the people came to see the Pope.

• (1240)

Mr. Baker: Mr. Speaker, sometimes I do have a Newfoundland accent. When I get a bit fired up or start talking about something that has to do with Newfoundland that is not right, my words kind of twist. Perhaps when I said "boat", it came out like "pope".

In any event, the Hon. Member asked if this was the case under the previous Government. That is a good question. In fact, I have been waiting for someone to ask that question. Yes, Mr. Speaker, it was.

As you know, Mr. Speaker, I have been here for years. It was frustrating, to no end, to try to convince the political powers to actually get their fingers into the operations of Crown corporations. It was never that Government's policy to do that.

What has changed is that before there were some cabins available and the rest of the people had to sleep on the floor, if they wanted to sleep. But since this Government took over, and in the last two months, all of the beds are on the day-boat and there are no beds on the night crossing. That is obviously a step backward, would you not agree, Mr. Speaker?

Mr. Forrestall: Mr. Speaker, never in my 53 years of life have I ever met a Newfoundlander who could not entertain on such little evidence.

Mr. Waddell: Mr. Speaker, I would like to put another question to the Hon. Member. Pardon my ignorance, but I will put the question anyway. Why could the provinces not run these ferries? The province runs the ferry in British Columbia, and it is much closer to the people. Perhaps we should consider decentralizing ferry services. What about a co-operative running the ferry system? We could privatize it and let the people run it as opposed to the Ottawa bureaucrats.

Mr. Baker: Mr. Speaker, that is a very good question. The only problem is that in British Columbia we are talking about intraprovincial ferry services, whereas on the East coast we are talking about interprovincial ferry services. One, of course, is controlled by the provincial Government and the other by the federal Government. However, there are still a couple of ferry services within provinces operated by the federal Government. The Government has been trying to get away from those services over the years, and certainly this Government will make sure it does so, and perhaps even in the case of the ferries in British Columbia, though the federal Government pays a certain portion of the costs of operating the ferry system.

Certainly the provinces are closer to the operation. The only problem for Newfoundland is that ferry boats are operated at a tremendous deficit. It is the constitutional responsibility of the federal Government to operate the ferry boats, but it is certainly not the constitutional responsibility of the federal Government to operate those services at a profit or a break-

even margin. That was never the intent of the Terms of Union, but, as I understand it, that is the present policy of this new, ultra conservative Tory Government.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Bouchard, for the Minister of Transport (Mr. Mazankowski), moved that Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, be read the second time and referred to a legislative committee.

It it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Lewis: Mr. Speaker, I rise on a point of order. As a result of the co-operation of all three Parties in dealing with this Bill, and in an effort to move on to legislation on which critics from all three Parties are prepared to move, I suggest you would probably receive the unanimous consent of the House to call it one o'clock. At three o'clock, it is the Government's intention to call Bill C-86 for report stage and third reading.

Mr. Angus: Mr. Speaker, I rise on the same point of order. I think we are disposed to that suggestion. However, when you referred the Bill to a legislative committee, Sir, I assume that if discussions ensue, we can in fact refer the matter to a Committee of the Whole rather than a legislative committee.

The Acting Speaker (Mr. Paproski): I would imagine that if House Leaders got together and discussed the way they wanted to proceed, the House would agree to that. I do not think I should tell Hon. Members how to proceed. I think the matter should be discussed with the House Leaders.

Is it agreed that we call it one o'clock?

Some Hon. Members: Agreed.

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

At 12.47 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO STANDING ORDER 21

[*Translation*]

SHIPYARDS

FUTURE PERSPECTIVES FOR QUEBEC SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, last Monday the Montreal East Survival Committee met to establish how many jobs we were able to save. Unfortunately, the same day we heard that Versatile Vickers was laying off and had fired 175 workers. In December last year, the Minister of Supply and Services promised representatives of employees at Versatile Vickers that work on the first ship in the Trump program, the *Algonquin*, would be done at the shipyard in Montreal.

Unfortunately, Mr. Speaker, if the Government does not intervene, there will be 650 lay-offs at the Montreal yards. I earnestly hope that Progressive Conservative Members will urge the Prime Minister (Mr. Mulroney) to take action so that Quebec's three shipyards will have work and jobs, not shutdowns.

* * *

[*English*]

NUCLEAR ARMAMENTS

SALT II AGREEMENT—CRUISE MISSILE TESTING

Mr. Derek Blackburn (Brant): Mr. Speaker, Canada has a chance to make up for its abysmal silence on the NATO decision to support the production of new chemical weapons. NATO Foreign Ministers are meeting in Halifax, giving Canada the opportunity to underline our support for arms control. Let us applaud the American decision to scrap two missile carrying submarines to stay within the limits of SALT II.

Let us be just as vocal about our opposition to American threats to abandon SALT II later this year. It would be ironic if deployment of the air-launched Cruise missile, which Canada helped develop, broke SALT II. Canada should make clear that we would no longer allow Cruise missile testing in Canada if the U.S. broke SALT II.

Similarly, Canada should press the U.S. for strict adherence to the ABM Treaty. We should make it clear that we will not take part in SDA 2000 Phase II or allow Canadian territory to be used as a base for any ABM systems. Such strong statements within western councils would demonstrate that Canada expects her allies to match our commitment to arms control.

SPORTS

CANADIAN TEAM'S PARTICIPATION IN SOCCER'S WORLD CUP CHAMPIONSHIP

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, Sunday marks a special day in the history of sports in Canada. For the first time Team Canada will begin its quest for soccer's World Cup in Mexico. Over the next month, 24 nations will compete for the right to be crowned world champion in Canada's fastest growing sport.

Just as this event is truly a world competition, the members of Team Canada truly reflect the multicultural flavour of Canada. On our starting squad we have Canadians of Italian, Scottish, Yugoslavian, German, and Czechoslovakian descent; players who hail from Victoria, Moncton, Nanaimo, Ottawa, and Edmonton. It is truly a Canadian team.

I am sure all Members of the House and all Canadians will join with me in expressing our best wishes to Team Canada.

* * *

[*Translation*]

FORESTRY

MAPLE TREE BLIGHT—ANNOUNCEMENT OF SCIENTIFIC STUDY

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, the Minister of State (Forestry) (Mr. Merrithew) announced recently that the Canadian Forestry Service has asked the *Centre de foresterie des Laurentides* to do a scientific study on the maple tree blight.

This study, another in a long series of efforts by the Service in this area, will be directed by Gilles Robitaille and Marcien Roberge, who have both been involved for many years in activities either directly or indirectly related to the phenomenon of maple tree blight in Quebec.

Research directly related to the problem of declining maple stands will be done mainly at the experimental maple farm at Nobertville, in the riding of Lotbinière.

Mr. Speaker, I must congratulate the Minister on the kind of action he has taken, which again demonstrates his desire to deal with the problem once and for all and thus help a typically Canadian product and one of our major industries to continue to exist, especially considering the time and effort that goes into managing a maple stand, and preserve part of our heritage.

S.O. 21

SMALL BUSINESS

GOVERNMENT POLICY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, when the Conservatives were in the Opposition, they went on about reducing the paper burden on small businesses. As soon as they formed the Government, they amended the Small Business Loans Act to make it less accessible. It seems that banks are advising business people against taking advantage of this legislation because of the very strict directives of the Minister of State (Small Business) (Mr. Bissonnette) with respect to the administration of loans.

Mr. Speaker, since the new legislation came into effect, there has been a 25 per cent reduction in loans. When they were in the opposition, the Conservatives were against sin, but now they are in power they are all for it.

* * *

[*English*]

THE PROFESSIONS

TRIBUTE TO WORK OF CANADIAN ENGINEERS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the engineers in the House of Commons take great pleasure in joining our fellow engineers in drawing the attention of Canadians to the outstanding contribution our profession has made to the development of Canada.

The art and science of the engineer forged the technological foundations of our Confederation. Our early engineers built the network of railways, canals, and bridges. This expertise has continued to expand in aviation, telecommunications, and space systems. The 125,000 men and women who constitute Canada's professional engineering fraternity continue to contribute to the exploration and commercial exploitation of leading edge technologies, bringing technological progress and economic prosperity to Canada and other countries.

• (1405)

We trust that National Engineers Week will encourage Canadians to reflect on the sometimes heroic but often insufficiently recognized contribution of engineers to Canada's past, present, and future.

* * *

LABOUR RELATIONS

AIR ONTARIO—FLIGHT ATTENDANTS' STRIKE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Canadian Airline Flight Attendant's Association is on strike against Air Ontario. Strikes are at best unpleasant events. They are the last resort very often of a collectivity of

the powerless, only made more powerful by their union, against the recalcitrance of insensitive management. Strikes are often at the cost of hardship and frustration to the strikers. Often too, they bring inconvenience to members of the public, challenge their commitment to social justice, or test their priorities.

In London and Sarnia, Members of this House have honoured Air Ontario picket lines, that is, except for one. That the Minister of Agriculture (Mr. Wise), the Member from Elgin, should fail to do so, many would say is his own business. But that he felt compelled on May 23 to insult two female pickets deliberately and give them the Trudeau finger of contempt can but bring contempt upon himself that his Party and Government will inevitably share.

* * *

[*Translation*]

YOUTH

EMPLOYMENT PROSPECTS

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, Challenge 86, a program for which the Minister of State (Youth) (Mrs. Champagne) is responsible, has been of great benefit to students in the riding of Kamouraska—Rivière-du-Loup. In fact, 374 young people will have jobs this summer thanks to wage subsidies totalling $472,578 which the federal Government is providing through Challenge 86. Two hundred and seventeen applications out of 297 have been approved in my riding. The private sector has created 154 jobs, non-profit organizations provided 169, while educational institutions and municipalities made 51 jobs available. Furthermore, on May 16, 1986, I attended the re-opening of two employment centres for students, one at Rivière-du-Loup and one at La Pocatière. Last year, the centres exceeded their placement objectives, and I hope we will get a repeat performance this year.

This is good news, Mr. Speaker. This is how young people in the riding of Kamouraska—Rivière-du-Loup are taking up the challenge.

* * *

AIRPORTS

WORKING CONDITIONS OF SECURITY SEARCH EMPLOYEES

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, it seems if we want to hear any good news, we Government Members will have to announce it ourselves. In the last two weeks, the press, television and the Opposition have been hammering away about the working conditions of search officers at the airports in Montreal and Quebec, and the alleged lack of concern of my Government for the safety of travellers. However, the day before yesterday, as a result of intervention by our Government, security officers of the former Burns Agency reached an agreement with the new company responsible for baggage search. From now on, these employees will receive $6.20 an hour, which means they will be working for the same salary and under the same working conditions as their colleagues in other Canadian airports. The people in my riding and even the metal workers' union are very pleased with this victory.

The Liberals and New Democrats specialize in controversy but do not mention the results when they are good. Mr. Speaker, this is one more achievement that will be hard to beat in the next election campaign!

* * *

[*English*]

ABORIGINAL PEOPLES

NO SUGAR—AUSTRALIAN PLAYWRIGHT'S WORK

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Mr. Jack Davis, an Australian aboriginal playwright, has written a play entitled *No Sugar*. The theme of this play deals with attempts by Australian Governments to rid their country of natives by policies of extermination, assimilation, and isolation.

The bold and disturbing theme is handled with compassion and even humour, but the stark message is never blunted. The play ran with rave reviews at Expo 86 and is now being staged here in Ottawa under the auspices of the National Arts Centre. It has considerable relevance for Canadian audiences since the history of our relationship with the native people of Canada is equally brutal.

Those who care about native issues and aboriginal rights in Canada, including all Hon. Members, should not miss seeing this presentation.

* * *

[*Translation*]

YOUTH

EMPLOYMENT PERSPECTIVES

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, contrary to what the Liberal Opposition, particularly Quebec Members, would have us believe, the youth unemployment rate decreased fom 18.4 per cent at election time to 15 per cent now, the lowest rate ever since December 1981. To put it another way, 98,000 new jobs have been created since September 1984, against a net loss of 285,000 jobs under the Liberals.

Thanks to the private sector's $120 million financial contribution, Challege 86 has provided 74,833 jobs so far, whereas Summer Canada Employment 84, with $125 million, accounted for only 64,813 new jobs. In other words, in a single summer we have created 10,000 more jobs than our predecessors did. Mr. Speaker, it should be noted that private sector companies offer young people wages which are 50 per cent and sometimes 100 per cent better than those paid by other organizations. In addition, the private sector will give them jobs after they graduate. Thanks to their summer jobs they can get in touch with—

Mr. Speaker: Order, please, The 60 seconds have expired.

* * *

• (1410)

[*English*]

CANADA HEALTH ACT

PROVISION BANNING EXTRA BILLING—ONTARIO DOCTORS' STRIKE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, in April, 1984, the Parliament of Canada unanimously passed the Canada Health Act which was designed to put an end to extra billing by doctors. Unfortunately the doctors of Ontario believe that they should be exempt from this national Act, that they should not have to accept the national consensus. They want the right to extra bill their patients, and today and tomorrow they are on strike over this issue.

They are not on strike because they could not reach an agreement with OHIP. No, Sir. They are on strike for the right of the individual doctor to charge more than his or her contract provides. No other labour organization in Canada has such a right. If the doctors are not happy with the negotiated rates of pay, they should get a new negotiating team rather than charging patients more.

In 1984 this House said that doctors should no longer be allowed to extra bill. What doctors are doing in Ontario this week is an affront to Parliament and the people of Ontario. The doctors of Ontario should be ashamed of themselves.

* * *

[*Translation*]

TEXTILES AND CLOTHING

OPPORTUNITY FOR GOVERNMENT TO END MULTIFIBRE AGREEMENT

Mr. Jean-Guy Guilbault (Drummond): In my opinion, Mr. Speaker, the Canadian Government should end the GATT Multifibre Agreement when it expires at the end of July so as to draft a general policy and sign bilateral agreements with other nations. It should also fully exercise its international rights with a view to restoring order and fairness on the Canadian textile and clothing market.

This is all the more imperative because, at the 20th international textile seminar held in Sherbrooke this week, the president of the Canadian federation deplored the fact that the 1970 policy is not in force.

One third of the textile industry production is clothing, industrial textiles make up the second third, and carpeting and geotextiles account for the other third.

As we all know clothing imports have increased by 43 per cent since 1982, yet clothing retail sales have gone up by only about 1 per cent a year. These industrial sectors are an integral part of our national economy because they provide direct and indirect jobs for over 400,000 Canadians and produce 6.6—

Mr. Speaker: Order, please. The 60 seconds have expired.

* * *

[*English*]

LABOUR CONDITIONS

REDUCED UNEMPLOYMENT IN METRO TORONTO

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, unemployment in Metro Toronto has dropped from 8.5 per cent two years ago to 5.3 per cent in April, 1986. Since the election 110,000 jobs have been created in Metro Toronto alone. That region is approaching full employment. Youth is sharing in this too. Youth unemployment remains critical across Canada, but it has fallen over 3 percentage points since the Government took office. Unemployment among women has also dropped 2 percentage points.

I am sure that everyone in this House is greatly encouraged by the economic policies which have contributed to this drop in unemployment. Yet we also recognize that older workers still face great discouragement. The number of workers between 45 and 65 years of age has grown in the past year. Lay-offs of persons in this age group too often still mean anxiety, frustration, and hardship. Opportunities for the re-employment of this age group should have priority in shaping future policies.

* * *

ENVIRONMENTAL AFFAIRS

HEALTH HAZARD POSED BY UNLEADED GASOLINE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to draw to your attention once again the damage to forests, agriculture, and human health caused by oxidants produced by the combustion of leaded gasoline. The situation is made worse by motorists who, because of a lower price, put leaded gasoline in cars designed for unleaded gasoline.

The 3-cent per litre gap at the pump, the largest ever, between the price of leaded and unleaded gasoline, is a serious environmental problem to which the Government must address its attention. Leaded gas aggravates the acid rain problem and is also a health hazard. Canadians want the Government to adopt the examples set by Holland, Denmark, and Austria. We must equalize the price of leaded and unleaded gasoline at the pump, thus stopping misfueling and protecting the environment and human health.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TARIFF

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. There was a report today that the Minister of Justice, senior Minister in our Cabinet, told an American audience, using a memorable political phrase, that the Government had no choice but to call for retaliation. At the same time Canadian officials are meeting with U.S. trade negotiator Peter Murphy in Washington to discuss compensation. Those two initiatives are totally incompatible with and opposite to one another. Therefore, have we abandoned the request for compensation? If so, what are we meeting with Mr. Murphy about? On the other hand, if we are now going to retaliate, what kind of retaliatory measures will we be introducing and when, or is the Minister of Justice once again engaging in a hothouse harangue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there are a large number of questions there so let me try to address them. The first was that officials of the Government of Canada met with representatives of the U.S. administration to discuss both the question of compensation as well as restoration of access to the U.S. market. These discussions are continuing. I have to say that the early indications are that the question of compensation is going to be difficult. It does not appear possible to provide that compensation under U.S. legislation. However, we are exploring further the possibility of restoration of access to that market.

CANADA-UNITED STATES NEGOTIATIONS—U.S. COUNTERVAIL ACTION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in those discussions have we raised the question of the Government of Canada intending to retaliate, as the Minister of Justice said? Was that put on the table? As well, did we ask Mr. Murphy if the American Government will agree to a standstill on countervail action, as requested by the Premier of B.C. and other people, during the course of these negotiations, in order to proceed on a clean launch basis as announced several weeks ago?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have indicated all along that in one form or another there must be a response by the Government to the action taken by the U.S. last week. That is clear. The question of a standstill is related to the problem of the shakes and shingles decision. It is something of lasting importance and it will be discussed by Mr. Reisman with Mr. Murphy as the trade negotiations proceed.

SOFTWOOD LUMBER EXPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I thank the Minister for his answer. If Mr. Murphy and Mr. Reisman are now putting on the table as part of the negotiations the question of the shakes and shingles industry, will they also be putting on the table the question of the softwood lumber petition presently before the U.S. Government? In other words, has the Government once again changed its position and is it including a discussion of these irritants as part of the comprehensive negotiations even though it previously said it would not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again the Hon. Member has made a leap, if I can put it in the nicest possible terms, by taking something I said and putting it into his own words. What I said was not what he just said, and he knows it. During the course of these negotiations we are going to have to deal with this question of disputes which come up during the course of negotiations. That matter will be discussed by Mr. Reisman and Mr. Murphy.

Mr. Axworthy: Which is what I said.

Mr. Wilson (Etobicoke Centre): Let me just make it clear, Mr. Speaker. The question is of how to deal with these issues in a process sense, not the specific matters as the Hon. Member tried to imply.

REQUEST THAT UNITED STATES PRESIDENT BE CONTACTED

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I think I should go to the Deputy Prime Minister, if I may. As he knows, the U.S. Ambassador is quoted as advising Mr. Shultz in a cable that the Canadian Government, "as expected, is showing signs of panic". This is following the President's decision to impose a tariff on cedar shakes and shingles. We do not want panic. We do not want hand-wringing. We want action.

• (1420)

Having failed to act on Premier Bennett's warning of May 7, and the plea that he made, will the Deputy Prime Minister assure us that he or the Prime Minister will act on Mr. Bennett's further warning and plea of May 20? Will the Deputy Prime Minister or the Prime Minister contact

President Reagan immediately and ask him to stop the countervail proceedings on Canadian softwood exports?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member that the countervail action on the question of softwood lumber is part of a legal process which has been initiated by the industry in the United States for which there are many steps, steps that can take a variety of directions as time goes by.

I should throw a question back to the Hon. Member. Since he said in a perjorative sense we were acting as expected, did the Hon. Member expect that we would sit down and take this action without making any response to the United States? Surely he understands that it is important to the economy of Canada and to British Columbia that this Government make a strong and steady response, a response that is understood clearly by the United States Government.

[*Translation*]

EXPORT OF WOOD PRODUCTS TO UNITED STATES—GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am not the one who said that, I was simply quoting the remarks of the ambassador in question.

It is obvious that panic will soon give way to apoplexy unless somebody stops the President.

So my question is this: What does he intend to do to put a stop to that process in the United States so as to protect Canadian softwood exports?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has twice used the word panic. Let me refer him to an editorial in the *Washington Post* today which talks about trade panic in the White House. There can be many points of view expressed on this matter. What I think is quite clear is that the response of the Government of Canada has been a strong one, a firm one, and a response that is quite clearly understood by the Government of the United States that we are concerned about the directions of their policies on trade which they have taken in the last little while, and they are matters we want to discuss thoroughly during the weeks and months ahead.

COMPENSATION ISSUE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct my question to the Minister of Finance who is dealing with this matter today. He has said to the House the Government wants to send a strong and clear Canadian response to Washington. The representatives of both industry and the trade union workers affected by the shakes and shingles tariff yesterday made it very clear to the Government that what they did not want was some compensatory action that was not going to have any direct effect on them. Why is the Government of Canada pursuing, in negotiations today in Washington, exactly what the people in Canada affected do not want it to pursue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member did not listen to my first response. What I said in the first response was that officials of the Government of Canada are meeting with officials of the U.S. administration today to discuss two things, one, the question of compensation, and I said that probably was not on because they do not have the legal power to do that, and also to look at the question of how we can regain access to that market for the industry. That matter is still on the table.

POSSIBLE OUTCOME OF TALKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Minister more about the compensation package. For two or three days the Government has been talking about that as the desirable route to go, even though the workers and business people affected do not like it. Would the Minister of Finance not agree that if the Americans agree to compensatory action by reducing tariffs in other sectors what we will end up with is a package that may have benefits elsewhere, but will do absolutely nothing in terms of benefits for the workers who are going to lose their jobs in British Columbia? We will still have 4,000 men and women without work in British Columbia.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party is floating off into never-never land again. I said this matter was no longer under discussion.

Mr. Broadbent: No, you didn't say that.

Mr. Wilson (Etobicoke Centre): There was no legal power for the U.S. adminsitration to deal with it. I said that the matter of regaining access to the United States market for the shakes and shingles industry was still under consideration. These were two very clear and distinctive points that I made. The Hon. Member missed one I would ask him to listen carefully to the answers.

Mr. Broadbent: Mr. Speaker, I listen with care. If the Minister reads the "blues" afterwards he will see what he said in reply to the first question.

• (1425)

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Since they are now reverting back to a process which many on this side of the House said should have been pursued a long time ago, and that is talk about serious bilateral issues instead of pursuing a never-never land of hopeful benefits with free trade down the road, is the Minister saying that the Government of Canada is recommending setting up a special committee with American and Canadian representatives who would deal, for example, with the very important softwood decision which is to be made

and which could effect thousands of more jobs being lost in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I responded in reply to the Hon. Member for Saint-Henri—Westmount that the question of the softwood lumber countervail action is part of a legal process which has already been started. That matter is under way. What I went on to say is that we recognize the importance of these bilateral issues and the effect they can have on the ongoing trade negotiations. So it is important that we try to find ways of managing these bilateral disputes.

ROLE OF PROVINCES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Acting Prime Minister. It concerns free trade. In early February, Premier Getty, representing the provincial Premiers, sent to the Prime Minister an eight point proposal concerning the provinces' role in the free trade talks. As of last night, just three business days before the federal-provincial conference on free trade is to begin, the provinces have received no official reply.

Why has the Government not responded to the provinces? Even if the Government responds today, only 48 business hours before the conference, the provinces will not have time to respond appropriately. Is this an example of the Government's commitment to full participation of the provinces in the free trade talks.

Mr. Speaker: Order, please. This is a little long.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me set out the degree of discussion which has taken place between the Government and the provinces during this period of time. Since the Halifax meeting there have been five very, very productive meetings of the ongoing committee of officials chaired by Ambassador Reisman. In addition to that, in response to the letter Premier Getty sent to the Prime Minister on how the provinces might participate in the trade discussions, the Secretary of State for External Affairs has met or talked to most of the Premiers in order to continue the dialogue on a political basis.

Since then the Prime Minister has called the Premiers together, and the purpose of the meeting on Monday night is to discuss this matter further. That is considerable consultation with the provinces.

[*Translation*]

Mr. Garneau: Mr. Speaker, the fact remains that the provincial premiers still do not know the federal Government's position.

INQUIRY WHETHER PRIME MINISTER COMMUNICATED WITH UNITED STATES PRESIDENT TO STOP TAX ON LUMBER PRODUCTS

Mr. Raymond Garneau (Laval-des-Rapides): My supplementary also concerns the meeting of First Ministers. We know that the U.S. Government is receiving a petition.

Did the Canadian Government, did the Prime Minister get in touch with the President of the United States to try and stop this levy of $57 per 1,000 board feet, which amounts to a 27 per cent tariff on our lumber exports to the United States? Did the Prime Minister discuss this with the President of the United States?

[*English*]

Mr. Speaker: Order, please. I will allow the answer in this case, but I would ask Hon. Members when asking supplementary questions at least to help the Chair figure out how they are clearly supplementary. I will allow the answer in this case.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in response to the preamble to the Hon. Member's question, the whole purpose of the meeting on Monday is to discuss the participation of the provinces in the trade discussions. Surely the Hon. Member understands that it is necessary for the Prime Minister and the Premiers to get together to discuss that matter.

The second point of the Hon. Member's question was the same question which his seatmate asked a few minutes ago. Surely they can get together and get an answer.

Mr. Rossi: You never gave an answer.

• (1430)

JOB LOSSES IN BRITISH COLUMBIA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of State for Forestry who may at least give us some facts with respect to this industry. Yesterday shake and shingle producers told us that almost 4,000 jobs will disappear in British Columbia, while the American Ambassador claimed that most of these jobs will survive. Whom does the Minister believe, Mr. Niles or our producers?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, Ambassador Niles certainly has a right to his own opinion. He is expressing a view on behalf of his Government. He is trying to rationalize the decision taken by his own administration. Personally, I have some difficulty with it. The Government of Canada, and certainly the British Columbia Government as well as the people in British Columbia who are adversely affected by it, do not treat it very lightly.

[*Translation*]

REQUEST THAT GOVERNMENT COMMUNICATE URGENTLY WITH UNITED STATES PRESIDENT

Mr. Steven W. Langdon (Essex—Windsor): I have a supplementary, Mr. Speaker. Considering the previous question, does the Government intend to call Mr. Reagan immediately and tell him that Mr. Niles is wrong about the facts he pointed out to the President?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, perhaps I could respond to the Hon. Member's question. Ambassador Niles is very clear in his understanding as to what the understanding of the people of Canada is in terms of the effects of the decision taken by the U.S. administration on the shake and shingle industry. Obviously, there are differences in points of view between the understanding of the Americans and the understanding of Canadians. As I said yesterday, we will assess on an ongoing basis the impact of this decision on the people who work in the industry, and make our decisions accordingly.

EXCLUSION OF TERRITORIAL LEADERS FROM TALKS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Acting Prime Minister. Is the Minister aware of official protests which have been received from the Leaders of the two territorial Governments, that is, Yukon and Northwest Territories, concerning their exclusion from Monday's talks on the free trade negotiations? Is he aware of this? If so, what has been the Government's response to these protests regarding their exclusion?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am not aware of any such protests. However, they certainly will be given every consideration, as one would naturally expect from me, should they be received.

MINISTER'S ENCOURAGEMENT OF NORTHERN PARTICIPATION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. They have been received by the Prime Minister's Office. I would like to know how the Deputy Prime Minister can reconcile excluding the territorial leaders from these talks when the Minister of Indian Affairs and Northern Development goes out of his way to encourage active participation in all matters which concern the people in the northern part of Canada.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as far as I am aware they will be part of the consultation process. I certainly have not been shy in my representation in this place in years past in ensuring that that kind of process exists. I will certainly do that again in this instance.

UNITED STATES AMBASSADOR'S LETTER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Finance. I am sure he is aware that over 1,000 shake and shingle workers are down at the Blaine border crossing right now making their views known on the action which has been taken against their industry. My question is in relation to Mr. Niles' letter which appeared in all the major Canadian newspapers today in which he states in part:

> To put the President's decision in perspective, it is worth noting that the decision was taken almost at the same time that U.S. statistics on bilateral trade for the first quarter of 1986 were released. They show that Canadian exports of goods to the U.S. during the first three months alone of this year were worth—$17.3 billion.

Since Ambassador Niles has put that on the record, what is the view of the Minister of Finance regarding it being used as the reason for placing the 35 per cent duty on shakes and shingles? Does the Minister not think that will lead Secretary of Commerce Baldrige on Monday to move against softwood—

Mr. Speaker: Order, please. It is long.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have said on a number of occasions in the United States that it is wrong to isolate just the trade figures in the statistics of trade in goods and services between Canada and the United States. Offsetting that we have a major services deficit. The combination of the two puts the picture in a much better perspective, one slightly in favour of Canada but not sufficiently in favour of Canada that would justify any decision along the lines the Hon. Member has just enumerated.

Some Hon. Members: Hear, hear!

REQUEST THAT UNITED STATES PRESIDENT BE CONTACTED

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question to the Minister of Finance is this. Since the shake and shingle workers and the industry have made it clear that they do not want compensation from either the Cabinet or through some squirrelly method through U.S. trade law, will the Minister now agree that the only thing for the Government of Canada to do is to get a hold of President Reagan and make sure that either negotiations are forthcoming or that the 35 per cent duty is removed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if there is one thing which has been made clear to the United States Government it is that the Government of Canada is not at all happy with the decisions that were taken last week—

Mr. Fulton: You're not doing anything!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member says that we are not prepared to do anything. Today, in Halifax, the Secretary of State for External Affairs is meeting with Secretary Shultz. Today, in Washington, officials of the Government of Canada are meeting with representatives of the U.S. administration. We are prepared—

Mr. Fulton: You're not doing anything!

Mr. Wilson (Etobicoke Centre): The Hon. Member does not want to listen to the answer. However, I think that his constituents would like to hear it. We have these ongoing discussions with the United States to try to find a solution to this problem which will help the people about whom he is talking.

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[*Translation*]

THE ADMINISTRATION

METHOD OF AWARDING CONTRACTS—REQUEST FOR INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): My question is directed to the Solicitor General and concerns the matter of alleged kickbacks demanded by the Conservative Party in exchange for contracts from the Department of Public Works. The day before yesterday, the Hon. Member for Broadview—Greenwood drew the attention of the House to allegations concerning Mr. André Bureau, and at the time the Minister of Justice said there would be an investigation. Why did they agree to an investigation in the case of Mr. Bureau, when the day before, they refused to order an investigation of the Public Works contracts? Is there one justice for Canadians and another justice for the Conservatives?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, if the Hon. Member has any evidence of any criminal activity on the part of anyone, he has the obligation to bring it directly to the attention of the police. I hope he will do so.

Mr. Boudria: I hope, then, that the Minister has evidence in the other case which he has not shared with us.

REQUEST THAT INQUIRY BE INSTITUTED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in light of public comments in the media concerning these alleged kick-back schemes in Public Works is there, or is there not, going to be a criminal inquiry? There is in the other case. If not, are Canadians being led to believe that this is Tory justice and that is what they will get from now on?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I guess what the public will be interested to know is whether this is simply Liberal histrionics or whether the Hon. Member has any evidence whatsoever to turn over to the police. If he has any evidence to turn over to the police—

Mr. Rossi: Look at the Gallup Polls, they will tell you!

Mr. Beatty: —they will be pleased to receive it and they will investigate.

Mr. Boudria: If it's a Tory it requires more evidence than for someone else.

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AIR CANADA

REPORTED SUSPENSION OF FLIGHT ATTENDANT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns a matter about which I know he and his colleagues are well aware. I have just received word that the Air Canada flight attendant who expressed her opinion when asked by a delegate to a Conservative convention has been assessed a 30-day suspension without pay.

Some Hon. Members: Shame!

Mr. Benjamin: I would like to ask the Deputy Prime Minister if the Government will make representations to Air Canada to have this unjustified decision reconsidered and rescinded?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Minister of Transport responded yesterday, and I believe the day before, that when received by him the matter was referred at once to the board of Air Canada. The decision, about which I am not aware, and which has been drawn to the attention of the House by the hon. gentleman, is a corporate decision.

Mr. Deans: It wouldn't have happened if it had not been for Maz.

Mr. Nielsen: His representations with respect to what should occur from now on will be brought to the attention of the Minister of Transport immediately upon his return. Should he see fit in his judgment to pass those on to the board, I am sure he will do so.

EXPRESSION OF OPINIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, since this all started out of the Minister of Transport's office and has now culminated in this, are all employees of the Government of Canada, Crown corporations and agencies, to consider that they suffer the consequences of having an opinion and expressing it when asked for it, whether they are on or off duty? Will this now be the criteria of the Conservative Government?

• (1440)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Not at all, Mr. Speaker. The hon. gentleman does a disservice to the House when he leaves that sort of murky accusation or implication lying around. To set the facts straight, let us remind ourselves that the Minister of Transport

received a letter and referred it at once to the board of Air Canada. To say that it all started in the Minister's office is a distortion of the truth. It is a corporate decision that has been made. The Hon. Member's representations will be brought to the Minister's attention.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CANCOM CORPORATION RATES

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, in July, 1983, a Saskatchewan cable television company, Battlefords Community Cablevision, was concerned and wrote two letters to the CRTC about an apparent inconsistency in rates offered by Cancom. My question is directed to the Minister of Communications. At that time did the CRTC undertake an investigation of this matter? If so, precisely what was done?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I have taken the question as notice. I will check with the Department of Communications and the CRTC and send you the answer.

* * *

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. Before taking office the Prime Minister committed himself to a process of Japanese-Canadian redress, including compensation. However, the Minister has again thrown cold water on the Government's written promise of December 15, 1984, to negotiate a settlement with the national association. Given that any agreement is only as good as the process, a process which has not been in existence, why is the Minister going against the spirit of his own leader and the commitment made by his predecessor in 1984? Is he telling the House that they were both wrong?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, as is usually the case, the Hon. Member is a day late, since I answered a similar question put by an Hon. Member from the New Democratic Party yesterday. I would repeat for the Hon. Member's sake that, whatever commitment this Party and the Prime Minister made, is going to be kept, and that is a heck of a lot more than can be said for the Liberals.

Mr. Marchi: Mr. Speaker, I am going to ignore his petty articulation on such an important issue. I would only say that his position has been shameful and irresponsible given his own Government's commitment—

Mr. Speaker: Order, please. Does the Hon. Member just have a question?

REQUEST THAT MINISTER DIVEST HIMSELF OF RESPONSIBILITY FOR REDRESS

Mr. Sergio Marchi (York West): Mr. Speaker, since the Minister is incapable of respecting his predecessor's commitment—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member is not asking a question. He can see what his preamble is causing. Would he just put a question now?

Mr. Marchi: Will the Minister remove himself from the dossier of Japanese-Canadian redress since he does not have sensitivity to it or the confidence of the community, and cannot respect the commitment of the Prime Minister and his own predecessor?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I do not need any lessons on sensitivity from an Hon. Member who uses this issue to grandstand, because that is exactly what he is doing here today and has been doing all along.

Some Hon. Members: Hear, hear!

Mr. Jelinek: The Hon. Member knows full well that I initiated a wide-ranging series of discussions with all interested parties—

Mr. Marchi: Take your running shoes out of your mouth.

Mr. Jelinek: Are you going to listen, or are you going to motor-mouth like you usually do?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Order.

* * *

LABOUR RELATIONS

SHIPWORKERS' STRIKE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the President of the Treasury Board. The Minister will know that this week more than a thousand Government employees who operate ships for four federal Departments right across the country were forced off the job because the Government refused to negotiate in good faith or

to accept the principle that workers in different parts of the country doing the same jobs should be paid at the same rate. Will the Minister instruct his officials to accept the majority conciliation report which partially redresses this very important issue?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I take strong objection to the preamble to the Hon. Member's question. In this case the Government has never refused to negotiate in good faith. The members of the union walked off their jobs illegally and we are now seeking an injunction to deal with the issue.

REQUEST FOR RESUMPTION OF BARGAINING

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, if the Minister wants to avoid labour disputes in the four Departments, and if he is not prepared to accept the conciliator's report which was reluctantly accepted by the unions, would he at the very least go back to the bargaining table to present a new offer, something which he has not done in six months, to see if some settlement can be reached?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member speaks of good labour relations. I would just like to tell him that in the last several months we have successfully signed 64 collective bargaining agreements with 159,307 employees in the Public Service, with no labour disruptions whatsoever, at an average rate of 3.53 per cent for three years.

Some Hon. Members: Hear, hear!

Mr. de Cotret: That represents 82.29 per cent of unionized Public Service workers. We are doing everything in our power to reach good negotiated settlements that are fair for the public, for the Government and for the employees concerned, and we are succeeding.

* * *

[*Translation*]

TEXTILES AND CLOTHING

ALLEGED MANNER IN WHICH ROMANIA HANDLES QUOTAS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State (Finance).

Some Quebec industries have told me that Romania is circumventing import quotas on specific items and saturating the Canadian market with winter and fall overcoats instead of pyjamas and raincoats, and so forth.

Does the Minister intend to make enquiries at Canada Customs in order to correct, if necessary, the way the tariffs on textile imports are enforced?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I believe this matter should be brought to the attention of my colleague, the Minister for International Trade. In fact, I believe he is examining the matter at this time.

I may add that imports from Romania represent only 1 per cent of our clothing imports.

* * *

INDUSTRY

INQUIRY WHEN GOVERNMENT WILL ANNOUNCE MEASURES TO AVOID CLOSURE OF PLANTS IN MONTREAL EAST AND CREATE MORE JOBS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I want to direct my question to the President of the Treasury Board and Minister responsible for the Montreal area Cabinet committee.

The survival committee got together last week and their unanimous view was that the federal Government did not do anything to avoid, or rather to save jobs in Montreal East, and Canadian Vickers Limited did lay off 175 employees.

Can the Minister tell us when he will announce concrete measures to avoid plant closures in Montreal East and create more jobs? Second, did he get a report from the advisory committee?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am pleased to reply to my colleague. The answer to his second question is yes, the advisory committee did submit a preliminary report in record time, in fact hardly a month after it was established. The advisory committee is planning to present a second report to the Cabinet committee on Friday of next week.

With respect to measures, I would point out to the Hon. Member that we have already unveiled a fair number of measures designed to boost Montreal's economic development. Indeed some of these measures had been recommended by the advisory committee.

REQUEST THAT GOVERNMENT PUBLISH REPORTS PRESENTED BY ADVISORY COMMITTEE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister did not give an answer concerning specific measures to improve deteriorating conditions in Montreal East.

Can the Minister tell us whether he will be releasing the advisory committee reports, and whether the advisory committee report contains recommendations to help Montreal East?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, since the purpose of this exercise is give back to Montreal the economic stamina it lost under the previous Government, unfortunately, it stands to reason that the appropriate recommendations made by the advisory committee

will be released to the public. They will be announced at the earliest opportunity, and Montreal will benefit from measures taken by a Government which is concerned about the economic development and the economic future of Montreal and its residents.

* * *

SHIPYARDS

REQUEST FOR CLARIFICATION OF MINISTER'S ALLEGED STATEMENT CONCERNING RATIONALIZATION OF QUEBEC SHIPYARDS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of State (Small Businesses).

Why did he mislead the people of Sorel last week by telling 2,000 demonstrators on Parliament Hill that the Government had never given the president of Versatile Vickers a mandate for rationalizing shipyards in Quebec? Why did he say that?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I repeat, we never gave Mr. Saunders a mandate for rationalizing or shutting down any business whatsoever, either in Sorel or anywhere else in Quebec.

ENQUIRY WHETHER GOVERNMENT CAN CONFIRM DISCUSSIONS WILL BE HELD TO ESTABLISH SHIPBUILDING POLICY

Mr. Lorne Nystrom (Yorkton—Melville): In that case, Mr. Speaker, I have a supplementary.

Will the Minister now confirm before the House that he intends to meet the commitment he made to those 2,000 people from Sorel, namely that there would be discussions with the shipyards and the unions in order to establish a Canadian shipbuilding policy?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I could do without comments from the Liberal Member for shutting down businesses.

Mr. Speaker, I can say that last week I was delighted to meet the people from Sorel and to reassure them about what was happening in Quebec and to put a stop to those negative rumours the Liberal Members have been spreading with their talk about shutdowns, shutdowns and more shutdowns. The only one who is talking about shutdowns here, Mr. Speaker, is the Hon. Member for Montreal—Sainte-Marie.

• (1450)

[*English*]

ENERGY

DIESEL, HOME HEATING, AND AVIATION FUEL PRICES

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, the Minister of Energy, Mines and Resources has done very well in getting the price of gasoline down.

Some Hon. Members: Oh, oh!

Mr. Ellis: When will the Minister or her Parliamentary Secretary be able to advise us of some success in terms of bringing down the price of diesel fuel, which fuels the trucks on our highways, the price of home heating oil for senior citizens, and more particularly the price of general aviation gas which is still particularly high?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): In the fullness of time, Mr. Speaker.

* * *

ENVIRONMENTAL AFFAIRS

TOXIC SUBSTANCES IN CROPS AND FOOD

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. As the Minister knows, repeated scientific studies have reported the presence of toxic substances in crops and food. In view of mounting public preoccupation with health, will the Minister undertake to launch immediately a study on the presence of toxic chemicals in food, based upon a broad national sample?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker. I think that is a reasonable representation. It is an idea with which my Department and I are wrestling. Some of the concern is based upon a major study done by Kate Davies through the auspices of the International Joint Commission, which the federal Government helped to fund. However, I think the study was fairly limited in the sense that it focused upon only seven toxic chemicals. It was certainly not on the broad range of toxic chemicals the Hon. Member has called to have studied. In light of those circumstances, the representation he has made has been well taken by me and by my Department.

WITHDRAWAL OF *STORM WARNINGS* PUBLICATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the meantime, while the Minister is wrestling with this proposal—and I hope it will not be for too long—will he release the *Storm Warnings* report which he stopped, or at least undertake to reinstate the Guelph Toxicology Centre which the Minister of Finance wiped out in his November, 1984, Budget.

Mr. Wilson (Etobicoke Centre): It was not a Budget.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I suppose this is yet another example of the left hand of the Liberal Party not knowing what the right hand is doing, or indeed an example of one hand chopping off the other at the wrist. The *Storm Warnings* publication was withdrawn because there were some very marked differences of opinion in the scientific community about the facts in the study. As a result of strong representations made to me by my Department's scientists—

Mr. Gauthier: Canadian scientists, not yours.

Mr. McMillan: —by those in the Federal Department of National Health and Welfare, and by the Liberal Government of Ontario, the publication was withdrawn. We have no intention of re-releasing it until the scientific community can agree on the facts as reported.

* * *

HUMAN RIGHTS

EL SALVADOR—TREATMENT OF HUMAN RIGHTS WORKERS

Mr. Dan Heap (Spadina): Mr. Speaker, I have a question for the Acting Prime Minister. Since Canada has resumed aid to El Salvador, will the Deputy Prime Minister tell us what Canada is doing to protect the five Salvadoran human rights workers who were recently kidnapped, tortured, or arrested by the Treasury Police, in particular Michele Salinas who, during the visit last year of the Minister of External Affairs, risked her life to present to that Minister, in front of President Duarte, a file on the human rights violations in El Salvador? Will the Minister explain why Canada has resumed aid to the Government of El Salvador, which is attacking its own independent Human Rights Commission?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will make inquiries in respect of the details contained in the hon. gentleman's question and will ensure that the Minister responsible gives him a full reply either in the House or by correspondence.

REQUEST THAT GOVERNMENT MAKE INQUIRIES

Mr. Dan Heap (Spadina): Mr. Speaker, will inquiries be made today and directly to the Government of El Salvador in San Salvador? Human lives are at risk, in the hands of police with a very brutal reputation for torture and murder.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will ensure that the hon. gentleman's representations are brought to the attention of departmental officials today. Should there be a need to follow his suggested course, I am sure they will take the responsible course of action.

[*Translation*]

CANADA POST CORPORATION

REQUEST FOR HOME MAIL DELIVERY IN NEW HOUSING PROJECTS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Acting Minister responsible for Canada Post. Canadians from sea to sea are protesting the cutbacks in home delivery services. Yesterday, people from Montreal, who felt frustrated at not being able to speak to the Minister responsible for Canada Post, invaded the foyer of the House of Commons. How many protesters must come to Parliament before the Government provides home delivery service in new housing projects?

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I assure the Hon. Member that it is the intention of the Minister responsible for Canada Post to meet with those citizens at a satisfactory time to be arranged. I am sure he has found at times that he could not meet with his constituents, as we all have found from time to time. The second part of his question dealt with the improved service of Canada Post. I refer the Hon. Member to the Marchment Commission which had full consultation with all sectors in society today. It is on that report that we will base serious recommendations to improve Canada Post. On repeated occasions the Minister has assured the House that that will be brought before Parliament before the end of June.

GOVERNMENT RESPONSIBILITY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, will the Government stop studying how to reduce the postal service and take its responsibilities by introducing daily home mail delivery to new residential districts?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I assure the Hon. Member that Canada Post operates on both the use of the private sector and of the public sector. We have continued to improve service. We have increased volumes of mail. We are continuing daily delivery to homes in urban areas, and we are extending services in rural areas in a different fashion to be more economically sound in administering Canada Post.

* * *

CORPORATE AFFAIRS

DOME PETROLEUM

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister of Finance. The debts of Dome Petroleum are due tomorrow, and people are

wondering whether it will go out of business. Will the Minister confirm whether he, the Minister of Energy, or departmental officials have had discussions with Dome Petroleum? Is it his opinion that Dome will go out of business?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is trying to excite some imagination, which is not very responsible of him. Yes, we have been in continuing discussions with the company and other parties interested in the matter. We will continue to be in touch with them. I am pleased with the progress of the discussions, and I do not think the expectations of the Hon. Member will come to pass.

INVOLVEMENT OF CHARTERED BANKS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I know the Minister of Finance is aware that if Dome Petroleum goes under, interest rates could go up. Would he ensure that the banks do not pass on their losses in terms of higher interest rates to ordinary Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is a totally hypothetical question. Surely the Hon. Member understood my response to his first question.

Mr. Speaker: One question, the Hon. Member for Hamilton East.

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[*Translation*]

TRADE

REPRESENTATION OF WOMEN AND FRANCOPHONES ON FREE TRADE NEGOTIATING TEAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, since ambassador Reisman, Canada's negotiator, believes that it is enough to have drivers and secretaries representing Francophones and women in the free trade negotiations, can the Acting Prime Minister tell us what he has done to keep the promise of the Secretary of State for External Affairs to add Francophones and women to the negotiating team so that they will really be in a position to have a say in the free trade negotiations?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, this question has been put before, and the lead Minister, the Secretary of State for External Affiars, answered it on March 21. He is recorded at page 13473 of *Hansard* saying:

• (1500)

—we agree that the Canadian team should more accurately reflect Canadian society.

Steps are being taken to see that that is done.

Some Hon. Members: No answer.

* * *

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Member on the government side who is carrying out the duties of Government House Leader whether he has anything further to report to the statement given yesterday by the House Leader. This is Thursday, the day we usually ask the House business question. Does the Acting House Leader have anything further to add to the statement of yesterday?

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): No, Mr. Speaker. We intend to discuss this matter with the House Leaders. At this time I am not in a position to make any public declaration as to what we might be doing on Monday. I can assure you, Mr. Speaker, that we will be doing so as soon as possible.

* * *

POINT OF ORDER

CLARIFICATION OF STATEMENT BY MINISTER

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I rise at the earliest opportunity to correct an impression that I may have left in my responses to the Hon. Member for Regina West (Mr. Benjamin). I believe I said the correspondence which was referred to by the Minister of Transport (Mr. Mazankowski) was referred to the board of Air Canada. I meant to say that it was referred to the management of Air Canada and not the board.

Mr. Benjamin: Mr. Speaker, I rise on the same point of order. The letter to the Minister of Transport (Mr. Mazankowski) was referred to the executive correspondence unit of the Department of Transport. I will be happy to give the Deputy Prime Minister (Mr. Nielsen) the file number.

* * *

Mr. Alan Redway (York East): Mr. Speaker, I rise on a point of order. It concerns House business and my question will be addressed to the Parliamentary Secretary.

Mr. Speaker: Given that the Hon. Parliamentary Secretary said he had nothing to announce today, it is a little difficult to allow further questions. The Hon. Member for York East (Mr. Redway) briefly.

Mr. Redway: Mr. Speaker, Bill C-67 was reported back to this House at the end of January. It has not come back on the

Order Paper for third reading. Can the Parliamentary Secretary assure us that Bill C-67 will come back next week?

Mr. Lewis: Mr. Speaker, I can assure the Hon. Member that we are actively considering proceeding with that Bill. It has been a question of making sure that all the amendments from all Parties are on the Order Paper in order to be able to proceed and to be sure that we have the critics from the two Opposition Parties in position. I can assure the Hon. Member that Bill C-67 is under very active consideration.

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, as reported (with amendments) from the legislative committee.

Mr. Speaker: I believe what I am about to say has been distributed to Hon. Members. I asked that it be distributed earlier so that Members would have the information in advance.

There are six report stage motions on today's Notice Paper in amendment to Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act.

As Motions Nos. 3 and 4 attempt to amend line 30 in Clause 1 of the Bill and are significantly similar, it would be my intention to select Motion No. 3 standing in the name of the Minister of State for Finance (Mrs. McDougall) as she is the sponsor of the Bill. Accordingly, Motion No. 4 will be dropped from the Notice Paper.

Motions Nos. 1, 2, 3, and 5 will be grouped for debate and voted on as follows: Motion No. 1 will be voted on separately; an affirmative vote on Motion No. 2 obviates the question being put on Motion No. 3. A negative vote on Motion No. 2 requires the question to be put on Motion No. 3; and Motion No. 5 will be voted on separately. Motion No. 6 will be debated and voted on separately.

Therefore, I propose to call Motion No. 1 standing in the name of the Hon. Member for Regina East (Mr. de Jong). Under the circumstances I think the House will give its consent that the motion be moved by Mr. Deans for Mr. de Jong. Is that agreed?

Some Hon. Members: Agreed.

Mr. Ian Deans (for Mr. de Jong) moved:

Motion No. 1

That Bill C-86 be amended in Clause 1 by striking out lines 16 to 18 at page 1 and substituting the following therefor:

"intendent of Insurance, the Inspector General of Banks and the Deputy Minister of Consumer and Corporate Affairs; and

(c) not more than three other members"

Mr. Speaker: The same situation arises with Motion No. 2 standing in the name of Mr. Riis. Is there unanimous consent for the Hon. Member for Hamilton Mountain (Mr. Deans) to move it for the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Some Hon. Members: Agreed.

Mr. Ian Deans (for Mr. Riis) moved:

Motion No. 2

That Bill C-86 be amended in Clause 1 by striking out lines 25 to 30 at page 1 and substituting the following therefor:

"Board of Directors

(a) if the person is employed in any capacity in the public service of Canada or holds any office or position of which any salary or other remuneration is payable out of public money; and

(b) unless the person complies with the following:

(i) that within sixty days of appointment and thereafter annually, the person reports in writing and in confidence to the chairman all direct and indirect interests the person holds in member institution;

(ii) that as a director, the person is required to divest himself of any direct or indirect interests in any shareholding that is in excess of ten per cent of the outstanding shares of any class of share of a member institution or where the chairman is of the view that the shareholding constitutes a significant interest in the member institution; and

(iii) subject to the chairman's request, that the person divests himself of shares that are pledged to a lending institution as collateral for loans made to the person, and such divestment shall be accomplished by selling the shares in an arm's length transaction or by placing the shares in a trust."

Hon. Barbara McDougall (Minister of State (Finance)) moved:

Motion No. 3

That Bill C-86 be amended in Clause 1 by striking out lines 26 to 30 at page 1 and substituting the following therefor:

"(a) employed in any capacity in the public service of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys;

(b) a member of the Senate or House of Commons of Canada or a member of a provincial legislature; or

(c) a director, officer or employee of a federal institution or provincial institution."

Mr. Speaker: Is there unanimous consent that the Hon. Member for Hamilton Mountain (Mr. Deans) move Motion No. 5 for the Member for Regina West (Mr. de Jong)?

Some Hon. Members: Agreed.

Mr. Ian Deans (for Mr. de Jong) moved:

Motion No. 5

That Bill C-86 be amended in Clause 1 by striking out lines 1 to 8 at page 2.

Mr. Speaker: Motions 1, 2, 3 and 5 are grouped for debate. Debate. Under the circumstances, the Hon. Minister of State for Finance (Mrs. McDougall).

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to offer some comments on the

amendments proposed to Bill C-86. It is important that as we commence this stage of the legislation Members are aware of the importance of the legislation.

As a result of the difficulties experienced by several financial institutions over the past several years, the deposit insurance system has experienced substantial losses. The extent of the losses were such that the CDIC's accumulated financial resources were depleted. In other words, CDIC is in need of the money. Moreover, these losses will continue to impede the rebuilding of the deposit insurance fund, which will require rebuilding to provide it with a sound financial base. Indeed, without an increase of premiums the deposite insurance fund's deficit will continue to increase even if CDIC does not incur additional losses in the future. Interest costs on funds borrowed to finance past deficits, and this is an important point, would exceed premium revenue at current rates. This is the reason for the urgency behind the legislation being discussed today.

Bill C-86 would raise the premiums paid by member institutions of the CDIC from the present level of one thirtieth of one per cent to one-tenth of one per cent of insured deposits effective February 1, 1986. This increase in premium levels is necessary to begin the lengthy process of reducing the size of CDIC's deficit.

The increase in premium rates expires at the end of March, 1987, and thus would be an interim measure, pending the completion of a full review of the deposit insurance system. The reports prepared by the House finance committee and the committee in the other place examined this issue and their reports are important elements in this process. I should indeed thank all Hon. Members for their participation in that discussion.

Some Members of Parliament have expressed concerns that the proposed premium increase is effective February 1, 1986. It has been suggested, for example, that the legislation enforces a retroactive increase in deposit insurance premiums. It is important to note that this legislation was first tabled and made public on November 29, 1985. CDIC members therefore had ample notice that the Government was planning to raise CDIC premium rates.

When it became apparent that the legislation would be delayed, it was decided that this increase in premiums be authorized in the Bill as of a specific date. In mid-January we announced that we would make the higher premiums effective February 1. A letter to this effect was sent to all CDIC member institutions. We were very concerned about providing them with warning.

Another provision is that Bill C-86 increases the size of the Board of Directors of CDIC to provide for the appointment of up to four board members from outside the federal public service. This amendment addresses the Wyman Committee's recommendation that there be broader private sector representation on the board of the CDIC. It was suggested that representatives from the private sector would complement the existing membership, who are public service directors, by bringing a private sector market perspective to the decision-making process of the board. These directors will provide the CDIC with valuable insights on developments in the financial system. The legislation precludes individuals still active in financial institutions from serving on the board of directors.

• (1510)

It has been suggested that active members of the financial institution sector should be appointed to the board to ensure that the CDIC has access to timely market information. That point is well taken and that is why we propose private sector directors in the Bill. However, the appointment of active board members within financial institutions would raise serious conflict of interest concerns since CDIC board members receive sensitive information from member institutions which could frequently be competing institutions. Member institutions must, therefore, at all times be assured that the information they provide to the Deposit Insurance Corporation will not be used in a manner which is detrimental to their interests. Consequently, I believe it would not be appropriate to appoint individuals active in the financial institutions sector to serve on the CDIC board of directors.

The legislation does not preclude the possibility of having someone from the consumer sector serving on the board. Our intent is to ensure that four of the best people are selected to fill the new positions. Defining who those people should be would limit our capability to make future appointments based on that and our flexibility to pull in people from coast to coast with different kinds of expertise.

It was also proposed that there be conflict of interest provisions placed in the legislation. I share, as much as anyone, the Hon. Member's concern about the need to prevent conflict of interest with CDIC board members. However, if specific conflict of interest provisions were placed in the legislation, it could limit our flexibility in dealing with possible future conflicts of interest because these values change. If this proposal were adopted, changes to these guidelines would require legislative changes.

For this reason I feel it is advisable to have conflict of interest guidelines in corporate by-laws. This would allow the CDIC to react quickly to a possible conflict of interest situation which might arise. It is the intention of the Government to ensure that the conflict of interest guidelines which are formulated are effective. We regard this as a matter of the highest importance. Given the importance of the deposit insurance system, Mr. Speaker, I hope that all Members will join with me in supporting this legislation.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are going to support this legislation although we will move some amendments which we think are pretty important. We are going to support the legislation because there is no other way. We look upon it as essentially a stop-gap measure. We believe that the reason the CDIC has its present problems and has had to finance bank and trust bankruptcies in recent years is

because of the inadequacy of the legislation and the monitoring system. Due to this, when things went bad, as they so frequently have in recent years, both under the Liberal and Conservative administrations, the monitoring system which was supposed to protect the people of Canada from the disasters which took place were not in place.

During the hearings by the Standing Committee on Finance, Trade and Economic Affairs into Canada's financial institutions a number of witnesses supported the increase in the premium levels paid into the deposit insurance corporation. Considering the numerous failures of trust companies, loan companies, and most recently banks, and the fact that in 1983 the level of deposits covered by insurance was increased from $20,000 to $60,000, there has been a recognition that premium increases are required. We are not opposed to this increase but there are points worth touching on in this debate. We want to get them on the record.

First, the increases in premium contributions may, and I am certain will, be passed on by some if not all the institutions to the consumers through increased service charges. We have seen service charges increase in number and by very substantial amounts in both banks and trust companies. The days when banks provided services for free are long since gone. This has helped the profits of banks escalate.

Second, under the current legislation which is not affected by the amendments to Bill C-86, member institutions are entitled to reduced premiums when, in the opinion of the corporation, the deposit insurance fund is adequate having regard to all the circumstances. These reduced premiums are usually extended to member institutions in the form of a rebate.

We are not opposed in principle to the increased numbers of members on a corporation board. There is little doubt that the CDIC as well as the other regulating bodies are in desperate need of a fundamental reorganization. I would include in that group of organizations which need fundamental reorganization the office of the Superintendent of Insurance. I hope that when we get the new system in operation the Superintendent of Insurance, the Inspector General and the head of the Bank of Canada will talk to each other. Apparently when the Superintendent of Insurance realized that there were certain things wrong with the trust companies there was no communciation with the Inspector General who could have taken early action which would probably have avoided some of the major disasters which took place.

However, the concern with this specific provision is that the majority position will in future be held by private sector rather than public sector members. We find that very strange because, as the Minister knows, there is a very distinct possibility of a conflict of interest. While the latter may well have more hands on experience, as long as CDIC has access to the Consolidated Revenue Fund it cannot be construed as a private sector organization. It should not be seen as a glorified Canadian bankers' association. Therefore, we would have serious reservations about handing over majority control of the CDIC to private sector oriented directors. The major proponent of this latter proposal was the Wyman committee which contended that: "in an environment of deregulation" it was essential that CDIC reflect that reality.

As I indicated earlier, we believe that Bill C-86 is a stopgap, short-term measure. Taken in the context of the recent bank and trust company failures, this legislation should only be interpreted as a minimal knee-jerk reaction rather than a substantial beginning to require reform of the regulatory and supervisory institutions. For example, from the direction of both Bill C-86 and the proposed legislation which will be presented more formally some time in the future, the Government appears somewhat reluctant to fully undertake to bring into existence the recommendation of the standing committee on finance for a national financial administrative agency which would consolidate all regulatory bodies into one organizational structure.

I have already indicated our concerns, that if we do not do this we will have a repeat of what happened previously when one of the important regulatory agencies did not communicate with the other. In the course of debate we want to emphasize the interim nature of the Government's response to the crisis in the financial sector. When I talk about a crisis, I do so advisedly. Just look at the billions of dollars the CDIC has had to pay out because of the failures of trust companies and banks.

• (1520)

We have some questions concerning Bill C-86 which need to be answered. First, what measures are there in the Bill to prevent members of the board of directors from the private sector being considered on the basis of political connections rather than on merit? Second, why would the Government consider it astute to permit the use of alternates on the board when the Government-appointed Wyman committee recommended against such a practice? Third, should CDIC, as a result of the increase in the number of private sector board of directors, be placed in a position of appearing to become a federal agency which in fact is little more than the equivalent of the Canadian Bankers' Association; a vehicle for the private sector to influence direction of Government policy and perhaps as a means by which to manipulate competition amongst member organizations?

The Canada Deposit Insurance Corporation was established in 1967. In its first year of operation the corporation insured 28 federally-incorporated financial institutions, 10 of which were banks, and 41 provincially-incorporated trust and loan companies. The level of deposit protection was set at $20,000 and the total amount of deposits insured was $17.1 billion. By the end of 1984 there were 140 federally-incorporated institutions affiliated with the CDIC, 72 of which were banks, and 46 provincial institutions. The insured deposits had increased from $20,000 to $60,000. Total deposits insured were $162 billion. Apart from that change in 1983, the corporation's authority to borrow from the Consolidated

Revenue Fund was also increased from $500 million to $1.5 billion. Both of these substantial increases were introduced in the wake of the Crown-Greymac-Seaway trust fiasco of that year.

Let me pause for a moment to say something about that. We understand that the CDIC, having paid out the money lost, wound up with 10,000 apartment units in Toronto valued at something in the neighbourhood of $1.5 billion. We are very concerned about that real estate. How is the CDIC going to dispose of it? If it does so quickly and at market value, and if the market is very active and they get a high price, and I suppose from the point of view of the CDIC it should get as high a price as it can in order to recoup as much as possible of the money it paid out, then the new owners will be required and entitled to ask for and maybe get very substantial rent increases on those apartments. They are entitled to make a reasonable profit. We are very concerned about how that kind of transaction will be dealt with by the CDIC.

Like the Office of the Inspector General of Banks, the CDIC, while having a vital role to play in the regulation of deposit-taking institutions, has never been considered until very recently as an essential service. Previous Governments, and to some degree the present Government, have not demonstrated an attitude which indicated those bodies were so regarded. In 1980, for example, when the recession was beginning to take hold, the CDIC had a total of five employees. In 1984, after eight trust companies had either collapsed or been taken over, the staff stood at 16. Even when allowing for the difference in size, we have to be struck by the fact that the U.S. Federal Deposit Insurance Corporation has a staff of 1,500 who deal only with the liquidation of failed institutions.

We believe very strongly that the CDIC and the Inspector General, or whatever agency is given the responsibility, should monitor and regulate these institutions so that the people who deposit their money will not lose it. Yet how can they do the necessary monitoring so that we will not have a repeat of the situation we had in the past?

Let me just say in closing that we believe we need people from the public sector on the board of the CDIC. We are, to say the least, unenthusiastic about a large number of private sector representatives on that board who may indeed have a conflict of interest, either obvious or not so obvious, but certainly there.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to follow up on some of the comments made by my colleague, the senior Member for Winnipeg North. I am particularly concerned about Motion No. 1 standing in the name of the Hon. Member for Regina East (Mr. de Jong). The motion calls for adding a number of people to the board.

Just to go back for a moment, as I understand it, this Bill deals with deposit insurance for banks and trust companies. The Bill does two things. It increases the premiums that the CDIC collects from the banks and trust companies. It had to do that because it has paid out so much in claims recently. The Bill also increases the board of directors from five to nine people. I have no objection to increasing premiums. However, we have some problems with the number of the board of directors and we would like to make some changes.

Our concern is with the management of the corporation. That is why we have introduced a series of amendments which we think will make the management better in the public interest. I have to go to committee soon. You will notice that around this House you are going here and there. You have committees going at the same time the House is sitting and sometimes it can be very difficult. I am glad I am able to speak now and I thank my Liberal friends who have allowed me to do so at this time.

I think the first amendment is important. What it does is add to the board of directors the Deputy Minister of Consumer and Corporate Affairs. Why is that important? Well, it is important because each of the other board members represents government Departments which are close to the corporation. There is almost a conflict of interest in the sense that all the other Departments, Finance and so on, sometimes have reasons for wanting the Deposit Corporation to act, for example, in the bankruptcy of the Canadian Commercial Bank. That was a good example of a case where they would want the moneys to be paid out quickly.

• (1530)

What we want is to have a consumer voice on that board, and that consumer voice would be someone from the Government representing the Consumer Affairs Department who would bring a different point of view to the discussions of the board of directors. We feel it is essential to have a member of the board of directors whose role it will be to monitor the workings of the corporation on behalf of consumers. That was the first amendment by the Hon. Member for Regina East (Mr. de Jong).

We want to preserve the public sector majority on the board of directors, considering the access the corporation has to the Consolidated Revenue Fund.

In a third amendment we feel it is essential to ensure to as great a degree as possible that those who are to sit on the board of directors are not in a potential conflict of interest situation. Goodness knows, over the last few months in this House we have heard enough about conflicts of interest situations. It is an issue that is alive, and certainly the former Minister of Regional Economic Expansion is concerned about conflicts of interest.

What we are trying to do in this amendment is to make sure that those who sit on the board of directors are not in a potential conflict of interest situation. We want these provisions established in the Act. They will not preclude the corporation from having its own by-laws. The Hon. Member for Kamloops—Shuswap (Mr. Riis) proposed a very creative amendment which deals with the board of directors divulging

its assets and divesting itself of them. We also deal with relatives and others to whom assets may be transmitted. We think it is a good amendment and a necessary one because this board could, in fact, find itself in a conflict of interest situation because you are talking about paying off insurers of a financial institution that the Government may be involved in bailing out. If that happens, we do not want to have a conflict of interest situation.

We have also proposed an amendment which will have the disqualifications which presently apply to the private sector chairman apply to the private sector members of the board of directors. If you are going to have private sector members of the board, then we would like this provision included as well.

The last amendment we dealt with is to remove alternates from being able to attend meetings of the board of directors of the corporation. I am told that at the Legislative Committee studying Bill C-86 the Canadian Bankers Association, the Trust Company Association of Canada, and the Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), all supported the principle that alternates should not sit or attend meetings of the board of directors.

If those two groups and that fine gentleman—all probably Tories to the core—are prepared to support that amendment, let it not be us who hold it up. Indeed, we have gone further, we have proposed the very amendment that they were in favour of. That is the final amendment we propose.

Let me sum up by saying that from the NDP's point of view on this Bill we have no objection to the increased premiums part of the Bill. We do have some objection to the board of directors and how the corporation is managed through the board of directors, because it is they who will be doing the management. What we want to do is to make that board better, and that is the thrust of these amendments.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to participate in the debate on report stage of Bill C-86, but I have to say at the outset that we in the Official Opposition are very puzzled by the kind of timetable that the Government is using. The Minister today said that she regarded this Bill as very important and urgent.

When the Minister appeared before the House of Commons Finance Committee on September 9, 1985, she gave notice of the provisions of this Bill, and of draft legislation, which she described as items of high priority. Yet the Bill was not tabled in the House until November 29, 1985. Then the Bill sat on the Order Paper until it was finally called towards the end of January.

We in the Opposition responded to the Government's perfectly sensible statement that it was important to get this Bill dealt with, so we let the Bill go to committee after only one day of debate. In the legislative committee it was again dealt with expeditiously. It was reported out of committee on February 5. There it has sat. We remain very puzzled. We keep hearing that the Bill is urgent, but we do not see the Government making any great moves to advance it in its legislative program.

We are concerned generally about the Government's leisurely approach to the question of the regulation and supervision of Canadian financial institutions. A review began during the last Government. The new Government decided not to accept the work of a very distinguished volunteer committee, which had worked on it for a year. That was all thrown out and a new set of consultations began, which eventually led us to a Green Paper. The Green Paper, having been out in the public sector, was then reviewed by the Standing Committee on Finance.

Bill C-103 has been tabled, but that does not go very far. This particular Bill C-86 is very much "a quick fix job" which proposes two temporary measures, and I say temporary because the Bill has a sunset clause that is valid for only one year. Bill C-86 proposes to do two things. First, it proposes an increase in the premium level paid by the member institutions of the Canadian Deposit Insurance Corporation. Currently they pay one-thirtieth of 1 per cent of their insured deposits. Bill C-86 proposes to change that to one-tenth of 1 per cent. As I said, the increase is to be in effect for one year only because this increase does not really address the problems of funding the CDIC adequately in view of the tremendous demands on the fund of recent years.

There is general agreement that the premiums should increase to reflect recent risk experienced, but the proposed increase certainly will not clear the deficit. There still remains the problem of finding a long-term solution. Different proposals have been put forward. The House of Commons Finance Committee recommended eliminating the deficit in ten to 25 years through surcharges on member institutions. The Senate Committee and the Wyman Committee both recommended eliminating the deficit in 10 years and separating deficit financing from operational financing. Those matters still remain to be addressed. In the meantime, as has been pointed out, the CDIC is able to function because it has access to a $1.5 billion line of credit from the Consolidated Revenue Fund.

• (1540)

One thing the Bill does is to increase the premiums in a limited way for one year, and then the whole problem has to be dealt with at that time. Second, the Bill proposes to increase the size of the CDIC's board of directors and include members from outside the Public Service. At the present time, the board of directors consists almost entirely of public servants, the Governor of the Bank of Canada, the regulator of banks, the Inspector General of Banks, the Superintendent of Insurance, and the Deputy Minister of Finance. The chairman is appointed from the private sector and is the only private sector representative.

The Bill before us proposes the addition of four outside directors. Contrary to the view of my NDP colleagues, I think that adding directors with experience in the financial field

should be an effective and useful balance. However, I am in favour of some of the amendments proposed by my NDP colleagues and I would like to address these now. In Motion No. 1 the proposal is to add the Deputy Minister of Consumer and Corporate Affairs to the board. That probably would be useful in that it emphasizes the concern for consumers. After all, the CDIC was originally intended to serve and protect the unsophisticated small depositor.

In Motion No. 2, the mover of the motion has taken some of the guidelines on conflict of interest which the CDIC has adopted voluntarily and he proposes including these in the statute. I think that is probably a good thing to do as well in that more things are in the statute rather than leaving conflict of interest guidelines up to the good will of people. This is not quite the position I took at second reading, but then a number of events have happened since that time which have lead me to have more awareness of the need to put things in the statute rather than leave it up to good faith and good judgment.

The Minister's Motion No. 3, which also sets some requirements for the public sector representatives on the board, I find quite acceptable.

I am sorry that Motion No. 4 has been struck, but since it has, I expect it is not in order for me to comment on it. However, I think the emphasis on Canadian citizenship is a useful thing that probably should have been retained.

I understand we will be debating Motion No. 6 separately and I will come back to discuss that motion later. I want to go back again to the background and the urgency of Bill C-86 and to stress that we will not be delaying it unduly either now at report stage or at third reading because it is a quick fix and there is not very much in it. However, I am deeply concerned that at this stage in the history of our country, with all that has happened in recent years, we are still only dealing with a "quick fix" Bill and have not yet addressed some of the serious problems which were illustrated when some Canadian financial institutions have got into difficulties. In 1982, deposit insurance coverage was increased from $20,000 to $60,000 after the Ontario Government seized three trust companies in the belief that public funds were at risk. In order to protect those funds, the federal Government moved to insure all depositors of the institutions at the new higher rate. In 1985, as part of the Canadian Commercial Bank bail-out, the CDIC committed $75 million and, according to its annual report, it did not make any provision for loss as it expected to be fully reimbursed. That expectation, unfortunately, was not met. Later the Government announced its intention to reimburse all depositors in both the Canadian Commercial Bank and the Northland Bank. As a result, CDIC paid out, as far as insured deposits were concerned, $250 million to CCB depositors and $170 million to Northland depositors, while uninsured deposits came to $430 million for Canadian Commercial Bank and $470 million for Northland. So at this point estimates have put the CDIC deficit at about $1.2 billion.

The Bill before us is a small step towards correcting the problems. Let us hope we see some substantial measures soon.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too would like to speak to the grouping of amendments in Bill C-86, an Act to amend the Canada Deposit Insurance Corporation.

Motion No. 1 put forward by one of my colleagues is a very crucial one. This amendment would place another individual, another position, on the board of CDIC. It would be a position which would be there for the purpose of keeping the consumer in mind when decisions about the policies and actions of the Canada Deposit Insurance Corporation are made. In theory, the CDIC is there to protect the consumer. The individual who places his or her trust in a financial institution, be it bank or credit union, whatever is applicable, should have his or her money protected. Should something happen to the financial stability of that particular institution, the individual consumer should not lose his or her life savings.

The current make-up of the board of directors includes a chairman from the private sector, the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. With the exception of the chairman, the remaining four members are people who are directly involved on a day to day basis with the financial community. They tend, I would suspect, to get wrapped up in the dollars and cents aspect, in the regulations and in the paper flow and do not think about the average Canadian family, perhaps a couple reaching their retirement years, who have put money away not in a sock or under the pillow but in their bank account and then, all of a sudden, something happens to that institution and their money is no longer there. They will look to CDIC and say: "Well, I want my money back". If there is not a consumer advocate on the board of directors it is possible that the CDIC could make a decision which would prevent an average Canadian family headed into retirement from getting their money back. It is important to have someone there all the time to remind the senior bureaucrats that the reason the organization exists is for the protection of the little guy, the little girl—the average Canadian.

• (1550)

By amending this clause to add the Deputy Minister of Consumer and Corporate Affairs to the list we do two things. We provide an advocate for the consumer, while not tampering with the structure. We are not bringing in a consumer advocate *per se*; we are bringing in the most senior official next to the Minister in the Ministry of Consumer and Corporate Affairs. This is an official who is duty bound to look out for the consumers of the country. We wish to provide this linkage to ensure that there is some type of responsible review of any decisions that are made. Sometimes it is just a matter of a person saying: "But what about the consumer? How will this regulation affect a depositor in Vancouver or a person who has

his or her life savings in Moncton?" I urge the Government to accept this modest but important change to the Bill.

The second motion with which I would like to deal is Motion No. 2 submitted by one of my colleagues in the New Democratic Party. This motion would establish some very specific rules for the members of the board, rules that relate to how they conduct themselves, and conflict of interest guidelines. This suggestion is not without support from the government side. When the Minister of State for Finance (Mrs. McDougall) appeared before the committee on September 9, 1985, she stated in part:

> Conditions concerning the eligibility of prospective board members would be incorporated in the legislation to ensure that conflicts of interest do not arise.

It is clear from what we have seen in the House over the past month or so that conflict of interest guidelines have to be laid out very carefully. We believe that they must be placed into legislation rather than its being left to a Minister or the Prime Minister to draft effective and functional guidelines. The following is what is being proposed in the motion:

> (a) if the person is employed in any capacity in the public service of Canada or holds any office or position of which any salary or other remuneration is payable out of public moneys; and
>
> (b) unless the person complies with the following:
>
> (i) that within sixty days of appointment and thereafter annually, the person reports in writing and in confidence to the chairman all direct and indirect interests the person holds in member institution;
>
> (ii) that as a director, the person is required to divest himself of any direct or indirect interests in any shareholding that is in excess of ten percent of the outstanding shares of any class of share of a member institution or where the chairman is of the view that the shareholding constitutes a significant interest in the member institution; and
>
> (iii) subject to the chairman's request, that the person divests himself of shares that are pledged to a lending institution as collateral for loans made to the person, and such divestment shall be accomplished by selling the shares in an arm's length transaction or by placing the shares in a trust.

We are not talking about a small savings account which the member may have. Let us say that one of the members of the board happens to have a substantial involvement, one that would directly or indirectly, purposely or by accident, lead to a conflict of interest. I think the Government should look at this particular amendment very carefully. It should keep in mind the fact that the Minister of State for Finance specifically indicated that there was a need for such protection.

The final motion to which I wish to speak is Motion No. 5 which would prevent public sector members of the board of directors from appointing an alternate to attend any meeting of the board. The suggestion that alternates not be allowed was strongly supported in committee by the Canadian Bankers' Association, the Trust Companies Association of Canada and the Chairman of the Finance and Economic Affairs Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), all of whom supported the suggestion that alternates for board members not be allowed.

I think the amendments which my colleagues have put forward make a great deal of sense. I believe they would improve this piece of legislation. I am pleased to have had the opportunity to add my comments to the debate today.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): As my contribution to this debate, Mr. Speaker, I should like to say first of all that I do not object to the grouping of motions we are dealing with today, which appear to me to be quite normal and which should be included in the Bill as amended.

However, Mr. Speaker, I am very disappointed when I think that last spring, we had to adopt a special legislation to save the Commercial Bank of Canada on the brink of bankruptcy in Western Canada, that last fall, we had to adopt a legislation, following a long debate, and we know at what cost for Canadian taxpayers because the Government wanted to compensate with taxpayers' money paid both by the Canada Deposit Insurance Corporation and the Treasury of our country all investors with over $60,000 in deposits. Today, the Government has introduced a Bill which does not remedy the situation, which does not provide any way to avoid the repetition of the situation we experienced recently and which we could experience again.

In all areas, Mr. Speaker, the Government continues to come up with stop-gap measures which never solve the problems definitely; it continues to put forward half-measures and to adopt a kind of *laissez faire* attitude for which could prove very expensive in the long run. We should keep in mind the crisis which the liability insurance industry is experiencing today. As recently as yesterday, Mr. Speaker, I asked the honourable Minister of State (Finance) (Mrs. McDougall) when she would introduce a bill to control, because there again—

Those who had deposited their money in this bank in Western Canada were quite lucky, because they were covered to the tune of $60,000 in insured deposits and moreover, the Government decided to step in and compensate beyond $60,000 in deposits. But those who had an insurance policy with an insurance company which went bankrupt have lost everything, Mr. Speaker, and I hope that, as the Minister promised yesterday, we will have by the end of this month not a bill such as this which will remedy nothing, but a real bill which can solve this problem once and for all.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Environmental affairs—Toxic rain—Provisions of forthcoming legislation; the Hon. Member for Lévis (Mr. Fontaine)—

Agriculture—Signing of sub-agreement with Quebec—Evolution of situation; the Hon. Member for Welland (Mr. Pietz)—Environmental affairs—PCBS—Mobile waste disposal unit.

• (1600)

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I notice government Members rushing into the Chamber. I would like to set their minds at ease. They do have a moment or two. The vote is not yet about to take place.

Mr. Wise: We like to hear you speak.

Mr. Deans: The Hon. Minister of Agriculture (Mr. Wise) says that he likes to hear me speak. Why, then, does he not attend more often?

Mr. Gauthier: Way to go, Ian!

Mr. Deans: I do not want to engage in this trivial banter when a matter as important as this is before the House of Commons.

I think it could be said that this particular Bill will provide for an improvement over the current situation. The amendments we have offered and, I suspect, even the amendment offered by the Minister, which is not at all unlike one we proposed, would make the Bill even better. However, this Bill does nothing to address the major problems with which we were faced as a result of the collapse of the Canadian Commercial and Northland Banks.

Mr. Orlikow: And the trust companies.

Mr. Deans: As my colleague has said, the trust company collapses that have also occurred.

If the banking industry had been going along as it had many years ago with little if any discernible problems, this Bill would have been seen as a way to try to broaden input and perhaps bring about a somewhat different perspective to the decision-making process. However, and I know you have been concerned about this as well, Mr. Speaker, the fact is that the banking structure of Canada lacks adequate supervision of operations. There is a lack of a guarantee that the operations of the many banks that now make up the banking community, some large and some small, some traditional and others quite new to the scene, are consistent with the highest level of public interest.

I do not think it is unfair to say that banks, like most other private corporations, are in the business of protecting their own interests. They do what they do not because of any commitment to the public but because of a commitment to their shareholders and to themselves. I suppose I could be critical of that, but I live in a society in which that is well understood. It might be said by me and others that it would be desirable for the banks to be more concerned with the public interest and for them to make an effort to operate in a way that would protect not only the investors but also the depositors and not only the depositors but also the customers who deal with the banks in good faith.

My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), has already made mention of those who think that the "buyer beware" concept should apply to banking as it applies to most other commercial enterprises in Canada. How does the buyer beware? How does the average individual citizen, the buyer, who is doing business with a bank become aware of the bank's solvency or insolvency? Where do the buyers go to find out if the bank's practices at the management level are appropriate and prudent? How do they determine if the asset-to-loan ratio is indeed in keeping with what the Inspector of Banks believes appropriate? How would they know whom to ask and, more important, how would they know what to ask even if they did know whom to ask?

To attempt to leave the impression that, somehow or other, the same kind of general buyer-beware practices that are promoted for commercial transactions in non-financial institutions should be equally applicable to financial institutions is ludicrous. It is for that reason that many years ago we established the office of the Inspector of Banks. The purpose of that inspector was to make sure that banking practices as necessarily established by the Government and the Parliament of Canada were indeed followed to the letter by all institutions that fell within their purview.

We have argued, with total validity, I would submit, that the practices of the banks, were they to be followed and inspected properly, should be applied to the near-banks, the trust companies. We have reached a point at which trust companies are banks in all but name. It is time for the same provisions to apply to trust companies as apply to banks. I want to make it very clear, though, that if we do that, it will make very little difference if we do not have an enforcement mechanism and an adequate inspection process. It will make very little difference if we do not have a sufficient number of people to be able to undertake the close and continuous scrutiny that is necessary to require financial institutions to live up to their obligations. That is really what we should have before us.

What we do have before us, important though it is, is almost trivial compared to what we need. The Bill before us, no doubt, provides for a marginal improvement. Unfortunately, it

provides for improvement in an area in which, though improvement may well be necessary, it will serve no useful purpose in dealing with what we have seen occur in banks and near-bank trust company operations over the course of the last 10 or more years.

We offer these amendments in good faith and we do so because we believe that they will improve, in a perhaps marginal way, what the Minister has offered to the House as a change to the law governing the insurance corporation. However, when this Bill is passed and becomes law, we will still be faced with the same problems we have already faced. There is nothing now in place that was not in place at the time the Northland and Canadian Commercial Banks collapsed. There is nothing in place now that was not in place at the time of the collapse of the trust companies. I think it would be fair to say that there is not a Member in the House who was here at the time who would not have proposed that we needed some fairly drastic, dramatic changes to the system in place at that time.

• (1610)

When the commission has completed its work and reported, I hope it will be evident that the major problem which confronted the industry and consumers was that there was no adequate provision for guaranteeing that the law, even if it were correct, was being policed adequately. When we find in the banking system the kinds of unusual occurrences which were clearly taking place in the early and late parts of last year, when we find those unusual manipulations, if one can accept that term, of the assets of the banks over and against their liabilities, and still not have before Parliament provisions to guarantee that the banks, through whatever imaginative bookeeping mechanism, cannot undertake that again, then I say to my colleagues in the House that we are not dealing with the problem.

Two of the institutions about which I am talking are very close to your heart, Mr. Speaker, coming from western Canada as you do. Although I cannot recall actually hearing you say it, no doubt you were as perplexed and angered by what took place as were most of us. I would not be at all surprised if in discussing it with your constituents you raised the necessity for a stronger method of dealing with such situations before they arise again. I would be willing to bet, Mr. Speaker, that you even said at some point, as most of us did to our constituents, that we would take measures and bring forward changes which would result in a system that would be, if not foolproof, certainly less vulnerable than the system which then existed. I can see the disappointment in your face as you listen; I can see it.

Mr. McMillan: I don't see it.

Mr. Deans: I see the Acting Speaker sitting there, agonizing and wishing that he could rise in his place to put on record his own views, which I suggest, and I hope appropriately, would parallel my own views. They would not be identical, I concede, but they would be similar to the views I have expressed.

Having said that, over the course of the day we must deal systematically with these amendments. In that process we must extract from the Government the promise that it will bring forward the changes which must be brought forward in order to clear up a system that does not work properly and to ensure that no depositor will have to rely upon the Canada Deposit Insurance Corporation because of inadequate banking and management practices being perpetrated upon them by people who do not follow the direction of Parliament.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to take part in this debate on the report stage.

Earlier I heard the Minister say that according to the Government, this was an important Bill and it was urgent that we adopt the Bill and the measures it entails.

Mr. Speaker, we on this side of the House are wondering about this, because we know that the Bill before the House today was introduced for first reading on December 29, 1985, while the debate on second reading did not take very long, only one day, on January 27, 1986. After that it went to committee. The Bill came back to the House this year on February 5, if I am not mistaken, which is four months ago.

And now the Minister informs the House it is all very urgent. I think we should try to agree on the meaning of that word and be consistent, or at least have a good excuse, because quite frankly, even if the Bill is retroactive, something to which we object, there is some urgency involved. We agree with the purpose of the Bill, but we believe that the Government should not come before the House and make us believe it is urgent, when the Bill has been before the House for four months and we were just waiting for it to be called by the Government. After all, the Government calls the Bills here, not us. We dispose of the legislation but the Government has to propose it first.

In future, I think they better not pretend the matter is urgent when it has been nearly four months since the Bill was reported back from committee, in this case the Legislative Committee on Bill C-86, where it was considered.

Mr. Speaker, this Bill and the proposed amendments—the amendments before the House that are numbered, 1, 2, 3 and 5, which have been grouped according to a decision by the Chair and which are now being considered—these amendments are of course concerned with the membership of the Board and are also aimed at changing certain aspects of the Bill dealing with conflict of interest.

And since I only have a few minutes, I would like to have the following considerations put on the record with respect to these two points.

In 1982 and 1983, certain Canadian trust companies, such as Crown Trust, Greymac Trust, Seaway Mortgage, Greymac

Mortgage, The Fidelity Trust, Amic Mortgage Investment and District Trust, had some problems with the Canada Deposit Insurance Corporation which, as we know, insured the deposits of Canadians with these trust companies.

Our experience with the banks has not been easy either, Mr. Speaker. The Canada Deposit Insurance Corporation had to go through some acrobatics to meet the requirements of the Act so that all those who had deposits not exceeding $60,000 could be paid. Naturally, the Corporation spent nearly all its funds paying these depositors and Parliament had to take some action to make the Corporation more profitable and economically viable so that Canadians would have some assurance that their deposits would be well protected.

[*English*]

I say that the Bill is a quick fix because indeed it is just that. As we see from the legislation before us, the increases in the premiums will expire in February, 1987. I should like to refer to the notes for the Minister's speech before the committee wherein it is indicated that the proposed higher premiums would expire at the end of the 1986 premium year. We know, as a result of Clause 5 of the Bill, that that premium year starts on February 1, 1986 and therefore would end on February 1, 1987. She went on to indicate that this would ensure that other aspects of the deposit insurance system which are not addressed in Bill C-86 would be reviewed by Parliament.

I take it that this means the Minister and the Government will come forward with legislation in the near future which indeed looks after some of the loopholes, difficulties, and unfunded liabilities, if I may use that term, with which the Canada Deposit Insurance Corporation may find itself faced in the next year.

[*Translation*]

Mr. Speaker, it is obviously necessary to increase premiums. It is impossible to raise the total coverage of $60,000 per depositor within the present structures. I think that it is reasonable to suggest that the premiums of insured banks and trust companies, which now amount one-thirtieth of 1 per cent of deposits, be increased to one-tenth of 1 per cent. However, it is not enough. This was pointed out in a few reports, such as the Wyman Report, as I recall, and the Senate Report on this same issue. We were told that, while it was not an easy problem to solve, three specific remedies could be recommended.

First, we were told that the combined effects of a share issue in the amount of $1 billion to member institutions and an increase of premiums would eliminate the deficit of the insurance fund by 1990. This recommendation was contained in the Wyman Report.

The Senate Committee on Banking, Trade and Commerce also published a report in December 1985, as Hon. Members will recall. Among other things, this report recommended that the deficit of the Canada Deposit Insurance Corporation be financed separately from the renewed Canada Deposit Insurance Corporation. The report recommended that the deficit not include the portion of current amounts of the retroactive raise in the ceiling from $20,000 to $60,000. The House will recall that the previous Government had increased coverage from $20,000 to $60,000.

• (1620)

[*English*]

I know the time is restricted. I would like to address one important amendment which is before us, the one dealing with conflict of interest. The provisions that were put to the committee, which were part of the self-imposed draft, if I may use those words, by the board itself read somewhat interestingly in terms of conflict of interest and, God knows, we have tried to come to grips with that problem. I would like to read some extracts of the draft because I think it is important that everyone understand that the board proposed these measures on its own. It reads:

> Within sixty days of appointment—

That is as a member of the board, and we know that the board will be increased.

> —and thereafter annually, directors should report in writing and in confidence to the chairman, all direct or indirect interests they hold in member institutions.
>
> Directors are required to divest themselves of their direct and indirect interests in any shareholding that is in excess of ten per cent of the outstanding shares of any class of shares of a member institution.
>
> A director owning directly or indirectly , a beneficial interest in less than ten per cent of the outstanding shares of any class of shares of a member institution may be subject to a divestment requirement where the chairman is of the view that shareholding constitutes a significant interest in the member institution.

I will read the last paragraph. This is a public document, but it has some importance. It reads:

> Public confidence in the impartiality of the Corporation's decisions requires that directors' conduct be such as to avoid actual or perceived conflicts. To this end, directors are encouraged to seek the confidential advice of the Chairman or of the corporation's General Counsel.

The amendments before us deal with this issue of conflict of interest. The House would want to address this question with some seriousness. We should accept that if these guidelines are not sufficient, then we should improve them, but at least they are adequate for the purpose at hand, and, in my view, should be adopted. If I have a few minutes, I want to say this.

[*Translation*]

Mr. Speaker, I would like to conclude by dealing with the important matter of motion No. 6. However, I shall come back later to this amendment, which concerns retroactive application of the Act and its coming into force at a date to be fixed by proclamation. I may want to speak about this amendment later.

[*English*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Member for Hamilton Mountain (Mr. Deans) for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division of the proposed motion stands deferred.

The next question is on Motion No. 2 standing in the name of the Hon. Member for Hamilton Mountain (Mr. Deans) for Mr. Riis. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

According to Mr. Speaker's earlier ruling, an affirmative vote on Motion No. 2 obviates the question being put on Motion No. 3. A negative vote on Motion No. 2 requires the question to be put on Motion No. 3.

Therefore, the next question is on Motion No. 5 standing in the name of the Hon. Member for Hamilton Mountain (Mr. Deans) for Mr. de Jong. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Miss Aideen Nicholson (Trinity) moves:

Motion No. 6.

That Bill C-86, be amended in Clause 5 by striking out lines 24 and 25 at page 5 and substituting the following therefor:

"5. Section 4 shall come into force on a day to be fixed by proclamation."

Mr. Vincent: Mr. Speaker, I rise on a point of order. You said that a negative vote on Motion No. 2 requires the question to be put on Motion No. 3. You went directly to Motion No. 5, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I said that an affirmative vote on Motion No. 2 obviates the question being put on Motion No. 3. A negative vote on Motion No. 2 requires the question to be put on Motion No. 3. Therefore, we cannot put the question at this time on Motion No. 3. If the Hon. Member would like more information, he can come to the table and we will explain it to him while we carry on with debate. I will recognize the Hon. Member for Trinity (Miss Nicholson).

• (1630)

Miss Aideen Nicholson (Trinity): Mr. Speaker, as a history to the amendment which I have placed before the House, Bill C-86, as originally tabled, would have come into force in the usual way on a date to be fixed by proclamation. At legislative committee it was amended to come into force retroactively as of February 1. I am having difficulty now, as I had then, with understanding the need for retroactivity.

The chronology is that in November, 1985, the Minister tabled draft legislation to which she said she attached a very high priority. Yet the Bill was not called for second reading until January 27. The Opposition responded to the request for fast passage, and it was dealt with in one day. The Bill went to committee where there were two hearings. It was reported out of committee on February 5. It was brought forward for report stage only today. I have great difficulty in understanding the

need for retroactive legislation. If it was considered important, there has been ample time to bring it foward in the normal way.

My second reason for opposing retroactive legislation in this case is that this Bill is so very much a stop-gap piece of legislation. It does two or three things. It increases the number of members on the board to allow for some private sector representation, it allows the board to draft conflict of interest guidelines, and it increases for one year the premiums which the member institutions pay to the CDIC.

This legislation does not address any of the underlying problems. The board members of the CDIC who appeared before the legislative committee were quite frank about their belief that increasing the premium structure from one-thirtieth of one per cent to one-tenth of one per cent for one year would not resolve the over-all funding requirements of the CDIC. The Bill will increase the premiums from $62 million to $186 million during 1986. However, it does not touch the underlying problems. It does not touch the issue of the need to reform the structure. For example, the suggestion has often been made that instead of all institutions dipping into one pool of capital there should be separate pools for different kinds of institutions. Suggestions have been made that premiums should be related to risk assessment. None of these issues is touched upon.

I mentioned earlier that the CDIC's last financial statement anticipated a deficit of $1.2 billion. That statement was issued before the numbers were in from the failures of the Canadian Commercial Bank, the Northland Bank and two other smaller institutions. The final number may very well be considerably larger. This issue has not been addressed. In the interest of getting a quick fix Bill which does not touch any of the essential factors, we are asked to treat it retroactively but have not been given sufficient reasons to justify this.

I should also point out that when the Canadian Banking Association appeared before the legislative committee, it made the following point:

> The proposed tripling of the premium rate provided for in Bill C-86 is supposed to be temporary, extending from February 1, 1986, until April 30, 1987.
>
> The banking industry would find this temporary surcharge easier to accept if there were positive measures in place to reform the deposit insurance system altogether.

This particular brief also raised the question of a claims-based premium assessment system. It also suggested considering replacing the uniform premium rate for all CDIC member institutions with a system of rebates to reflect the claims experience of different classes of member institutions. These are all matters of extreme importance which should have been debated in previous months. The debate was foreclosed because when this Bill was introduced we were told that it must be rushed through. We co-operated and agreed to have a one-day debate. The Bill went to a legislative committee where we were again told that there was great urgency. However, it simply sat on the Order Paper until today.

The position of the Government is not logical. There are serious problems which need to be addressed that are not being addressed. The debate on those has been foreclosed by the existence of this quick fix Bill. We are also asked to give retroactive passage to this quick fix Bill which puts a bandaid on but does not address the underlying problems.

For those reasons, Mr. Speaker, we are opposed to the retroactivity and we sincerely hope that the Government will soon bring forward serious measures to address the serious problems and that it will allow adequate time for debate in this House and in committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am puzzled by this amendment. I agree with the Member that the Government has acted in a dilatory manner. I agree with the Member for Trinity (Miss Nicholson) and other Members who have criticized this Bill as being a quick fix and a short-term solution which does not really come to grips with the fundamental problem. Having agreed with the Member that the Government should have brought this Bill forward much sooner than it did, I still do not understand why we should not make the Bill effective as of the day the Government brought it forward. All the faults which existed and still exist which require higher premiums are still present. If we passed this amendment, we would only relieve financial institutions of having to pay the higher premium, if I understand it correctly.

I am not disposed to vote for this amendment. However, despite the fact that I will vote against it, and despite the fact that we are allowing this Bill to go through, we do have some very serious and major reservations. The passage of this Bill will not mean that we have dealt with the failures of banks and trust companies which will cost the people of Canada hundreds of millions of dollars.

• (1640)

Robert Wyman headed up the committee set up by the Minister to look into the problems. He said that the CDIC has no clout. It cannot cancel the insurance of federally-incorporated institutions. It cannot do anything, yet it has the responsibility for paying out what is now billions of dollars. Astra Trust was liquidated in 1980. The CDIC paid out about $21.5 million and there is still $3.5 million to be recovered. The Northguard mortgage collapse in 1984 meant that the CDIC had to pay $27.8 million to insured depositors. There is still $27.8 million to be recovered. Pioneer Trust, Western Capital Trust and London Loan Company were liquidated in 1985, and the CDIC paid depositors $305 million. That entire amount is still outstanding.

In many respects the CDIC is not the master of its own fate. It depends on both the office of the Inspector General of Banks and the Superintendent of Insurance to monitor member institutions. It depends on the present board of directors, the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks, the Deputy Minister of Finance, and the chairman from the private sector.

We know how inadequate they were in protecting the depositors when these institutions were forced into bankruptcy.

Mr. Deans: Pitiful.

Mr. Orlikow: Yes, it was. According to the current chairman of the corporation, Ronald McKinlay, the directors participated in the federal Government attempt to rescue the Canadian Commercial Bank. The CDIC was authorized by the directors to make available $75 million worth of effort. However, when the officials were asked whether a representative of the corporation was present for the decision-making, the reply was that there was no one there. What kind of regulatory agency is that? The Wyman committee was of the opinion that the CDIC should have a greater degree of independence than it currently enjoys. Decisions of the board of directors should be made with the interest of the corporation in the forefront, rather than the interest that the board members may have outside of the corporation. There should be no inference of any conflict of interest as one might find when examining the decision to involve the corporation in the March bail-out of the CCB. That decision was made by whom? By the Inspector General of Banks. It was approved by the head of the Bank of Canada, Mr. Bouey, although later he made it very clear that he really did not have the information he should have had before being involved. It was, to say the least, far from a realistic and careful decision.

Mr. Deans: It was slipshod.

Mr. Orlikow: It certainly was. Last September the Minister of State for Finance (Mrs. McDougall) assured members of the Standing Committee on Finance and Economic Affairs that the private sector members would not be permitted to be associated with a single member institution. The background document released by the Department of Finance on September 1, 1985, provided the same assurance. Yet there does not appear in this Bill to be any such restriction. The only stipulation in the Wyman Report was that the board members should not be "active in the industry". That is not satisfactory to us.

In conclusion let me deal with several other matters. The Wyman committee was of the view that the primary objective of the CDIC required a fundamental realignment. Not only should it insure small, unsophisticated depositors against loss, it should more prudently administer the deposit insurance fund. Increased private sector participation in the CDIC is perceived as the most appropriate means by which to accomplish that. I have to say on behalf of, I suppose, 98 per cent of my constituents who put their money into a trust company or bank that, despite the suggestions by some people in financial institutions or what one reads in the financial pages of *The Globe and Mail* or *The Financial Post*, they, my constituents, do not have the ability, background, education or sophistication to be able to choose among financial institutions.

Mr. Deans: Most Members of Parliament, too.

Mr. Orlikow: Yes, they are in the same boat. Speaking for myself, I am certainly not competent to do it. If I put my savings into a bank, I assume the bank is operating so efficiently that I am not going to lose my money. We are very much opposed to the suggestion that somehow the depositors should have to pick and choose which institutions are soundly managed. That is pushing the idea of the free enterprise system far beyond where it ought to go.

Mr. Deans: *Caveat emptor.*

Mr. Orlikow: Yes, *caveat emptor*. That would not work for most people in this country.

While this Bill seeks to increase the control the private sector has over this regulatory body, there is no corresponding increase in the specific obligations of the corporation. For example, there is no emphasis placed on the corporation's responsibility to inform its member institutions as to what is and what is not insured. Remember that Saskatchewan trust company which was liquidated. It was telling its customers that their deposits were guaranteed by the CDIC when they were not. Not only was that institution making more than a major mistake, it was making a fraudulent claim, but the CDIC was remiss in not ensuring that its name was not used in that way.

Mr. Deans: It did nothing.

Mr. Orlikow: It did nothing about it. The CDIC's legal counsel said that, whether or not there was a legal obligation on the part of the Crown corporation, he knew of none under the Act. If that is true, and I am sure it is, then there is something very seriously wrong with this Act, indeed with all the legislation. While we are going to let this Bill go through at this stage, I want to warn the Minister that when she brings forward the promised legislation to deal with the whole question of the responsibilities of financial institutions, we will be examining the proposals with a very, very careful eye.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I merely have a few very brief comments to make in order to explain our position on that vote. We do not feel the Government acted promptly on this matter. It is unusual in my view for a Government to legislate retroactively, and I would urge my Progressive Conservative colleagues opposite to look back at the history of their own party. They consistantly fought retroactive measures in this House for a long time. One has to be reasonable and try to understand the situation. In my view, the Government should realize that retroactive legislation is something wrong, as I think most Members in this House will agree.

If this was urgent on February 5, when the Committee reported to this House, at that point they should have asked the House to pass the legislation post haste, instead of presenting us with a measure which, unlike most pieces of legislation,

provides under Clause 5 that "Section 4 shall be deemed to have come into force on February 1, 1986".

Mr. Speaker, that is almost five months ago. The amendment introduced by my colleague for Trinity (Miss Nicholson) is merely aimed at amending the Act to read, like all other pieces of legislation, that this Bill will be deemed—that the effective date shall be: "5. Section 4 shall come into force on a day to be fixed by proclamation".

This by the way is being consistently done in this House, when the Government acts responsibly and normally.

For that reason, Mr. Speaker, we oppose such retroactivity and we feel the Government should provide explanations. This House has still to hear explanations; it has not been told why they waited for so long. We did not prevent the Bill from going through. We have had a very responsible approach to this debate. Second reading stage lasted one day; committee proceedings took hardly one day for preparation and another day for debate. But since that time, nothing was heard from the Government. However, the Minister comes in this House and suggests this is urgent. Well, this will be all, but the Government should understand that retroactivity should not become a habit.

• (1650)

[*English*]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion standing in the name of Miss Nicholson.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the Bill now before the House. Call in the Members.

• (1720)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): The first question is on Motion No. 1.

Mr. Ian Deans (for Mr. de Jong) moved:

Canada Deposit Insurance Corporation Act

Motion No. 1

That Bill C-86, be amended in Clause 1 by striking out lines 16 to 18 at page 1 and substituting the following therefor:

"intendent of Insurance, the Inspector General of Banks and the Deputy Minister of Consumer and Corporate Affairs; and

(c) not more than three other members".

The House divided on the motion (Mr. Deans for Mr. de Jong) which was negatived on the following division:

(*Division No. 260*)

YEAS

Members

Althouse	Gauthier	McDonald
Angus	Gray	(Broadview-
Axworthy	(Windsor West)	Greenwood)
Benjamin	Guilbault	Nicholson
Blaikie	(Saint-Jacques)	(Trinity)
Boudria	Jewett	Nystrom
Broadbent	Langdon	Orlikow
Copps	Malépart	Ouellet
Deans	McCurdy	Penner
Fulton		Waddell
Gagliano		Young—26.

NAYS

Members

Blackburn	Gray	Pennock
(Jonquière)	(Bonaventure-Îles-de-	Peterson
Bourgault	la-Madeleine)	Pietz
Brightwell	Guilbault	Plourde
Browes	(Drummond)	Porter
Cadieux	Gustafson	Ravis
Chartrand	Halliday	Redway
Comeau	Hamilton	Reid
Cook	Hawkes	Reimer
Cooper	Hnatyshyn	St. Germain
Cossitt	Hockin	Scott
Côté	Horner	(Hamilton-Wentworth)
(Lac-Saint-Jean)	Howie	Scowen
Crofton	Hudon	Thacker
Daubney	Jardine	Towers
de Cotret	Jourdenais	Tremblay
Dick	Kempling	(Québec-Est)
Domm	Kindy	Tremblay
Ellis	Lewis	(Lotbinière)
Fennell	Mantha	Valcourt
Ferland	Marin	Vankoughnet
Fontaine	Masse	Vincent
Forrestall	Mayer	Warner
Fraleigh	McCain	Wilson
Fretz	McDermid	(Swift Current-
Gagnon	McKnight	Maple Creek)
Gass	Merrithew	Winegard
Gormley	Nickerson	Wise
Gottselig	Nielsen	Witer—78.
	Oberle	

• (1730)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Deans: Mr. Speaker, I rise on a point of order. I believe it might be possible, if you were to seek the consent of the House, to have the vote just taken applied to Motions Nos. 2, 3, and 5.

Some Hon. Members: No.

Mr. Gauthier: Not to Motion No. 3.

The Acting Speaker (Mr. Paproski): Motion No. 3 must be put separately to the House, but the vote just taken can apply to Motions Nos. 2 and 5, if that is agreed, with the addition of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

Mr. Johnston: Mr. Speaker, as you may have noted, I missed the first vote, but I should like my name to be added to the other votes.

The Acting Speaker (Mr. Paproski): I just did it. The next question is on Motion No. 2. Mr. Riis moved:

Motion No. 2

That Bill C-86, be amended in Clause 1 by striking out line 25 to 30 at page 1 and substituting the following therefor:

"Board of Directors

(a) if the person is employed in any capacity in the Public Service of Canada or holds any office or position of which any salary or other remuneration is payable out of public moneys; and

(b) unless the person complies with the following:

(i) that within sixty days of appointment and thereafter annually, the person reports in writing and in confidence to the chairman all direct and indirect interests the person holds in member institutions;

(ii) that as a director, the person is required to divest himself of any direct or indirect interests in any shareholding that is in excess of 10 per cent of the outstanding shares of any class of share of a member institution or where the chairman is of the view that the shareholding constitutes a significant interest in the member institution; and

(iii) subject to the chairman's request, that the person divests himself of shares that are pledged to a lending institution as collateral for loans made to the person, and such divestment shall be accomplished by selling the shares in an arms length transaction or by placing the shares in a trust."

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

(*Division No. 261*)

YEAS

Members

Althouse	Gray (Windsor West)	McDonald (Broadview-Greenwood)
Angus	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Axworthy	Jewett	Nystrom
Benjamin	Johnston (Saint-Henri-Westmount)	Orlikow
Blaikie	Langdon	Ouellet
Boudria	Malépart	Penner
Broadbent	McCurdy	Waddell
Copps		Young—27.
Deans		
Fulton		
Gagliano		
Gauthier		

NAYS

Members

Blackburn (Jonquière)	Brightwell	Chartrand
Bourgault	Browes	Comeau
	Cadieux	Cook
Cooper	Halliday	Pietz
Cossitt	Hamilton	Plourde
Côté (Lac-Saint-Jean)	Hawkes	Porter
Crofton	Hnatyshyn	Ravis
Daubney	Hockin	Redway
de Cotret	Horner	Reid
Dick	Howie	Reimer
Domm	Hudon	St. Germain
Ellis	Jardine	Scott (Hamilton-Wentworth)
Fennell	Jourdenais	Scowen
Ferland	Kempling	Thacker
Fontaine	Kindy	Towers
Forrestall	Lewis	Tremblay (Québec-Est)
Fraleigh	Mantha	Tremblay (Lotbinière)
Fretz	Marin	Valcourt
Gagnon	Masse	Vankoughnet
Gass	Mayer	Vincent
Gormley	McCain	Warner
Gottselig	McDermid	Wilson (Swift Current-Maple Creek)
Gray (Bonaventure-Îles-de-la-Madeleine)	McKnight	Winegard
	Merrithew	Wise
Guilbault (Drummond)	Nickerson	Witer—78.
Gustafson	Nielsen	
	Oberle	
	Pennock	
	Peterson	

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 3. Mrs. McDougall moved:

Motion No. 3

That Bill C-86, be amended in Clause 1 by striking out lines 26 to 30 at page 1 and substituting the following therefor:

"(a) employed in any capacity in the Public Service of Canada or holds any office or position for which any salary or other remuneration is payable out of public moneys;

(b) a member of the Senate or House of Commons of Canada or a member of a provincial legislature; or

(c) a director, officer or employee of a federal institution or provincial institution".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it. Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

The next question is on Motion No. 5. Mr. de Jong moved:

Motion No. 5

That Bill C-86, be amended in Clause 1 by striking out lines 1 to 8 at page 2.

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

(*Division No. 262*)

YEAS

Members

Althouse	Gray (Windsor West)	McDonald (Broadview-Greenwood)
Angus	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Axworthy	Jewett	Nystrom
Benjamin	Johnston (Saint-Henri-West-mount)	Orlikow
Blaikie	Langdon	Ouellet
Boudria	Malépart	Penner
Broadbent	McCurdy	Waddell
Copps		Young—27.
Deans		
Fulton		
Gagliano		
Gauthier		

NAYS

Members

Blackburn (Jonquière)	Gray (Bonaventure-Îles-de-la-Madeleine)	Pennock
Bourgault	Guilbault (Drummond)	Peterson
Brightwell	Gustafson	Pietz
Browes	Halliday	Plourde
Cadieux	Hamilton	Porter
Chartrand	Hawkes	Ravis
Comeau	Hnatyshyn	Redway
Cook	Hockin	Reid
Cooper	Horner	Reimer
Cossitt	Howie	St. Germain
Côté (Lac-Saint-Jean)	Hudon	Scott (Hamilton-Wentworth)
Crofton	Jardine	Scowen
Daubney	Jourdenais	Thacker
de Cotret	Kempling	Towers
Dick	Kindy	Tremblay (Québec-Est)
Domm	Lewis	Tremblay (Lotbinière)
Ellis	Mantha	Valcourt
Fennell	Marin	Vankoughnet
Ferland	Masse	Vincent
Fontaine	Mayer	Warner
Forrestall	McCain	Wilson (Swift Current-Maple Creek)
Fraleigh	McDermid	Winegard
Fretz	McKnight	Wise
Gagnon	Merrithew	Witer—78.
Gass	Nickerson	
Gormley	Nielsen	
Gottselig	Oberle	

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next question is on Motion No. 6. Miss Nicholson (Trinity) moved:

Motion No. 6

That Bill C-86, be amended in Clause 5 by striking out lines 24 and 25 at page 5 and substituting the following therefor:

"5. Section 4 shall come into force on a day to be fixed by proclamation."

Shall the same division apply?

Some Hon. Members: Agreed.

Mr. Deans: No.

The House divided on the motion (Miss Nicholson, Trinity), which was negatived on the following division:

(*Division No. 263*)

YEAS

Members

Axworthy	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Boudria	Johnston (Saint-Henri-West-mount)	Ouellet
Copps	Malépart	Penner—12.
Gagliano		
Gauthier		
Gray (Windsor West)		

NAYS

Members

Althouse	Gottselig	Nielsen
Angus	Gray (Bonaventure-Îles-de-la-Madeleine)	Nystrom
Benjamin	Guilbault (Drummond)	Oberle
Blackburn (Jonquière)	Gustafson	Orlikow
Blaikie	Halliday	Pennock
Bourgault	Hamilton	Peterson
Brightwell	Hawkes	Pietz
Broadbent	Hnatyshyn	Plourde
Browes	Hockin	Porter
Cadieux	Horner	Ravis
Chartrand	Howie	Redway
Comeau	Hudon	Reid
Cook	Jardine	Reimer
Cooper	Jewett	St. Germain
Cossitt	Jourdenais	Scowen
Côté (Lac-Saint-Jean)	Kempling	Thacker
Crofton	Kindy	Towers
Daubney	Langdon	Tremblay (Québec-Est)
Deans	Lewis	Tremblay (Lotbinière)
de Cotret	Mantha	Valcourt
Dick	Marin	Vankoughnet
Domm	Masse	Vincent
Ellis	Mayer	Waddell
Fennell	McCain	Warner
Ferland	McCurdy	Wilson (Swift Current-Maple Creek)
Fontaine	McDermid	Winegard
Forrestall	McDonald (Broadview-Greenwood)	Wise
Fraleigh	McKnight	Witer
Fretz	Merrithew	Young—92.
Fulton	Nickerson	
Gagnon		
Gass		
Gormley		

● (1740)

The Acting Speaker (Mr. Paproski): I declare Motion No. 6 lost.

Mr. Hnatyshyn (for Minister of State for Finance) moved that the Bill be concurred in.

Motion agreed to.

Canada Shipping Act

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The Acting Speaker (Mr. Paproski): Mr. Hnatyshyn moved that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Angus: I rise on a point of order. Looking at the clock, Mr. Speaker, would you allow us to call it six o'clock? It is a very important Bill and it would be inappropriate for the Opposition to have to split the time between two days. I would ask you to give consideration to this request, Sir.

Mr. Ouellet: I would like to address this point of order, Mr. Speaker.

[*Translation*]

I understand that the Minister, at the explicit request of the Quebec Premier, will be meeting next Monday with the Quebec Minister of Transport who has precise objections to make to Bill C-75. I find it rather surprising that without any notice the Government has suddenly introduced a bill and, certainly, Mr. Speaker, I would like you to look at the clock and say it is 6 o'clock.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I know that the Hon. Member for Papineau (Mr. Ouellet) who is a respected parliamentarian would not want to inject an unfortunate partisan note in this matter. As the Hon. Member will know and as Members will know, at the request of the Opposition I was quite prepared to put third reading debate over for two weeks in order to make sure that the committee was back and Members were available.

Mr. Ouellet: We would have liked two years.

Mr. Hnatyshyn: There is a *quid pro quo* for my putting it over. I thought we would have an expeditious debate at third reading stage. On the other hand, it being almost six o'clock, on the basis that this in no way interferes with the adjournment proceedings, I think we can accommodate that request to call it 6 o'clock. I am quite prepared to put third reading debate over until next week when I know the matter will receive expeditious treatment.

The Acting Speaker (Mr. Paproski): Is there unaimous consent to call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—TOXIC RAIN—PROVISIONS OF FORTHCOMING LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, I keep moving around at the behest of the House Leader, I believe. On April 28 I put a question to the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin). In part it reads:

> Would the Parliamentary Secretary advise the House whether the new proposed Environmental Contaminants Act will deal with this problem and effectively eliminate the health threat posed to Canadians by this toxic rain?

That question on April 28 was prompted by a report that had been published shortly before that time, a report of a study that had been made by the Canadian Environmental Law Research Foundation and by the United States Environmental Law Institute. That study contained a number of very significant and interesting facts and figures.

First, it indicated that both Canada and the United States are threatened by toxic rain or, if you will, by toxic rain fallout. Toxic rain was identified as the worst type of pollution, worse than acid rain. Acid rain has been considered all across North America and Europe as an extremely potent form of pollution. It was identified as well that toxic rain contains some 1,000 different chemicals produced industrially, including chemicals such as dioxin and PCBs. In addition to that, the report identified that these industrial emissions mixed with water vapour form polluted clouds which then condense in the form of rain or snow. They fall to earth, into lakes, rivers and streams as well as into the fields and communities around us. In fact, some 46,000 tonnes a year of this toxic rain and the pollutants in toxic rain come down on Lake Ontario alone.

This toxic rain is what we were talking about when we dealt with the great industrial emission disaster in India a short time ago, the Bhopal disaster in which industrial emissions condensed and caused such devastation in India. There was loss of life and injuries not only to the present generation, but to future generations as well. It was indicated in the study that toxic rain threatened not only our drinking water, but also our food. It accumulates in human tissue and is one of the great causes of respiratory problems in human beings.

This is not the first time that we have heard about toxic rain, Mr. Speaker. We are not as familiar with toxic rain as we are with acid rain. We are very familiar with the problem of acid rain. It is caused by two types of industrial pollutants: sulphuric dioxide and various nitrogen oxides. Those particular forms of pollutants that we have been able to identify come from specific sources. They come from smelters such as those in northern Ontario at Inco and Falconbridge, northern

Quebec, from coal-fired power plants and also from automobile emissions. Those have been identified over a period of time as the sources of acid rain, which is one form of toxic rain.

• (1750)

The Government has taken some action on acid rain. It took action a few months ago by indicating that there was money put aside to clean up the smelters in the country, particularly the Inco Falconbridge smelters and the Noranda smelters. The Government indicated that approximately $150 million had been put aside for that and that there would be action taken. Unfortunately, we have seen no action to date.

The Prime Minister (Mr. Mulroney) met with President Reagan on two occasions and discussed the issue of acid rain in the United States. Again there were promises of action. We have not seen very much so far, but there is some indication of movement in the United States Congress. There have also been promises of car emission standards to go into effect on the 1987 car models. That has not occurred as yet and we are still waiting for 1987.

Acid rain has been a problem to deal with. If acid rain has been a problem to deal with, surely toxic rain will be much more difficult because it will be difficult to identify the sources of toxic rain and that much more difficult to find solutions for them.

In his answer on April 28, the Parliamentary Secretary indicated that legislation which was coming forward from the Government would deal with this problem. He identified two particular pieces of legislation, the Environmental Contaminants Act and the Environmental Protection Act. I know that the Parliamentary Secretary is a very sincere and dedicated man who is truly concerned about the health of Canadians and the problems of acid rain, toxic rain, and all weather pollutants which we face. I would like to hear from the Parliamentary Secretary tonight specifically how those two pieces of legislation will deal with this problem. I hope that he will set out for us very succinctly and in very specific terms how the Government proposes to solve the problem of toxic rain. It is no longer a matter to be taken lightly. It is an extremely serious matter which must be addressed as quickly as possible. I hope that, in addition to indicating specifically how that legislation will deal with the subject, he will tell us specifically when we can expect first reading of the Bills involving these changes.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to respond to the Hon. Member's question as to whether the new proposed Environmental Contaminants Act will deal with the problem of toxic rain and effectively eliminate the health threat posed by it to Canadians.

The report of the Canadian Environmental Law Research Foundation echoes the concerns of the Government on the issue of toxic rain. I am sure the Hon. Member is aware of the high priority that the Government has attached to the problem of acid rain and that we have been actively addressing the issue for some time. I am also sure that the Hon. Member is aware of the very significant progress that we have made in the past two years toward coming to grips with this problem in concert with provincial governments and the Government of the United States. The Government will continue to pursue this issue vigorously until the problem is resolved.

Toxic rain is but one warning symptom of the broader problem of toxic chemicals that Canadians face as society learns to deal with both the benefits and risks of living with chemicals. In the past we have approached toxic chemical problems by crisis management. We have dealt with problems after they have become evident. This has led to difficult and very costly remedial measures and clean-ups.

The Government believes it is no longer adequate in this country to deal with toxic chemicals after the problems are detected. Environment Canada has been actively pursuing a new comprehensive management approach for toxic chemicals, an approach which manages chemicals throughout their life cycle in a manner that prevents chemical leakage into the environment in the first place. This approach will mean that at any point in the life of a chemical, from cradle to grave—that is from its introduction into trade and commerce, its manufacturing, its transportation, its use and ultimately its disposal—all those who deal with the chemical must act in a responsible manner to protect the environment and the health of Canadians.

The new legislation, whether it be in the form of a revised and enhanced Environmental Contaminants Act or a new Environmental Protection Act, will be a key element of this new approach. The proposed Act will, through a broadly defined prohibition and regulation-making section, allow interventions to regulate the crucial phases of a toxic chemical's life cycle. It will make significant improvements to our ability to manage chemicals to prevent problems such as toxic rain, as well as to clean up the problems which we face today.

However, while the new legislation will be a valuable tool to address made-in-Canada problems, it will not solve those that come to us from outside our borders. Solutions to those problems will only arise out of ongoing consultations and actions with other governments.

In conclusion, let me assure the Hon. Member that the Government is fully committed to protecting the environment and Canadians from the threat of toxic chemicals, whatever their source.

[*Translation*]

AGRICULTURE—SIGNING OF SUB-AGREEMENT WITH QUEBEC—EVOLUTION OF SITUATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on April 29, 1984, I called on the Minister of Agriculture (Mr. Wise) to report on the status of the matter concerning the sub-agreement with Quebec on agriculture. I am quite pleased to see this evening that the Minister of Agriculture has taken this opportunity to provide me with details concerning his answer

given on April 29. I conclude that the Minister of Agriculture is quite aware of our national problems and is trying to solve the problems that arise in our respective constituencies.

I know that the Minister of Agriculture did not wait for the signature of that agreement involving $36 million to implement measures to promote agriculture in Quebec and in my own constituency.

Quite a number of events have taken place in parallel with the negotiations that led to the agreement on agriculture. For instance, since September 1984, our farmers have been enjoying a 5 1/2 cents reduction on their farm fuel, and that amount will be added to the 1 1/2 cent that all commercial undertakings can claim from the Government for the fuel which they have used.

Moreover, the Government has announced substantial and significant reductions in the interest rates charged by the Farm Credit Corporation and those rates are the lowest since 1979.

We also recall that the Minister negotiated a very positive conclusion to a specific problem with the United States when it was time to convince them not to apply an import tax on Canadian pork carcasses. In so doing, the Minister convinced a large number of pork producers in my constituency about the viability and long-term profitability of their operations.

It should also be mentioned that this same Minister has announced to farmers, to the dairy producers of Canada a dairy policy for the next five years. As we know, the Province of Quebec accounts for 50 per cent of Canadian dairy production. I therefore want to tell the Minister that not only was that action very well perceived in my constituency, but it was commended by Mr. Jacques Boucher, Chairman of the *Union des producteurs agricoles*, in an editorial in *La terre de chez-nous*, and I quote: "We welcome a policy that ensures stability in our industry for another five years".

It should also be emphasized that we did not wait for the signing of the agreement to study the problem faced by our producers of maple syrup and maple products. Indeed, a major survey will be made, more specifically with the constituency of Lotbinière as a simpling base, over the coming months. This also speaks well for this Government and our Minister of Agriculture.

Finally we know that a good many farmers are experiencing serious financial problems, so our Government set up a mortgage loan program under which repayments and costs are based on commodity prices. Thus our farmers have the option of making larger payments in good crop years and when commodity prices are higher, and they can gear their interest rates to the quality and sale prices of their crops.

Finally we did not wait until the agreement was signed to allow farmers to sell their farm or business when they reach a given age, without being penalized through levies on capital gains. The result of this was that we immediately repealed the capital gains tax on the sale of a farm so that the business could be kept operating profitably and that people who spent their lives doing farm work might look forward to a decent retirement.

I thank the Minister of Agriculture and I hope to have more explanations concerning the signature of the Canada-Quebec sub-agreement.

• (1800)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to express my appreciation for the kind remarks by the Hon. Member for Lévis (Mr. Fontaine). Obviously the Hon. Member is a very intelligent, hard-working, industrious Member of Parliament and represents his constituents well. Indeed, he carries a very strong and continuing interest in the welfare of the agricultural community, not only in his province but in the country as a whole. He regularly attends rural caucus meetings and communicates problems on behalf of his constituents to me on a frequent and regular basis. It is a pleasure to be associated with him.

The Hon. Member has utilized what little time is available to him tonight to point to some of the major initiatives and programs we brought forward for the benefit not only of Quebec agriculture, but of Canadian agriculture. I am sure that he, if time permitted, would have made the observation that since we assumed office, we have taken somewhere in the vicinity of 235 initiatives, directing well over $5 billion to our agricultural industry. At the same time we should take note of the Prime Minister's observation as of April 30, when we delivered the last farm finance package, that indeed more had to be done.

Coming specifically to the question the Hon. Member raised, let me tell him that in March of this year I wrote to my colleague, the Minister of Agriculture of the Province of Quebec, requesting that he, on behalf of his Government, make a decision with respect to signing an agricultural sub-agreement. We had made representations on this subject to the previous Government. However, they could not make up their minds as to whether they wanted to sign an agreement both in agriculture and fisheries or on how to divide the federal allocation.

With the election of a new Government, the new Minister responded to my letter on April 23, I believe, indicating they had taken the decision and he was prepared to enter into an agricultural sub-agreement to the extent of some $36 million. Most of that money will be spent in research and development, and again we are happy to sign an agreement of that kind because of the priority we place on research and development. I have replied to the Minister, indicating that we should instruct the appropriate officials in both our Departments to get together and work out the details. It is my understanding, from information I received earlier today, that the meeting will indeed take place next week.

ENVIRONMENTAL AFFAIRS—PCBS—MOBILE WASTE DISPOSAL UNIT

Mr. Allan Pietz (Welland): Mr. Speaker, the question I wish to address this evening is one I raised with the Minister of the Environment (Mr. McMillan) during Question Period on May 2. It has to do with authorizing a revolutionary waste disposal unit for use in Canada. There are a number of industrial waste dump sites, particularly in southern Ontario, which allow the seepage of harmful chemicals into waterways like the Niagara River and, from there, into our drinking water. It is a source of concern to all who live in the densely populated regions of southern Ontario. As you and I both know, the federal Government is very concerned about this matter.

• (1805)

Recently the Environment Minister and the Minister responsible for emergency planning announced steps to respond to major chemical accidents in Canada. This is an important and timely development. My concern, however, is with the every-day dumping of chemical waste products from Canadian and American sources. We know that putting it into containers will not help. Over time containers deteriorate and we are right back where we started.

As I mentioned earlier in this House, the E. S. Fox Company, located in my riding of Welland, has developed a mobile waste disposal unit called the pyroplasma, which has been proven effective in the destruction of PCBs. This unit is unique. Its competition is essentially incinerators which have approximately a 99.99 per cent destruction efficiency rate. The pyroplasma unit has an unofficial destruction efficiency rate of 99.9999999 per cent. This is a consistent percentage when one is talking of a million pounds of waste material. Those extra nines make a lot of difference.

The provincial and federal Governments have actively participated in developing test procedures which will set permit application guidelines for waste disposal units. The commitment is there, but it is taking a long time.

The Province of Ontario has asked for proposals to clean up the Smithville site. These are to be submitted within the next few days. The local public know what the pyroplasma can do and want it to be used. They know what those extra nines mean. Other Canadians living close to industrial dumping sites are crying out for this kind of efficient answer to the problem.

The federal and provincial Governments have already invested half a million dollars into this project. The United States awarded the E. S. Fox Company a $2 million demonstration contract to finance the actual building of the unit, which could then be used to clean up the Love Canal area in New York State. Earlier this month the pyroplasma was set up at that site.

After four or five months of test procedures on dioxin and more than 100 other chemicals located there, it will be put into full use in clean-up operations.

Over the past 10 years 17,000 gallons of waste products have been pumped out of the ground and stored at the Love Canal site. When the pyroplasma is put into full operation, it will take only 30 days to destroy that material. The company will go back once a year to destroy the waste which has been pumped out over that year.

We can all be very proud of the fact that this technology has been developed entirely in Canada. Despite considerable investment of American funds, it is still wholly owned by a Canadian company, a company which is continually looking at new ways to combat environmental problems.

At present the pyroplasma is being used to destroy liquid industrial waste. The same technology can be used on solid waste products. It is merely a matter of developing different material handling technology. There have been offers to fund the research necessary to develop such technology, provided free access to the technology is given in return. The company does not want to relinquish control to only one interested party. Too much has been invested. The pyroplasma has been extensively tested in Kingston under the supervision and with the financial backing of both federal and provincial Governments. The unit is completely mobile and can be set up in just a few days. What this will mean in future emergency clean-up situations is incredible.

The American Environmental Protection Agency ranks the pyroplasma in the top five technologies for waste disposal in the world. The word in the hallways at the EPA meeting last month was that this was the "—hottest piece of chemistry to come down the road in years".

My question was specifically when we could start putting this amazing technology to work in Canada. The question is a difficult one given the divided jurisdiction in the matter, but I firmly believe the clean-up of the environment is a national concern and one which must be addressed here in the House of Commons.

• (1810)

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, although the disposal and destruction of hazardous wastes in Canada are the responsibility of the provinces, the federal Government is actively involved in the search for solutions. Not one government can confront this issue on its own. It is for this reason that the federal-provincial Canadian Council of Resource and Environment Ministers has initiated work on the development of a national action plan for the management of hazardous wastes in Canada. Along with this initiative, CCREM has already developed and implemented a national action plan aimed at eliminating PCBs from the Canadian environment. The plan has four basic objectives; first, the establishment of destruction facilities; second, the creation of national standards for the transportation and destruction of PCBs; third, the creation of national environmental quality objectives for PCBs; fourth, the dissemination of factual information on PCBs.

Ever since the Kenora spill, PCBs have been of particular concern to the Canadian public. Hardly a day seems to pass when there is not a new revelation of PCBs found at yet another location. This is a concern which I believe will be alleviated by the initiatives now under way by the Canadian Council of Resource and Environment Ministers. It is a concern which will be further alleviated by the fact that technologies do exist to destroy PCBs.

On May 2, the Hon. Member for Welland (Mr. Pietz) questioned the Minister of the Environment (Mr. McMillan) about a hazardous waste disposal unit which will be tested at the Love Canal site this summer. I am happy to report that the unit in question was designed and built in Canada and was successfully tested for PCB destruction. This plasma arc destruction unit is mounted on a 45-foot trailer and can be readily moved to PCB disposal sites. The unit is but one of a number of fixed and transportable mobile PCB destruction technologies which are coming on line for commercial application in Canada.

On April 5 of this year, the Ontario Government gazetted a new regulation under its Environmental Protection Act for transportable mobile PCB destruction facilities. This effort to regulate these facilities is a major step forward in eliminating PCBs from the Canadian environment. With this new regulation, companies can now begin applying to the province for approval to operate their PCB destruction facilities.

Initiatives are now under way in other provinces in Canada to rid ourselves of PCB wastes. British Columbia has taken an active role in determining suitable transportable mobile technologies for destroying PCBs in western Canada. Alberta has selected a site for its hazardous waste facility and expects it to be fully operational by 1988. Saskatchewan has established a permanent indoor facility in Regina for a mobile low concentration PCB treatment process which has been in use in the province since 1983. Quebec has initiated a search for a suitable location for destruction facilities. These are just some of the initiatives now taking place across Canada.

As our world becomes more complex, so do the environmental problems we must confront. Special efforts to reach a consensus on the best solutions for different problems are required if solutions are to be found and acted upon. PCBs provide a model of federal-provincial co-operation in confronting a problem and finding solutions to that problem. The lessons learned on this issue will no doubt be of immense use to us in solving other issues which threaten our environment.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.14 p.m.

HOUSE OF COMMONS

Friday, May 30, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SOCIAL SECURITY

NEED FOR REFORM OF PROGRAMS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, an article in *La Presse* indicates that the Conservative Government has decided to hire 250 inspectors to look into unemployment insurance abuses. We have also learned that the provincial Government is about to axe social welfare benefits.

Mr. Speaker, both approaches clearly show that Governments should get together and implement a guaranteed minimum income, or a minimum monthly income.

Mr. Speaker, instead of taking this piecemeal approach and trying to look for abusers, the federal Government should forthwith convene all provinces and interested parties—and I think Canadians are ready for this—to launch a major reform of all social programs to help the needy, not to reduce the deficit.

* * *

[*English*]

APARTHEID

SOUTH AFRICA—TORONTO ARTS AGAINST APARTHEID FESTIVAL

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker:

> We must recognize that apartheid is the primary violence in South Africa. It's the violence of the migratory labour system, the violence of detention without trial, the violence that forces children to starve, the violence that stunts intellectual and spiritual growth—apartheid is an evil and immoral system which must be destroyed.

Those are the words of Bishop Desmond Tutu, the 1984 Nobel Peace Prize winner who will be in Toronto this weekend to join citizens of Metropolian Toronto and Canada to add their voices in support against apartheid.

The Toronto Arts Against Apartheid Festival Foundation has sponsored eight stimulating days of theatre, music, art, poetry, and discussions, designed to offer insights into the issues surrounding apartheid and to celebrate international equality and social justice.

The Toronto Arts Against Apartheid Festival is a celebration of freedom. Organizers are to be congratulated for this outstanding effort. They are sending a message to South Africa. Let us join them—South Africa will hear us.

* * *

• (1105)

CANADA POST CORPORATION

NON DELIVERY OF MAIL TO MEMBER OF PARLIAMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, since we are Members of Parliament, any Canadian wishing to express an opinion or concern may simply pick up a telephone to call us, or put their views down on paper and simply mail them to us postage free. I have in my hand an envelope which was properly addressed to me from Pointe aux Trembles in the Province of Quebec, but the Post Office deemed fit to affix a label to it and return it to the sender due to insufficient postage.

It seems to me that the Post Office is revoking our parliamentary privileges by acting in such an arbitrary manner. I realize that this may happen occasionally due to the volume of letters received at a post office, but when this happens three times to the same sender, there is no excuse. There are just too many examples of what is wrong with the Post Office these days.

* * *

UNEMPLOYMENT INSURANCE

PURPOSE OF SCHEME—CRACKDOWN ON ABUSERS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, unemployment insurance in Canada is supposed to be just that, insurance. It is insurance in that it provides needed assistance to those Canadians who find themselves out of work through no fault of their own. Unemployment insurance is not welfare and it is not a handout. Therefore it only makes sense for the Government to introduce a program that helps people on unemployment insurance to find work. The interviews that are slated to begin this summer do just that.

S.O. 21

Let the abusers of unemployment insurance beware. The interviews will also crack down on those who choose to abuse unemployment insurance at the expense of all Canadians. The unemployment insurance interviews will not be a witch hunt but a job hunt.

* * *

[*Translation*]

SHIPYARDS

REQUEST THAT ALL EMPLOYEES BE TREATED WITH JUSTICE

Ms. Sheila Copps (Hamilton East): Last week, Mr. Speaker, before 2,000 people who came here to seek the Government's views on a shipbuilding policy, the Minister of State (Small Businesses)(Mr. Bissonnette) promised to initiate a dialogue with the unions. Silence still prevails today. The federal Government took court action against shipyard workers whose only sin was to ask the Government to respect their rights.

[*English*]

The Government refused a conciliation board report and now has taken the unprecedented step of taking the shipyard workers to court for trying to exercise their rights to parity in pay scales and acceptance of a conciliation board report.

We urge the Government not to take the workers to court and in fact to agree to the conciliation board report which simply asks that East Coast maritime workers be paid the same as their West Coast counterparts. It is only fair and just. Let us stop the blustering heard in the House of Commons by the Minister of State for Small Businesses (Mr. Bissonnette) and start talking with the unions across the country so that they can rest assured that at least—

[*Translation*]

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

* * *

[*English*]

VIA RAIL

TRANSFER OF JOBS FROM WINNIPEG TO MONTREAL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, VIA Rail announced yesterday that it will be consolidating its accounting department in Montreal within 90 days. This will mean the transfer of some 27 positions from Winnipeg to Montreal and the abolition of another 11 positions in Winnipeg. This is the kind of thing that for years Conservatives told Winnipegers would never happen if the Tories were in power to protect them.

Since the election of the Conservative Government in 1984, on railway matters alone there have been, among other things, a deferral of the VIA Rail maintenance shop, the attempted abolition by CN of the Prairie Region with Winnipeg as its headquarters and lately, instead of politically volatile moves, Winnipeg is being nickeled and dimed to death by moves like the one made yesterday by VIA, and by systematic downgrading of senior CN positions in Winnipeg and upgrading of those in Edmonton to which they increasingly report in a subordinate way. Manitoba Conservatives should all have bags over their heads.

* * *

SMALL BUSINESS

OTTAWA-CARLETON ECONOMIC DEVELOPMENT COUNCIL—SUCCESS ACHIEVED IN 1985

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, 1985 was an important year for the Ottawa-Carleton Economic Development Council. It received strategic investments by two major U.S. companies. As well, 24 firms involving over 300 permanent jobs were assisted by the council in expansion or new investments.

The Government has always recognized the importance of small business as a key source of dynamism and innovation in the Canadian economy and the most important source of jobs in Canada today. The Government has brought in a wide-ranging series of co-ordinated actions to encourage private initiative and competitiveness in the Canadian economy. These initiatives of small business are aimed at inspiring growth and confidence in our economy.

• (1110)

The success of the Ottawa-Carleton Development Council in 1985 is one of the many successes our country is experiencing as a result of these initiatives.

A total of $7.6 billion in purchase orders went to the private sector in Ottawa-Carleton last year. This is what small business can do for a community and for our country. It represents diversification, new jobs, and new wealth.

* * *

FINANCE

ABUSES OF SCIENTIFIC RESEARCH TAX CREDITS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I draw to the attention of the House the implications of possibly the most costly mistake made in Canadian Government history. The Deputy Minister of Finance says that when the Liberal Finance Minister introduced SRTCs in 1983 there was a conscious choice to allow the "quick flips" that cost taxpayers

a billion dollars and are now costing another half billion to investigate and prosecute.

The SRTC program was ill-conceived and politically irresponsible, compounded by the total lack of corrective action by Finance Department officials. They knew in advance about the costly flaws in this disastrous program, but it was the new Tory Government which stopped it a year and a half and hundreds of millions of dollars later.

We in the Government must make responsible decisions. However, the highly qualified professionals in the Public Service must be fully accountable in carrying them out, in monitoring them, and in advising immediately on corrective action if necessary. Taxpayers should expect no less, and I demand action on this vital issue.

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HUMAN RIGHTS

U.S.S.R.—PLIGHT OF DR. VLADMIR BRODSKY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, yesterday I attended a press conference which was organized by Project Ploughshare, dealing with the serious plight of Dr. Vladmir Brodsky who is a Soviet citizen. The doctor's only crime was that he was a member of the Moscow Trust Group, a peace activist group in that country.

Unfortunately that conference was not attended by a large delegation of media members, and I am afraid that the message has not got out that it is very incumbent upon Canadians and the Canadian Government to make every effort to urge the Soviet Government to free Dr. Brodsky, who has provided a major, important, and significant effort in the Soviet Union to bring the message of peace to that Government.

Mr. Gorbachev has been very active in proposing a number of peace proposals. Those proposals cannot be taken seriously as long as that Government is repressing the right of Soviet citizens who are also interested in peace.

I hope all Members of the House will join with us in urging the Canadian Government to take up the case of Dr. Brodsky.

* * *

FISHERIES

SKEENA RIVER SYSTEM—SALMON HARVEST—GOVERNMENT POLICY

Mr. Jim Fulton (Skeena): Mr. Speaker, residents of British Columbia have serious concerns about certain actions and subsequent lack of follow-up in recent months by the Minister of Fisheries and Oceans (Mr. Siddon) and by the Minister of Indian Affairs and Northern Development (Mr. Crombie).

As provided under federal law, the Gitksan-Wet'suwet'en Tribal Council has enacted four fishing by-laws for the Skeena River system. The Council has specific studies related to the salmon stocks and mechanisms to promote conservation and enhancement, as well as selective harvesting. These principles are supported by all user groups on the Skeena.

The tempest arose as a result of the two Ministers producing a policy on co-management without any consultation whatsoever. The policy has been withdrawn, but the Ministers have hidden away from the real concerns of all residents—commercial, native, and sport. They have hidden from allocation and thus harmed the Gitksan-Wet'suwet'en aspirations and alarmed other users.

I have offered to chair a public meeting anywhere in the B.C. northwest prior to the laws becoming effective on June 15, 1986. Neither Minister has yet agreed to attend. This will lead to a dangerous and unnecessary confrontation—a result we must assume they intended.

* * *

FARM CREDIT CORPORATION

PENALTIES CHARGED ON MORTGAGE PAYMENTS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, farmers are becoming increasingly nervous about the policies of the Farm Credit Corporation. Even though the Bank of Canada interest rate is 8.58 per cent today, many farmers are still caught in a mid-teen mortgage. The FCC still insists upon full penalties when farmers sell off land to pay mortgages. To cut down interest rates most banks forgive penalties, but the FCC refuses to do so.

Most farmers will not qualify for the 6 per cent commodity mortgage plan, and the way it is set up I am not sure they should apply. Farm credit needs to be overhauled, and there is a need for a pool of 6 per cent money which will be of some use to our farmers, if we are to carry on our cheap food policy.

* * *

ENERGY

LOW OIL PRICES—EFFECT ON CALGARY

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the people of Canada should know that more and more Calgarians are suffering the consequences of continuing low oil prices. For the four weeks ending May 16, 24 per cent more unemployment insurance claims were filed than in the same period last year. A large number of these claimants were engineers, geologists, managers, and clerical staff.

These are the people who helped build this dynamic industry. As it loses these professionals, the oil industry is losing the vital strength it will need to rebuild. Low world oil

prices have come at a time when producers are burdened with over $22 billion of debt. The recent decline in interest rates of 2.75 per cent since February has thus been most welcome. I urge the Minister of Finance (Mr. Wilson) to continue his efforts to reduce interest rates further.

• (1115)

ORAL QUESTION PERIOD

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—REQUEST FOR ROLLBACK

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Acting Prime Minister or the Minister of Finance. Now that the ill-conceived, confusing request by the Canadian Government for compensation has been refused by the United States Government, something that everyone except the Canadian Government knew would happen, what is the Government going to do? Instead of engaging in reckless retaliatory policies, why will the Prime Minister not deal directly with the President of the United States and ask for a rollback of the tariff and a standstill on harassment actions? Why is the Prime Minister afraid to talk to the President of the United States on this issue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Prime Minister is not afraid to talk to anyone on any issue. I hear from the Hon. Member one thing, from the Hon. Member for Saint-Henri—Westmount another thing, and Leader of the Official Opposition on something else. The confusion about this matter is over there.

We have had meetings with officials in Washington. We have had meetings with the industry here in Canada to understand its point of view on the issue. The Secretary of State for External Affairs is having an important meeting this afternoon with the Secretary of State, Mr. Shultz. This is a process which has a number of sides to it, as the Hon. Member I think should know. It is for that reason we are approaching this in a very responsible and measured way in order to understand clearly the implications before taking decisions.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, does the Minister of Finance not understand that this issue is of such significance that having a meeting in Washington with a group of officials is not the appropriate way to deal with it? It must be done on the level of heads of Government, one to another. Will the Government undertake serious action to get a rollback, and in the meetings today being held with Secretary of State Shultz will our Secretary of State for External Affairs be asking explicitly for a rollback of those tariffs and for a standstill on any future harrassment on the trade import issue as requested just yesterday by the Government's staunch Tory ally, Premier Getty of Alberta?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I caution the Hon. Member on the question of standstill. The question of standstill works both ways. Yes, there is a problem, as the Hon. Member and I both agree, a very important problem given rise to by the decision of the Americans last week on the shakes and shingles industry. But we may well, as a country, have some irritants, some concern going the other way, on which we might want to take action. Standstill would rob us of that possibility. That is a very important consideration we have to take in mind as we approach the whole question of standstill.

EMPLOYMENT SUPPORT ACT—PROVISION OF FINANCIAL ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, so far the whole question of standstill has been a one-way street, not a two-way street, and we are on the receiving end of it. If the Government has failed in all its other initiatives, does the Minister intend to invoke the provisions of the Employment Support Act which was passed by this Parliament in 1971, which will provide direct financial assistance to the workers and to the industry that will enable them to stay in business until we can properly work our way out of this very difficult problem we have been put into by the Americans and by this Government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member should be very careful in saying that this Government put us into this problem. This decision, this action, was taken by the United States Government. It was not taken by the Government of Canada. That sort of distortion does not help anyone.

We met with the industry, as the Hon. Member knows, on Wednesday. We are having continuing discussions on the implications of the tariff as it relates to the domestic industry, and decisions will be taken in due course.

• (1120)

PRIME MINISTER'S CONTACTS WITH UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, it seems to me that the Minister of Finance has been thrown into this situation as a penalty killer. I would like to give him the opportunity of being a bit more forthcoming.

The Minister of Justice has raised the issue of retaliation in the United States and the Minister of Finance alluded to that with respect to a standstill agreement. That would probably invoke a non-productive and costly trade war. We would like to hear from him on that.

Apparently the issue of compensation is no longer available. The one thing we do not know is why the Prime Minister has

not simply spoken to the President directly. If he has, as we presume he has, will the Minister confirm it to the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, a week ago today the Hon. Member was raising the question of things we should do in retaliation and saying that we should call off these talks altogether. That was the flourish of rhetoric which came out of the Hon. Member's mouth. Three days later the Leader of the Opposition pulled his leash very toughly around his neck and said: "No, no, we are not going to have retaliation. We do not want to raise the stakes. We should go quietly and do what the Americans want us to do". Now he is again saying that we must have retaliation. The Hon. Member does not know where they are coming from. We have set out quite clearly the measured process that we are taking to come to a proper conclusion on this matter. The Hon. Member is well aware of those steps.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, they really know what amateur hour is in management of the public sector.

REQUEST FOR TARIFF ROLLBACK

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, with respect to that completely gratuitous comment, the suggestion was that these talks be suspended until this matter is dealt with. The Premiers have effectively put forward the same position. The Leader of our Party has backed that position from the outset. The only thing left that makes sense is to ask for a rollback of the tariff since all of the other elements are not there. Instead of recommending retaliation, as the Minister of Justice has done—

Mr. Deputy Speaker: Will the Member ask a question please?

Mr. Johnston: Why is the President not being asked to roll back the tariff?

Hon. Michael Wilson (Minister of Finance): I think the President of the United States is very, very aware of the position taken by the Prime Minister in his letter to the President himself—

Ms. Copps: Brian got a busy signal.

Mr. Wilson (Etobicoke Centre): —in the discussions which have been held with officials, and in the discussions that will be held this afternoon between Mr. Shultz and Mr. Clark. The position of the Government of Canada is very, very clear.

The management of this issue must be handled very carefully because of the complexity of the issue and the possible repercussions if things are not handled in the appropriate fashion. That is what we are working on in a measured way with the various contacts which we have had with the administration this week.

Oral Questions

AIR CANADA

SUSPENSION OF FLIGHT ATTENDANT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. Last Friday a matter of fundamental human rights was brought to the attention of the office of the Prime Minister, the Leader of the Opposition, and myself. I refer to the case of Toni Corrado, a 13-year employee of Air Canada who had been, to use the phrase of Air Canada, "taken out of service" for a week because she had the audacity to act under the provisions of freedom of expression in the Charter, in replying to questions.

Has the Deputy Prime Minister or the Government looked into the proceedings which took place yesterday which can only be described as a kangaroo court, a violation of both the process and substance of freedom? Will they take action immediately to restore the right to work to Toni Corrado, a 13-year good employee of Air Canada?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I can simply reassure the hon. gentleman that it is not the intention of the Government to intervene in what we consider to be a purely internal matter.

Some Hon. Members: Shame.

Mr. Broadbent: Mr. Speaker, it is a sad day when, in government, a Party which voted for the Charter of Human Rights refers a case as important as this to a Crown corporation as being an internal matter. We see it as a fundamental question of justice in which the Prime Minister's office and the Minister of Justice should be involved.

Some Hon. Members: Hear, hear!

CONDUCT OF HEARING

Hon. Edward Broadbent (Oshawa): I will direct my supplementary question to the Deputy Prime Minister. The hearing given by Air Canada to this employee yesterday allowed only 15 minutes of testimony by her. It did not include any supporting witnesses, such as other flight attendants who were on the flight, and referred to no specific rule being broken by this employee. Does the Deputy Prime Minister not see this, apart from the substance, as a violation of due process, and will he intervene directly to see justice is restored to this woman?

• (1125)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. gentleman fails to take into account the fact that due process is now taking place. The appeal procedure has started, and I simply assure him that the lady in question returns to work this weekend and will remain at work until such time as the appeal process has been exhausted.

Oral Questions

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my final question is directed to the Deputy Prime Minister. Since it is clearly open to the Government, after consultation with Air Canada, to involve itself in this process, and since it is clear to anyone who has looked with care at the facts that an injustice has been done, instead of having this unfairness spin out for many days, possibly months, will the Government do the correct thing for a good employee and let her return to work with dignity?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is, I suppose, better equipped than most of us when he stands in his place and asks us to believe that what he asserts is fact. I did not attend that hearing. I dare say he did not either. The Parliamentary Secretary informed the House that there is an appeal process and that is now being pursued. The hon. gentleman and his supporters would be the first to scream blue murder if the Government interfered with that due process. Surely he should have the decency to allow that appeal process, which is in place pursuant to a collective agreement, to come to a conclusion.

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TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—COMPENSATION ISSUE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Finance. He said that the Government has been carefully managing the very serious issue of the 35 per cent duty on cedar shakes and shingles. How can he say that when the Government has wasted almost a whole week seeking compensation from the Americans when he, the Prime Minister, and the Secretary of State for External Affairs should have known from the beginning that the U.S. had no legal authority to grant such compensation in the first place? Why did the Government waste precious time in this way? Is this not another example of the way the Government is handling this matter as being nothing more than amateur hour on the Rideau?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that stopped on September 4, 1984.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We had discussions with U.S. officials and it was not at all clear what their position was going to be on the question of compensation. Following discussions in Washington it did become clear and they indicated their decision to us. However, it was not until then that we could give up that possibility. I am sure the Hon. Member would have been the first on his feet flapping away, telling us we had let go one option we could have taken had we done that at an early stage, as he now suggests we should have done.

TERMS OF U.S. TARIFF ANNOUNCEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have in my hand the official announcement of the duty from Deputy U.S. Trade Representative Michael B. Smith which says: "Because this tariff is not bound under the General Agreement on Tariffs and Trade we will not have to compensate our trading partners for any damage to their exports resulting from the tariff increase."

Did the Minister and his Government not have this release? Did they not know this from the beginning? Whatever the Minister says, this is obviously another example of the incompetence of this Government when it comes to handling our trade relations with the U.S.

• (1130)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member makes a point that Mr. Smith said they did not have to provide compensation. Surely it is a responsibility of a Government to press the other side to make sure there are not other reasons which might allow them to give compensation. When we raised this matter with them earlier this week they said it was a matter to be considered. They spent some time considering that and came back with their answer to us at the meeting subsequent to that. It was not a closed door by any means when the matter was first raised by our Government.

REQUEST THAT INDUSTRY AND UNIONS BE INVOLVED IN NEGOTIATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Finance. Since compensation from the United States on shakes and shingles never was an option and was never supported by the Canadian industry, I would like to ask the Minister if his Government will guarantee that from this moment forward representatives of the shake and shingle industry and the workers will be directly involved in the negotiations regarding the removal of the 35 per cent duty and the definition of market share processes that are going on right now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was not at the meeting on Wednesday which took place at lunch time, but I believe it was indicated to the industry at that time that we intended to keep in close touch with them regarding any responses that might be taken in this particular matter.

SOFTWOOD LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, since the Prime Minister has refused to call the President of the United States over this unfair duty against Canada's shake and shingle industry, would the Minister of Finance advise this House whether he has been or will be making direct representations

to the United States before Monday, opposing the countervail action against Canadian softwood, because as of Monday it will become a legal process, whereas right now there is still a political opening to allow for those kinds of representations?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Prime Minister has not refused to speak to the President of the United States. I think the Hon. Member knows full well that the dialogue between this Prime Minister and this President has been as open as any dialogue between any two leaders in the history of the two countries.

In response to the Hon. Member's question, the Secretary of State for External Affairs will be meeting with Mr. Shultz later on today, and a number of matters in relation to trade problems with the United States will be raised at that time.

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[*Translation*]

AIR CANADA

SUSPENSION OF FLIGHT ATTENDANT—REGIME ESTABLISHED IN TRANSPORT MINISTRY

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Transport.

Recently, a CBC reporter was taken to court because he made our airport security systems look ridiculous.

Yesterday, we heard that a stewardess was suspended because she said in public what thousands of Canadians are thinking, namely that the Government is incompetent and corrupt.

Could the Parliamentary Secretary inform the House what inspired the Department of Transport to indulge in this kind of intimidation?

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think that question hardly befits the spokesman. However, I will take notice of it and bring it to the Minister's attention. He might reply when he returns.

[*Translation*]

REQUEST THAT MINISTER INTERVENE

Hon. André Ouellet (Papineau): Does the Parliamentary Secretary realize that under our legislation, the Minister of Transport can give instructions to Air Canada? And will the Minister intervene within the next few days to exonerate the stewardess who was erroneously suspended, and will he do so as soon as possible, so as not to perpetuate this injustice?

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, once again the Hon. Member draws some inferences which are quite unfair and unjust. I do not think that, as with his colleague in the New Democratic Party, that that distinguished Member, a former Cabinet Minister, would sit still for one minute if we were seen to be interfering with what is due process. There is a point in time when the representation of the Member can be considered, but not until such time as due process has been allowed to run its course.

SUSPENSION OF FLIGHT ATTENDANT

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to direct my question to the Deputy Prime Minister. The Government appears to wish to wash its hands of the disgraceful injustice which occurred in Air Canada yesterday when a flight attendant was suspended for 30 days without pay. Does the Deputy Prime Minister not agree that since the complaint was sent to the Government, not to Air Canada, that the Government has a duty and a responsibility to have this injustice reversed, just as his Party demanded when they were in opposition, of a previous administration, in the firing of Neil Fraser for discussing metrication?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The two cases bear no resemblance whatsoever, in my view. I am very surprised that the Hon. Member for Regina West would be standing in his place advocating that the Government should interfere with a process that is enshrined in a collective bargaining agreement between labour and management, a process set in place to deal with matters of this nature. Surely the hon. gentleman should be answering the question of why he should be suggesting that this collective bargaining provision in their own agreement should be breached in these circumstances.

REQUEST FOR PRODUCTION OF DOCUMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, it should never have happened in the first place if Air Canada and the cabinet Minister concerned agreed that this was not worthy of this kind of treatment.

The executive correspondence unit of the Ministry of Transport sent three documents to Air Canada numbered one of three, two of three, and three of three. At the hearing yesterday only two of three and three of three were provided to the flight attendant and her union representatives. I would like to know if this House, the flight attendant, and the union can have page one of three? What is on it, and can we have it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am unaware of the documents to which the hon. gentleman refers. They are recorded now on the "blues". I will look at the details and the Minister of Transport will undoubtedly, if the documents are under his jurisdiction, see to it that consideration is given to the request made by the hon. gentleman.

Oral Questions

CHALLENGE '86

YOUTH SUMMER EMPLOYMENT—ALLOCATION OF FUNDS TO PRIVATE AND NON-PRIVATE SECTORS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, all Members of the House are interested in the summer youth employment programs. Now that most of the grants have been assigned under the SEED Program in Challenge '86, could the Minister tell the House how those funds have been allocated to the private sector in relation to the non-private sector, and what is the variation of those funds from province to province?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I am very happy to say that Challenge '86 has been a great success this year. We are going to have many young people employed this summer so they may earn their tuition and go back to school in the fall.

As for the allocation of money to the private and the public sector, it changes according to the different provinces. The average is 35 per cent in the private sector and 65 per cent for the non-private sector. The difference varies from, let's say, 85 per cent public in Newfoundland to 51 per cent public in Alberta.

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AIR CANADA

FLIGHT ATTENDANT'S SUSPENSION—REQUEST THAT GOVERNMENT INTERVENE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Deputy Prime Minister. I hope he does not hide behind the umbrella or the mask of a collective agreement. My question concerns the fundamental right of free speech for every Canadian. I would like to ask him why the Government does not exercise its power under the Financial Administration Act to issue a written directive to Air Canada demanding that it reinstate this *hôtesse de l'air* without any penalty?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): There is a process in place that is being followed. I am surprised that the Hon. Member would be suggesting that we interfere with a proper and appropriate process that is in place, and not allow the appeal process to be exhausted. Surely that is within the rights of those individuals who are involved.

• (1140)

GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): It was his political Party, the Progressive Conservative Party, that set this issue in motion. Why does the Minister choose to ignore his Government's responsibility under the Financial Administration Act, which empowers his Government to issue a written directive demanding that Air Canada restore the right of free speech so that every person who works for Air Canada, every federal government employee, and indeed every Canadian, can feel free to speak out without the kind of harassment that has been evident in this particular case?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member, being an expert in harassment, knows of course of what she speaks.

Some Hon. Members: Oh, oh!

Mr. Ouellet: That is disgraceful for a Deputy Prime Minister.

Mr. Nielsen: It is not truthful to say that the Progressive Conservative Party was responsible for originating this matter. The correspondence that was forwarded to the Minister was immediately forwarded to the management of Air Canada which has dealt with it as a management problem, and there is now an appeal process in place which all Members should have the decency to allow to come to completion.

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NUCLEAR ARMAMENTS

SALT II AGREEMENT—ALLEGED VIOLATIONS BY U.S.S.R.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. In view of everyone's grave concern about the decision of the United States to breach the limits of the SALT II Agreement, will the Minister tell the House, and indeed the Canadian public, what are the alleged violations on the part of the Soviet Union? The Prime Minister said that they were too numerous to mention. Apart from the question of the SS-25, upon which there is a difference of opinion within NATO, what are the violations by the Soviet Union?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe that it is inaccurate for the Hon. Member to say that the United States has made a decision to breach SALT II. My understanding of the President's statement does not accord with that at all. The Prime Minister stated in Halifax that he did not believe that any breach of the SALT II provisions would find support in NATO and certainly would not find support in Canada. With respect to the alleged violations, I do not believe I have the time to go into detail on the floor of the House of Commons, unless the Hon. Member wishes to devote her supplementary question to that subject again and I will outline some of them.

NATURE OF VIOLATIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Prime Minister said: "I could mention quite a few but they are obvious to everyone." Everyone I have asked at

the Arms Control Centre and elsewhere cannot give me examples apart from the question of the SS-25. It is incumbent upon the Department and the Government to tell us what these violations are. I ask the Minister to do so now.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the arms limitation arrangements which now exist between the Soviet Union and the United States, it is not the United States, for instance, that has the world's only existing anti-ballistic missile defence system—

Ms. Jewett: That is the ABM treaty. I am talking about SALT II.

Mr. Nielsen: That system is in the Soviet Union.

Ms. Jewett: You don't even know that it is the ABM.

Mr. Nielsen: It is not the United States that has the only ASATS system in the world. That is the Soviet Union. It is not the United States, or indeed any of the NATO allies, that continually breaches the production and use of chemical weapons. That is the Soviet Union, and just to mention a few.

Ms. Jewett: I am talking about SALT II.

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VETERANS AFFAIRS

VETERANS INDEPENDENCE PROGRAM—ELIGIBILITY CRITERIA

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. The Veterans Independence Program provides elderly and aging veterans with the opportunity to remain healthy and independent in their own homes at a fraction of the cost of institutional care. Will the Minister give consideration to enlarging the eligibility criteria in order that more veterans may qualify for this program?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I am pleased to be able to advise the Hon. Member, who has always been very active on behalf of veterans generally, that we are now helping over 10,000 veterans remain in their own homes or communities where, as he and I know, they are far happier than in an institution. Since September, 1984, eligibility for the Veterans Independence Program has been expanded twice and a further expansion is planned for next January. I agree with the Hon. Member that a faster expansion is desirable. I assure him that I will take his question as a representation and give it very serious consideration. I thank him for this most constructive question.

Some Hon. Members: Hear, hear!

[*Translation*]

TRADE

PROTECTION OF CANADIAN JOBS—MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. Last Friday, the Prime Minister, our expert on belabouring the obvious, took a strong stand against the U.S. President. He said he would retaliate. On Monday, he retreated and said: No, we are going to ask for compensation. Yesterday, we heard that the U.S. President gave his Canadian lackey the following answer: No compensation. Could the Minister of Finance tell the House today what the Conservative Government is going to do to save the jobs of Canadian men and women? What concrete measures are going to be taken? I mean real action, not bluff.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member's rhetoric suggests that we should have jumped right out of our seats last Friday and taken immediate retaliatory action. Shortly after that he heard his Leader say that maybe we should not use retaliation. We have said quite consistently that there will be a response from the Government that will be made in a measured way, that will be made after having an opportunity to respond to the concerns of the union and of management. It will be made after discussions with the United States, because if there is one thing that I believe is quite clear and on which many people have agreed it is that this should not be the start of a trade war with the United States. The long term objective is to negotiate a comprehensive trade agreement with the United States and we must not lose sight of that.

[*Translation*]

RECOMMENDATION THAT GOVERNMENT ASSERT ITSELF IN TRADE NEGOTIATIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. Last week, it was the Prime Minister who said here in the House that he would make use of reprisals against the U.S. Government. He is the one who is belabouring the obvious! Could the Minister ask the Prime Minister to act responsibly and call the U.S. President, and ask him to intervene and withdraw these measures to protect Canadian jobs? Could he ask the Prime Minister to take concrete measures and take a firm stand on free trade, instead of caving in before the negotiations have hardly started?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member had been paying attention to Question Period this week he would have understood that we have met with the representatives of the industry, both management and labour, and have met with representatives of the U.S. administration. The Secretary of State for External Affairs will be meeting with Mr. Shultz this afternoon. These discussions are

very important in developing the appropriate response. That response will be made in due course.

* * *

[*Translation*]

WOMEN

INQUIRY IF GROUPS SUBSIDIZED LAST YEAR WILL RECEIVE SAME AID THIS YEAR

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Secretary of State and concerns women's groups who have yet to receive their subsidies this year. Can the Minister give the House the assurance that those groups that were subsidized last year and which still meet program requirements will at least receive the same measure of financial support they did last year?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, we can give the Hon. Member the assurance that the Department of the Secretary of State analyzes requests from women's groups, as it is supposed to do, and when these groups meet the criteria, as the Hon. Member pointed out, we will of course provide them with support, on the basis of the funds allocated to the Department of the Secretary of State.

[*English*]

SIZE OF FUNDING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister put to rest fears that there will be drastic cut-backs throughout the program? All the women's groups will be affected by this. They have received only 40 per cent of their funds this year. We have not heard answers yet about how much money is in the program for the groups that are doing such an important job in the voluntary sector.

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, when the Hon. Member mentions radical cuts, this can of course be interpreted in many ways. We have nearly completed the Department's budget assessment process, and as I said before, I think that the funding these groups will receive will depend on our finances. However, if we look at women's groups in general in this country, I do not think there will be any what could be called radical cuts. There may be some adjustments, but I repeat, these will not be what you refer to as radical cuts.

• (1150)

[*English*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—REQUEST FOR ADVANCE FUNDING FOR NOVA SCOTIA COMPANIES

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is addressed to the Minister responsible for Canada Mortgage and Housing. A great number of RRAP delivery agencies in Nova Scotia are private sector firms. We should all be proud of the superb job they are doing. These groups are experiencing difficulties now because of delays in RRAP funding. Would the Minister consider advance payment, in order to assist these companies in providing the necessary services in which they are engaged?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I thank the Hon. Member for an important question. I recognize the service private sector delivery groups provide to people in Canada. I also recognize that private sector delivery agents are paid on a fee-for-service basis.

I would certainly take into consideration any application from those private sector delivery groups which are in financial difficulty to provide some advance assistance until such time as their fee-for-service provisions under RRAP catch up with their financial demands. I thank the Hon. Member for the question. If any private sector delivery agents can provide that information, we will assess it.

* * *

[*Translation*]

TRADE

REQUEST FOR GREATER REPRESENTATION OF WOMEN AND FRANCOPHONES ON FREE TRADE NEGOTIATING TEAM

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the glaring lack of Francophones and women on the free trade negotiating team.

Mr. Speaker, in addition to its initial and unacceptable mistake, the Government is dragging its feet shamefully in this matter. This was clear yesterday from the answer given by the Deputy Prime Minister to my colleague from Hamilton East. He merely recycled a nine-day old answer given previously by the Secretary of State for External Affairs, which was not explicit and merely recognized the deficiency.

I would therefore like to ask the Prime Minister whether he could remove any doubts as to the Government's intentions in this matter. Could he tell the House today how many Francophones and many women have been added to the negotiating team and what their responsibilities are?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with respect to the repetition coming from the hon. gentleman who asked the question, the response of the Secretary of State for External Affairs on May 21 in this House is still quite valid. The Prime Minister has specifically directed that Mr. Reisman look at adding the dimensions of Francophones, women, and regional interests to the group. That is being done. I believe the Minister responsible for the Status of Women has already identified one woman to be added to the group. Further progress will be made.

[*Translation*]

APPLICATION OF OFFICIAL LANGUAGES ACT—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it's worse than I thought. If the Prime Minister spoke to Mr. Reisman, he has merely established that he has no more clout with Reisman than he has with the U.S. President, because nothing has changed. The woman who was added is in a very junior position.

I would like to ask the Secretary of State, as the Minister responsible for official languages programs, whether he at least has made representations to have more francophones on the free trade negotiating team. And if he has done so, I wish he would inform the House what terms and what arguments he used, since he is so proud of—

Mr. Deputy Speaker: Order! The Hon. Minister has the floor.

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, as usual, the Hon. Member for Saint-Jacques is getting things mixed up, but that is par for the course, and his preambles are so long that the questions have no substance at all.

The question of enforcing our legislation on official languages generally has no connection with the selection of francophone candidates . . . Listen to the answer—

Mr. Speaker, this party has the delightful habit of asking questions and answering them at the same time. So answer the questions if you want to answer them.

* * *

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

STORAGE OF NUCLEAR WASTES—REQUEST FOR INVESTIGATION OF INDUSTRY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of the Environment. It concerns reports yesterday evening about AECL's plans to expand the marketing of mini-reactors, and also reports that it intends to store the wastes produced by these reactors at Pinawa and Chalk River. Is this not further evidence of the need for a full public inquiry into the nuclear industry in Canada?

In the absence of that type of inquiry on the part of the Government will the Minister take his responsibilities seriously as the Minister in charge of the environment and initiate a federal environment review process with respect to how these wastes will be transported from these mini-reactors to these sites, and with respect to the question of storage generally?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Members knows that AECL does not report to me, but to the Minister of Energy, Mines and Resources. So probably the pith and substance of the question should more appropriately be directed to her.

To the extent the question relates to me and my responsibilities and those of my Department, I will take the Hon. Member's representation as one validly put and vigorously expressed.

REQUEST FOR MINISTERIAL ACTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have long since given up on the Minister of Energy, Mines and Resources as far as the environmental aspects of energy development are concerned. I am looking to the Minister of the Environment as the advocate for the environment of the country to do something about the palpable negligence on the part of his colleague. I realize he cannot say anything too terrible in public. However, as Minister of the Environment I would ask him to consider that it is about time the environment took precedence over the technological imperatives of AECL and its misplaced missionary zeal to fill up the whole country with mini-reactors.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I will answer the Hon. Member's question. First, there have been no sales of the Slowpoke to which the Hon. Member refers.

Mr. Blaikie: But you want to sell them!

Mr. McDermid: Prototypes of them are being worked on right now, and there are demonstrations. It is purely a hypothetical thing. No agreements have been made. The individual who gave the interview was absolutely misquoted. The facts which the Hon. Member brings forward this morning are not correct.

FINANCE

COMMODITY TAX SYSTEM—EFFECT OF CHANGES ON MUNICIPALITIES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister of Finance. There is serious concern in the form of a resolution to be submitted by the City of Saskatoon and numerous Canadian cities at the meeting of the Federation of Canadian Municipalities next week regarding the implications for property taxes by the business transfer tax and the potential value added type taxes. Will the Minister clarify the implications of the new taxes for municipalities? Are rebates to local governments an option being considered?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated that there will be a process that we will be going through in consideration of any change in the commodity tax system. It will be initiated by a discussion paper following consultation with a wide range of people who could be impacted by it, including the municipalities. We have felt it important that there be consideration given to an appropriate transition system to assist the transition to the implementation of such a tax, if it were to be levied. That, in addition, is something upon which the municipalities could comment.

* * *

ENERGY

PRICE OF AVIATION FUEL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I direct my question to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. Can the Parliamentary Secretary explain to the House and to the country why the price of aviation fuel in Canada has dropped so very slightly despite the decline in world oil prices? For example, the price of aviation fuel in northern Ontario has gone down by only 2 cents a litre between January and May.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, a large number of the airports and flying clubs signed bulk contracts for aviation fuel. These are being negotiated all the time. The prices fluctuate from flying club to flying club and from airport to airport. In some areas they are down further than others. That is the market system working. That is the explanation to the Hon. Member.

PRICE OF HOME HEATING OIL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, that is no answer at all. The market system is not working. Can the Parliamentary Secretary explain to the House why the price of home heating oil has failed to decline appreciably? In Kapuskasing, Ontario, for example, between January and May the price of home heating oil has gone down by only 3 cents a litre. Why is that?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, because they are still using up the old supplies.

Mr. Penner: That is not true. That is wrong.

Mr. McDermid: In this country we demand that over the winter there be 100-day supplies of heating oil. As the Hon. Member knows, we had a mild winter and those supplies have not all been used up yet. I think the Hon. Member will find that the price for heating oil will be dropping rather significantly in the next month or two.

* * *

• (1200)

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, yesterday I asked for a statement on government business. At that time, the Government was not ready to give us a statement. I hope it is at the present time.

Mr. Hnatyshyn: Mr. Speaker, I apologize. For personal reasons, I was not in the House yesterday. I thought I had made it quite clear that I would respond on my return to Ottawa.

Today is an allotted day for a motion put by the Official Opposition. On Monday, we will take up the following items of legislation: Bill C-86, the Canadian Deposit Insurance Corporation legislation, on third reading; Bill C-109, the Income Tax Act, the scientific research tax credit legislation, report stage and, I hope, third reading; Bill C-91, an Act with respect to the competition tribunal which is at report stage, and I hope we will make progress on that; Bill C-75, an Act to amend the Shipping Act at third reading; Bill C-112, the Energy Administration Act at second reading; Bill C-19, Bell Canada reorganization at report stage; Bill C-95, the Archives Act; and Bill C-90, an Act respecting pension plans at report stage. On Monday, we will see what kind of progress we will make and what we can do on Tuesday.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to four petitions: Nos. 331-424, 331-432, 331-433 and 331-501.

[*English*]

COLUMBIA RIVER TREATY PERMANENT ENGINEERING BOARD

TABLING OF ANNUAL REPORT

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 67(2), I would like to table in both official languages the annual report of the Columbia River Treaty Permanent Engineering Board to the Governments of the United States and Canada for the period October 1, 1984, to September 30, 1985.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FIFTH REPORT OF THE CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. David Daubney (Ottawa West): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the fifth report, in both official languages, of the Canadian NATO Parliamentary Association.

* * *

PETITIONS

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a petition, which has been duly examined according to the Standing Orders, from two communities in the region of northern Ontario, Moonbeam and Terrace Bay. The petition concerns the continuing operation of the Morgentaler clinic in Toronto in clear violation of Section 251 of the Criminal Code of Canada.

CHANGES TO CANADIAN ARMED FORCES SUPERANNUATION ACT—CONSULTATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have several petitions to present. The first petition is addressed to the Honourable House of Commons of Canada. Whereas any amendment of the Canadian Forces Superannuation Act to remove the indexation of annuities will adversely affect former members of the Canadian Armed Forces, widows and dependents, the petitioners are calling upon the Government to make no changes to the Canadian Forces Superannuation Act without first consulting with recipients and those contributing to the fund. That petition is from a number of residents of Victoria, British Columbia.

I have another petition signed by several hundred superannuates again from Victoria, British Columbia. The petition calls upon the Government to revoke recent changes to the

unemployment insurance regulations which have placed Canadians who take early retirement in a difficult financial situation; whereas these changes have also adversely affected Canadian Armed Forces ex-personnel, members of the Royal Canadian Mounted Police and other police forces, fire-fighters and other men and women who are forced in mid-life to seek new employment, the petitioners humbly pray and call upon Parliament to immediately revoke changes to the unemployment insurance regulations Sections 57 and 58 which pertain to the inclusion of pension income as earnings. That is also signed by several hundred residents of Victoria, British Columbia.

I have a third petition to present, also signed by several dozen residents of British Columbia, which calls upon the Government, considering the Canadian Forces Superannuation Act amendment removing indexation of annuities would adversely affect former members of the armed forces, widows, and dependents, and whereas the Canadian Forces Superannuation Act administers a fund in excess of $13 billion which is the deferred income of armed forces personnel, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to make no changes to the superannuation Act without first consulting fully with annuity recipients.

I have another petition which is signed by—

Mr. Jourdenais: Nobody.

Ms. Copps: Nobody? No, believe me, it is signed by many prospective, former and future voters. Believe me, there are many signatures.

I have another petition, also from Victoria, British Columbia—

Mrs. Mailly: If it's former voters, they must have died.

Ms. Copps: I understand the government Members' private joke about it, even though publicly government Members sing another tune.

Mr. Deputy Speaker: Could I please ask the Hon. Member to summarize briefly the petitions which are on the same subject?

Mrs. Mailly: Get to the point.

Ms. Copps: Yes, the point is that any amendment of the Canadian Forces Superannuation Act to remove the indexation of annuities would adversely affect former members, widows and dependents, and the petitioners are calling upon the Government, as is their ancient right, to make no changes to the Canadian Forces Superannuation Act without first consulting fully with annuity recipients and those presently contributing to the fund.

I have another petition, signed by several hundred if not 1,000 consituents from New Brunswick, primarily Oromocto, Lincoln and Fredericton, which humbly sheweth, as is the

custom, whereas recent changes to the unemployment insurance regulations—

Mr. Deputy Speaker: Could the Hon. Member summarize? I understand that she has many petitions and, from what I can see, they are all on exactly the same subject. Could she please summarize them very shortly?

Ms. Copps: The petitioners are from different parts of the country, Mr. Speaker, and I am sure you would not want their voices not to be heard given that this is a duly signed petition—

Mr. Deputy Speaker: Order, please. If they are on the same subject, the Hon. Member—

Ms. Copps: No, it's a different subject.

Mr. Deputy Speaker: I am sorry, then. If it is not on the same subject, it is my mistake.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister should know that there is a slight difference between unemployment insurance and superannuation. This particular petition is from hundreds if not 1,000 residents of Oromocto, New Brunswick: whereas these people have long paid into the Unemployment Insurance Fund and now they see themselves unable to claim any insurance, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to immediately revoke changes to the unemployment insurance regulations which pertain to the inclusion of pension as income.

CHANGES TO CANADIAN ARMED FORCES SUPERANNUATION ACT—CONSULTATION

Ms. Sheila Copps (Hamilton East): I have another petition which hails from Kingston, Ontario, the home of the Minister involved. This petition is signed by a number of constituents who are extremely concerned about the prospective changes to the Canadian Forces Superannuation Act; whereas the Canadian Forces Superannuation Act administers a fund in excess of $13 billion which is the deferred income of armed forces personnel, and wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to make no changes to the Canadian Forces Superannuation Act without first consulting fully with annuity recipients and those presently contributing to the fund, and as is duty bound your petitioners will ever pray. This is from the Kingston branch of the Federal Superannuates Association.

[*Translation*]

REINSTATEMENT OF KATIMAVIK PROGRAM

To the Honourable House of Commons of Canada, in Parliament assembled, the residents of Dorion, Vaudreuil, Saint-Lazare, l'Île-Perrot, Pincourt, in the province of Quebec, respectfully state that Katimavik was a success, in that 20,000 young people received training over the last 10 years and that major community projects were carried out by these young volunteers in Canadian municipalities during that period, and whereas this program gives young Canadians a chance to acquire a better knowledge of their country and of the language and culture of its inhabitants—

Wherefor your petititioners humbly pray and call upon Parliament to reconsider the decision to terminate Katimavik.

• (1210)

[*English*]

It is signed by several thousand petitioners from the Province of Quebec.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition to present.

[*Translation*]

In accordance with Standing Order 106, said petition was certified correct upon examination—

[*English*]

REQUEST TO REVOKE CHANGES TO UI REGULATIONS

Ms. Sheila Copps (Hamilton East): This petition is from the City of Kingston and contains several dozen signatures. They ask the Government to revoke recent changes to the unemployment insurance regulations which have placed Canadians who have taken early retirement—

Mr. Deputy Speaker: Order, please. That petition was on the same topic. Could the Hon. Member combine that petition with the other ones?

Ms. Copps: Mr. Speaker, this is a duly signed and certified petition. I believe the Standing Orders allow me present petitions from across the country without separating them.

Mr. Deputy Speaker: They allow you to present the petitions, but the Hon. Member may be asked to combine them if they are on the same subject.

Ms. Copps: I believe the Standing Orders allow me to present a petition from Kingston separate from another petition.

Mr. Gormley: They are on the same subject.

Ms. Copps: The petitions are dated at different times. If the Hon. Member from Saskatchewan would like to cut off those who want to complain about the unemployment insurance changes, I would ask him to state his position.

Mr. Deputy Speaker: Order, please. The Hon. Member knows full well that if petitions are on the same subject matter, she may be asked to combine them. I would ask her to do that, if they are on the same subject.

Ms. Copps: This is a duly certified petition. Given that is so, I do not understand what is the problem. It is a separate petition, and the people of Kingston—

Mr. Deputy Speaker: The Hon. Member knows the rules about the presentation of petitions, as I presume do all Hon. Members. First they are asked to summarize very briefly what the petition is about. So far the Hon. Member has summarized the petitions, at some length in certain cases. When the petitions are on an identical subject, I ask Hon. Members to group them together. I understand her point, that she must present them to the House. That is correct. However, she may group them together and present them to the Table. Then she may tell the constituents, or whomever it is, that they were presented to the House.

Ms. Copps: Mr. Speaker, I will abide by your decision. However, I think the people from Calgary would like to have their voice heard in the same way as the people from Kingston or Oromocto. I suggest that lumping them together just so that I can send them a letter saying that I presented their petition is certainly not having their voices heard in the House.

Mr. Deputy Speaker: For the last time, I tell the Hon. Member that if she has petitions on the same subject from Calgary or different parts of the country, of course she is able to say from where the petitions come without reading the front page of each petition. That is to what I am referring.

An Hon. Member: She has her notes now.

Ms. Copps: Given the Chair's ruling, I should like to present a petition from the City of Calgary. It is signed by several dozen constituents who call upon the Government to revoke the unfair changes to the Unemployment Insurance Act.

Believe me, Mr. Speaker, there are several hundred more petitions which I will save for another day.

Miss Nicholson (Trinity): Mr. Speaker, I rise on a point of order. If you choose to ask, I think you might find disposition on the part of the House to give unanimous consent to revert to the presentation of committee reports.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

PUBLIC ACCOUNTS

PRESENTATION OF THIRTEENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the thirteenth report of the Standing Committee on Public Accounts. If the House gives its consent, I intend to move concurrence in this report later this day.

[*Editor's Note: See today's Votes and Proceedings*]

Mr. Heap: Mr. Speaker, I rise on a point of order. You reverted to the presentation of reports from committees and have now finished that. I assumed that you would be calling petitions again, since I had one to present.

Mr. Hnatyshyn: That is all right.

Mr. Deputy Speaker: We will revert to the presentation of petitions.

* * *

PETITIONS

REQUEST FOR CONTINUATION AND EXPANSION OF CO-OPERATIVE HOUSING PROGRAMS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and pleasure to present a petition from a number of residents of Halifax, Nova Scotia and Saint John, New Brunswick, who pray that the House will call upon the Government to reject any recommendation which will reduce Government funding to continuing housing co-operatives and, in the interest of stable community development, to continue and expand the co-operative housing program. As in duty bound, your petitioners will ever pray.

* * *

COMMITTEES OF THE HOUSE

LABOUR, EMPLOYMENT AND IMMIGRATION—CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties, and I think Your Honour would find disposition for me to introduce the following motion and for it to be passed unanimously without debate:

That the seventh report of the Standing Committee on Labour, Employment and Immigration, tabled in the House on Wednesday, May 28, be concurred in.

Mr. Deputy Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

PUBLIC ACCOUNTS—CONCURRENCE IN THIRTEENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, if the House gives its consent, I move:

That the thirteenth report of the Standing Committee on Public Accounts, presented to the House earlier this day, be concurred in.

Order Paper Questions

Mr. Deputy Speaker: Does the Hon. Member have the unanimous consent of the House to move her motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

EMPLOYMENT AND IMMIGRATION

REFERENCE OF MAIN ESTIMATES TO STANDING COMMITTEE

On the Order: Motions:

May 28, 1986—The Right Hon. Leader of the Opposition:

That, pursuant to Standing Order 82(15)(a), consideration of Employment and Immigration Votes 1, 5, 10, 15, 20 and 25 of the Main Estimates for the year ending March 31, 1987, by the Standing Committee on Labour, Employment and Immigration, be extended beyond May 31, 1986.

Mr. Deputy Speaker: Pursuant to Standing Order 82(15)(a), this motion is deemed adopted.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of Privy Council): Mr. Speaker, question No. 552 will be answered today.

[*Text*]

FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 552—**Mr. Robinson:**

1. (*a*) As of August 31, 1984, by province, which law firms handled Federal Business Development Bank work (*b*) which firms are currently handling this work and on what date were they contracted (*c*) to date, what amount have these firms received?

2. What criteria were used for the selection of the firms and who was consulted on their appointments?

3. Were three law firms in North Vancouver, British Columbia doing FDBD work before the last election subsequently replaced by the firm of Stein and Lakes and, if so, for what reason?

4. To the knowledge of the Government, is Mr. John Lakes Jr. a member of the firm Stein and Lakes and has he played an active role in the Progressive Conservative Party in British Columbia?

Hon. André Bissonnette (Minister of State (Small Businesses)): The reply from the Federal Business Development Bank is as follows:

While the compilation of fees paid to law firms is still ongoing, the following is an interim response. It is expected that additional information could be available by mid-June.

1. Information to be provided at a later date.

2. Names of law firms are suggested, from time to time, to the Federal Business Development Bank and are used by the bank on the basis of the firm's expertise, competence, speed and efficiency.

3. Law firms are contracted to reflect the requirements of the bank in the province involved.

4. The bank does not maintain this kind of information.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of Privy Council): Mr. Speaker, if question No. 550 could be made an order for return, that return would be tabled immediately.

Mr. Deputy Speaker: The question indicated by the Hon. Parliamentary Secretary has been answered. Is it the pleasure of the House that question No. 550 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CANADIAN JOBS STRATEGY

Question No. 550—**Mr. Keeper:**

1. For (*a*) 1985-86 (*b*) 1986-87 what was/is the total funds allocated for projects in (i) Manitoba (ii) Winnipeg (iii) the constituency of Winnipeg North Centre, for each of the six component of the Canadian Jobs Strategy?

2. For the same years and places, what was/is the total budget for each of the six components of the Canadian Jobs Strategy, broken down by (*a*) staffing (*b*) administration (*c*) funds allocated for project applications?

3. For the same years and places, what was/is the total number and dollar value of all projects for each of the six components of the Canadian Jobs Strategy?

4. (*a*) For the same years and places, what was/is the total number and dollar value of all project applications for each of the six components of the Canadian Jobs Strategy (*b*) what were the names of the employers (*c*) how many of the applications (i) were approved (ii) were rejeted (iii) are pending.

5. For the same years and places, what was/is the breakdown of total applications and total approved projects for each of the six components of the Canadian Jobs Strategy by (*a*) private sector (*b*) municipal or public sector (*c*) community or non-profit applications?

Return tabled.

[*Translation*]

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

Mr. Gauthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I rise on a point of order because we seem to be having a problem. We have two kinds of questions, those that appear in the *Monthly Supplement to the Order Paper*, which used to appear on the Order Paper before the new rules came into effect, and those asked under Standing Order 64(3), which require an answer by the Government within 45 days.

My point of order concerns the fact that I have a question dated May 31, 1985, one year ago, which deals with public service pensions. As you know, Mr. Speaker, I have raised this question several times in the House. Why does the Government not answer? I do not know. I was told that I would have a comprehensive answer within a few days or a few weeks to this question on pensions and that the facts would be laid before the House.

We ask questions to obtain figures, facts and answers so that we shall know where we are going. If the Government does not want to reply to the questions which do not come under Standing Order 64(3), it should say so. We could then refuse to maintain these questions and simply transfer them to the new category which requires an answer from the Government within 45 days. I would like the Government to examine this matter seriously to avoid a waste of time, and if the Government wants us to cancel the questions asked before the new rules came into force, we shall do so because the Government has refused in the past to let questions remain unanswered. It is as simple as that!

• (1220)

[*English*]

Mr. Lewis: Mr. Speaker, I am pleased to have this opportunity to put on the record that in this Thirty-third Parliament we have answered 83.8 per cent of the questions compared to the previous administration, of which the Hon. Member was a Member, which only answered 73 per cent of the questions.

Having dealt with how many questions are being answered, the Hon. Member should know that if he wishes to receive an answer to his question within 45 days, he need only, as I understand it under the new rules, request an answer within 45 days. If the Hon. Member goes through that process I am sure he will see that, since all of the questions to which a request has been made have been answered within 45 days, he will receive his answer.

Mr. Gauthier: Mr. Speaker, subject to that suggestion, I will then move that No. 386 be moved to the new order of answering questions and that it be answered within 45 days.

Mr. Lewis: You can't do that.

Mr. Gauthier: The Parliamentary Secretary is saying that I cannot do that now. Make up your mind. I have been waiting for a year and the Government is not answering. The Parliamentary Secretary just told me I could, if I wanted, transfer it for answer within 45 days. I am requesting that.

Mr. Hnatyshyn: The Speaker will tell you how to do it.

Mr. Lewis: Mr. Speaker, it was my impression it had to be requested in writing. I am sure if the Hon. Member requests it in writing, he will get his answer.

Mr. Hnatyshyn: According to the Standing Orders.

Mr. Deputy Speaker: Shall all the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—NATIONAL HOUSING STRATEGY

Ms. Sheila Copps (Hamilton East) moved:

That this House urge the Government to adopt a national housing strategy that incorporates a definition of "core need" that will include all Canadian families living below the poverty line as defined by the National Council of Welfare.

She said: Mr. Speaker, first I might say that I am pleased that we in the House have a chance today to focus on the issue of the desperate housing problem facing more than a million Canadians and, in particular, the very specific and difficult problem of what constitutes a "core need". Few other issues influence Canadians so much as the issue of housing. It is actually one of our basic needs.

If we are housed and fed, at least we have a chance to get out and look for a job, but if we have no housing, if we find ourselves among the tens of thousands of Canada's homeless, we do not even have a base of operation or starting point.

Today's debate will allow us to discuss a number of issues including the cuts in funding to federal housing and housing related programs, in particular, the Residential Rehabilitation Assistance Program, the elimination, for example, of the Canadian Insulation Program and the termination of the Registered Home Ownwership Program. There have been a number of cuts initiated by the Conservative Government.

If we look at the numbers, comparing the expenditures in the area of housing between 1984 and 1985, the picture is not bright for the more than one million Canadians defined by Canada Mortage and Housing Corporation as being Canadians who live in inadequate and insufficient housing. In 1984, public housing loans amounted to $2.4 million of the CMHC housing budget. In 1985 it was $5.7 million, a cut of almost $2 million. The federal contribution to federal-provincial housing was $128 million in 1984. In 1985 it was $77 million.

Those of us who work in our own constitutencies will know how important RRAP loans are for low income families who are struggling, those who we define as the "working poor". They may own their own homes but do not have the independent resources to upgrade them. The cut-back in that area has been devastating. Thanks in part to the initiatives of the Economic Statement of the Minister of Finance (Mr. Wilson) in 1984, we see there has been a reduction from $189 million in RRAP funding in 1984 to $127 million in 1985. We are only now starting to feel the results of that cut-back in communities and neighbourhoods across this country which are faced with further deterioration because of the Government's move to allow either the provinces or the private sector to pick up what should be a national housing strategy.

In the area of housing research there has also been a cut of $4 million. Again, in the area of residential rehabilitation grants, as opposed to loans, there has been a reduction from $202 million in 1984 to $159 million in 1985.

Earlier this week, I believe, the Minister, as well as the Liberal housing critic, had the opportunity to participate in a forum in Toronto which convened the interests of all those who are involved in the non-profit housing sector. The Canadian Association of Home Renewal Officers met in Toronto. One of the major complaints leveled against the Government is the new definition of the "core threshold" or "core need".

I am sure when the Minister has a chance to speak, he will stand up in his place and say the Government is targeting its funds to those who need it most. But in fact, in so targeting, he is eliminating the possibility of housing assistance for thousands of families who are living below the poverty line, according to the definition of the National Council of Welfare.

I ask Parliament to consider this motion which simply calls upon Hon. Members to ensure that all Canadians living below the poverty line, as defined by the National Council of Welfare, be eligible for assistance. I think it is fair to assume that the National Council of Welfare, which is in fact a body funded through the Government, would have an objective view of what poverty is. What better way of Parliament making a contribution to the housing question than by agreeing at the very least that all those people living below the poverty line should have access to assistance which may be made available through rental or purchase programs through the federal Government.

We in the Liberal Party believe that the new definition of "core need", as launched by the Government, is inflexible and insensitive and leaves hundreds of thousands of Canadians living below the poverty line but above the income threshold and, therefore, ineligible to apply for federal housing assistance. I think it is inexcusable that the Conservative Government is saying by the redefinition of "core need" that in the City of Hamilton, for example, a family earning $17,000 a year, certainly not living in the lap of luxury, is ineligible for any assitance under federal housing programs because it is above the definition of "core need".

In fact, if we use the City of Hamilton as an example, the average market rent is $412 for a two-bedroom apartment. To pay 30 per cent, which is what the Government determines the core need is, a family living in a two-bedroom apartment, and it could be a family of four or five persons, must earn below $16,500 annually to qualify for federal Government assistance.

The Minister is shaking his head. The Minister is off base. He can look at the figures for Hamilton. They were provided for me by his own Department. A single parent with three children earning $16,600 annually is above the "core need" as defined by his Ministry and would not qualify for any assistance under the rent supplement or RRAP. If the family were to take a three-bedroom apartment it would be paying 37 per cent of its income for shelter. However, if the same family was earning $16,400 it would be eligible for assistance. It could be assisted to live in a two-bedroom apartment. However, by earning $200 more the family is paying $2,040 more per year than it would if it met the Government's definition of "core need".

• (1230)

I think it is significant that the annual report of the Canada Mortgage and Housing Corporation under the Conservative administration is appropriately a blank gray color which is fading away into nothingness. It reveals that the mortgage insurance fund had a deficit of just over $500 million at the beginning of 1984 and that by 1985 the deficit had reached close to $800 million. CMHC staff has been cut from 3,659 to 3,341 and more cuts are in the works as program delivery continues to be turned over to the provinces. Sixteen of the CMHC field offices have been closed and 10 others have been reduced in size. This means longer and longer waits and trips for Canadians from smaller communities who want to seek information about the latest in housing standards and the latest in availability with regard to government programming.

[*Translation*]

Talking about this year, we know that the federal Government has yet to complete negotiations with all provinces. The negotiations are not progressing rapidly and, in many provinces, nothing at all is happening in the field of assistance for social housing.

[*English*]

After a lot of talk about open Government, the federal Government has washed its hands of the responsibility for social housing. I am pleased to say that it took greater initiative in the area of co-operatives. When the Minister announced his new directions for housing in the 80s he did in fact listen to the pleas of co-operatives from across the country which begged the Government to keep the co-operative movement under the federal umbrella. The Minister listened to them, although he did not listen to some of the other groups, including CAHRO. He listend to the pleas of the co-operative movement that divesting responsibility from the federal to the provincial Governments will result in disaster in some communities in Canada.

I look in particular to the situation in British Columbia. The Social Credit Government of British Columbia continues to be tenth and last with regard to spending for social housing. That Government in British Columbia has shown that it has no intention of embracing a mandate of providing social housing due to its preoccupation with turning everything over to the private sector. Yet, without a full public discussion, the Minister has washed his hands of a national housing strategy which would guarantee every Canadian the right to a decent level of housing.

In fact, the core need threshold varies throughout Newfoundland. For example, in one area of Newfoundland the core need threshold for cut-off is $16,000. In another area it is $20,000. The cut-off point on the Avalon Peninsula is much lower than that in St. John's.

In Charlottetown the cut-off point for any federal application for RRAP funding is $17,000. It is $16,000 in the areas of Prince, Queens and Kings. The same figure applies in Halifax. The cut-off point in the City of Halifax for eligibility for housing funds is $21,000. In Sydney, Nova Scotia, the cut-off point is $16,000 and in Annapolis it is $17,000. Any family of three or four persons earning more than $17,000 is no longer eligible for assistance under the RRAP program because of the Government's new definition of "core need".

In Saint John, New Brunswick, the cut-off point is $16,000. In the City of Montreal the cut-off point for a family of three or four is $17,500 and for a family of five it is $19,000. If single parents raising four children earn more than $19,000 they are no longer eligible for help under the Government's RRAP program.

The Minister laughed earlier when I used the City of Hamilton as an example. Yet, his own CMHC statistics indicate that in the City of London the core cut-off point is $17,500. In Brantford it is $16,000 for a family of three or four.

Unfortunately, the Minister chose to ignore interventions at the CAHRO meeting of one of the representatives of the City of Winnipeg who was working on the inner core program for that city. The Minister would not even talk to the Minister. He ignored him. He cannot even get a meeting with the Ministry to discuss the deterioration of the situation in the City of Winnipeg as it relates to eligibility for residential housing programs. The cut-off point in the City of Winnipeg is $19,000.

In the City of Saskatoon a family of three or four which earns more than $18,000 is no longer eligible for any assistance through the RRAP program. In Calgary the figure is $20,500. In Edmonton the figure is $19,000. In Lethbridge, it is $18,500, and in Medicine Hat it is $16,000. In the City of Vancouver the cut-off point is $23,000. In Abbotsford and Chilliwack the cut-off point is $16,000. The cut-off point for families of three or four in White Horse, Yukon, is $18,500.

The Minister shakes his head, but he will know that this new definition of "core need" is in fact inflicting untold hardship on thousands of Canadian families who own their own homes and want a chance to fix them up but are living within the definition of what we call the "working poor" Canadians. These people are living below the poverty line by any Government definition. I did not want to use the Senate definition because I was fearful that the Government would accuse me of using a figure produced by the Liberal-dominated Senate. Therefore, I chose the National Council of Welfare figure with the intent of asking every Member of the House whether it is not only just and fair that all people living below the poverty line should be considered eligible for RRAP funding.

[*Translation*]

Mr. Speaker, the Minister laughed in the House when I mentioned the fact that a family of three or four, in Montreal for example, earning—

[*English*]

Mr. McKnight: Mr. Speaker, I rise on a point of order. I was not laughing at the content of the Hon. Member's speech. I was laughing at the inaccuracy and the silly rhetoric. The Member has mixed up programs and does not understand the program. I am sure that if the Hon. Member had had her notes early enough to commence this debate when it was scheduled, she may have spent enough time to become cognizant of what the new social programs are.

Ms. Copps: In other words, Mr. Speaker, the Minister was not laughing at my speech but was laughing at me. As far as I am concerned both are totally unacceptable. The Minister talks about consultation. The Minister was supposed to have a private meeting today with Members of the National Co-operative Foundation. He phoned them to say that he could not meet with them because we were having a housing debate. He neglected to say that the housing debate will take place until one o'clock this afternoon and then will resume from two o'clock until five o'clock this afternoon. This is the first time that we have had an all-day debate on a housing issue. The Ministry tries to blame the Opposition's calling of this debate for the fact that he had to cancel his meeting. I wish he had the guts to tell the National Co-operative Foundation that they could meet with him in the lobby. I am sure that the Member of Parliament representing the New Democratic Party on housing issues would be equally as generous as I in allowing the Minister to carry on his meeting. Due to the Minister's broken commitment to the co-operative group, I fully expect that he will be present here today until late this afternoon.

Mr. McKnight: Mr. Speaker, I rise on a point of order. I would like to inform the Hon. Member and the House that I will be leaving at one o'clock to meet representatives of the Co-operative Housing Foundation as their guest at lunch. In the meantime, I hope to be able to work in a meeting. The Hon. Member should be sure of facts before she puts them forward to the House.

• (1240)

Ms. Copps: Mr. Speaker, as a matter of fact I am sure of my facts. The fact is that the Minister is going to be speaking to the luncheon. He was supposed to be meeting with the group privately and he called them to cancel, claiming that I was responsible because I called for this housing debate. That is a fact and he can check with representatives of the National Co-operative Foundation in Vancouver or anywhere else. He will not mislead the House in the way he misled the Foundation.

This is the first time we have had a full day's debate on housing in Canada. I am extremely concerned about some of the initiatives, or should I say retrenchments, embarked upon by the Minister and his Department. There is a new and narrow definition of "core need" as it relates to eligibility for RRAP funding. With the Minister's move to divest responsibility to the provinces, the Government of Canada will be washing its hands of the serious housing crisis facing communities across this country. If all of the Governments in Canada were as progressive as the Liberal Government in Ontario—

Some Hon. Members: Oh, oh!

Ms. Copps: —I might not be as concerned. The Minister is going to be quoting some statistics. I can quote statistics from the housing program of the previous Conservative Government of Ontario. These are the most recent statistics available from CMHC and they show that the record in Ontario was dismal. I am hoping that with the initiatives of the new Liberal Government that situation will be turned around.

I know from calls and meetings and direct contact with people across the country that many Canadians are very frightened about the prospect of the federal Government turning over its responsibility for the delivery of social housing programs to provincial Governments. The people most concerned are those in British Columbia. We saw the evictions which preceded Expo. The provincial Government ignored the pleas of the Provincial Housing Coalition, ignored the statements made in this House and the questions raised by the Leader of the Opposition (Mr. Turner). It ignored pleas from across the country that the federal Government maintain a level of involvement in social housing which would guarantee a national housing framework. We have not seen that.

What we have seen is the federal Government cutting back on housing programs and suggesting that, by turning it over to provincial Governments, we are going to see an improvement. Unfortunately, the Government has not embarked upon a discussion of the dilemma now facing City planners. For example, the City of Winnipeg is facing very serious RRAP cut-backs because of the new definition of "core need". The city has pleaded with the Minister to change that definition and he has ignored them. Representatives of CAHRO have also pleaded with the Minister and he has ignored them.

We are seeing a return to the politics of ghettoization. That, unfortunately, was a development of the 1960s where we saw Governments building public housing en masse, and making sure those eligible for public housing were lumped in to what can only be described as a social and cultural ghetto. We gave up that policy in the 1970s when we developed a mix of housing. We looked at eligibility for RRAP funding and said that, for example, people who are earning above the threshold of $17,000 or $18,000, or $27,000 in the City of Toronto, were eligible to move into projects like the one at City Home in Toronto. That led to a good social atmosphere, a good mix of programs, and a better housing situation.

This Government, in the short space of 20 months, has developed a strategy which says that people who cannot afford to fully pay for their own housing should now be forced to move into ghettos. It has moved us back to the days when we ghettoized people who lived in social-assisted housing. I think that measure by that Government, without any debate or discussion; this redefining of the "core need" and depriving thousands of Canadians living below the poverty line of any hope of ever living in their own adequate housing, is a national disgrace. The Minister should stop laughing and start doing something about the crisis involving over one million Canadians living in inadequate housing. They have been ignored by this Government in its quest to turn its responsibilities over to provincial Governments and the private sector.

[*Translation*]

I think it is shameful, Mr. Speaker, and I know that many Liberal Members would like to take part in this debate to give their views on the national housing problem, something which is sorely needed in these Conservative times.

[*English*]

The Acting Speaker (Mr. Reimer): Questions or comments.

Mr. McKnight: Mr. Speaker, I would like to address a couple of comments to the Hon. Member for Hamilton East (Ms. Copps) concerning the questions she raised during her diatribe on social housing. She did not seem to understand the difference between private and public non-profit programs where, in order to be eligible, Canadians in need must be paying more than 30 per cent of their income for accommodation. She continually referred to RRAP, and then talked about a two-bedroom apartment. She put forward the proposition that someone in her home community of Hamilton, earning around $16,000 or $16,500, would not be eligible for any—I think if the "blues" are checked the word will be "any"—assistance from the federal Government. If the rent the individual or family is paying for affordable, uncrowded, adequate accommodation is more than 30 per cent of their income, that is one eligibility criterion for assistance under the new policy.

The Hon. Member referred to several areas of Canada with different income thresholds. The reason the program was designed that way is apparent to a blind pig riding a horse. It was designed for regional concerns. It is not the policy of this Government, as it was the policy of the former Government and the Member opposite, to centralize so that everyone in

Canada must measure up to a standard conceived by a Government believing in centralist control.

This Government consulted, broadly consulted, with national and municipal groups. As a matter of fact, the Hon. Member put forward the argument that I did not pay any attention to CAHRO or the Federation of Canadian Municipalities. Those very municipal groups, including CAHRO, put forward in their briefs presented to the Government and CMHC the proposal that all of the dollars expended under RRAP should be designed for social policy. That is exactly what we did when we designed the new directions for housing solutions in Canada. The figures the Hon. Member gives were from 1984 and 1985. She did not put forward the figures for 1986.

Ms. Copps: March of 1986, sorry.

Mr. McKnight: Or the number of units that will be built. If she will check the "blues" I am sure she will find that to be true.

I heard her mention something about the Government in Queen's Park and its enlightened policy. I recall that during the campaign there was a commitment for, I think it was 10,000 new units that would be put forward by the Government that is now in Queen's Park. There was an agreement between the federal and provincial Governments, between CMHC and the Ontario Housing Corporation, an agreement on cost sharing.

• (1250)

I would like to draw to the Hon. Member's attention to the fact that this year, with this enlightened policy of the Party that she supports, and I know that the people in Ontario are pleased that the fear of her becoming the Minister of Housing provincially has been removed, the Government of Canada—the taxpayers of Canada—will be providing 3,911 social housing units in Ontario. That enlightened Government in the Province of Ontario will be providing 2,159. The same applies when you consider co-op housing, rehabilitation, urban and rural, and when you look at rental, RRAP. The majority of the funding provided is provided by the taxpayers of Canada. There are increases, but I want the Hon. Member, when she replies, to be able to differentiate between RRAP, between public and private non-profit, between disabled RRAP, between rental RRAP, and also between the contributions that are made by the federal Governments and those of the provincial Governments in the new partnership we have entered into.

Ms. Copps: First of all the Minister should get his facts straight because the anticipated core need cut-offs for 1986 were provided by his own Department. If he disagrees with those figures I suggest he should stop cutting back on his staff and start getting some correct figures.

I would also suggest it is outrageous for the Minister to suggest that his new program is somehow going to assist people ineligibile for RRAP when one of the very first actions of his Government, under the tutelage of his Minister of Finance (Mr. Wilson) we did not hear a peep from the Minister responsible for housing who seems to be there as a buffer zone between reality and the Minister of Finance—was a 25 per cent cut-back in funding under the Residential Rehabilitation Assistance Program inflicted upon the Canadian people.

I have here a letter which was sent to an MLA in the Province of Saskatchewan who has been put on a waiting list in the Province of Saskatchewan because the federal government cut-backs have seriously hampered the effectiveness of the Rural Rehabilitation Assistance Program. I am happy that he raised the issue of the Ontario and federal Government initiatives, because the only province that had signed an operating and capital agreement when we entered into estimates on this issue in the last couple of weeks was the Government of Ontario. The Minister advised us at that time that he was going to be providing us with copies of all the agreements. We have seen nothing yet. In the same way, he has refused to provide us with information regarding how many Canadians across Canada have been refused RRAP funding specifically because of this Government's new definition of "core need".

I quoted the statistic that in the City of Winnipeg, for example, 60 per cent of the applications that had been approved under the previous criteria are now no longer eligible for RRAP funding. Likewise he will also know that CMHC guidelines allow a family of three to four people to live in a two-bedroom apartment. So the figure that I was quoting to him of 30 per cent or less of their income was, in fact, based on his own Department's definition.

It would seem to me that what the Minister should be doing is contacting his counterparts in the provincial Government, advising them that this Government still believes that we must have a national housing strategy for housing across Canada. In the Liberal Party we believe in a national strategy. We believe that somebody living in Gander-Twillingate should have the right to the same kind of adequate and affordable housing as someone living in the City of Toronto.

The Minister seems prepared without a whimper to pass off the responsibility to provincial Governments as a cost-cutting measure, because he does not really believe in a national social housing strategy. He would just as soon pass it off to provincial Governments, like the Social Credit Government in British Columbia which has shown quite clearly that it has no intention of continuing with the social housing strategy, but would rather pour all its money into the private sector so that they can assist in rent supplement programs without any kind of guarantees.

In fact, the only area where the Minister has taken any initiative—and I can see him chatting and laughing with the Minister of Finance because, in typical fashion, they are not interested. The Minister claims he cannot come to the private meeting because he is busy discussing important issues in the House, and yet when he is here he sits and laughs and chats

with his colleague instead of listening to the first debate that we have had on a national housing strategy since this Government was brought into office.

[*Translation*]

Mrs. Mailly: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Reimer): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, the remarks of the Hon. Member for Hamilton East (Ms. Copps) are quite irrelevant. She is commenting on Members' behaviour in the House instead of answering the question.

[*English*]

Ms. Copps: Mr. Speaker, I don't believe that was a point of order and, frankly, the Member can defend the Minister's conduct and behaviour, but—

Mrs. Mailly: You are not the Speaker.

Ms. Copps: Since when are you the Speaker? I have the floor. Unfortunately, the Member from Gatineau will probably wait for years to get the floor.

The Acting Speaker (Mr. Reimer): The time for questions and comments is over.

Ms. Copps: Mr. Speaker, on a point of order. I am certainly very happy to stick to the ten minutes of questions or comments, but I would hope that other interveners who do not have the courage to enter into the debate would not use up the Member's time with silly and inconsequential points of order.

The Acting Speaker (Mr. Reimer): I do not think that that is a point of order.

Mr. Dan Heap (Spadina): Mr. Speaker, I would suggest that it might be appropriate to call it one o'clock now, and I would hope to be able to resume at two o'clock.

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

At 12.47 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Mr. Speaker, I am pleased to have the opportunity to speak to the opposition motion put before the House today by the Liberal housing critic. The motion reads:

> That this House urge the Government to adopt a national housing strategy that incorporates a definition of "core need" that will include all Canadian families living below the poverty line as defined by the National Council of Welfare.

On behalf of the New Democratic Party, I support the general sense of that motion. I believe it would be an improvement to use the definition of the National Council of Welfare as a minimum floor. Any family that falls below that minimum should be considered in "core need", if we are to use a core need concept. But that is what I question. As well, I think there are inevitable problems, even with the National Council of Welfare figures as was pointed out by the Minister, although I think that they may be the lesser of the two evils.

I wish to point out first that there are some basic problems with the concept of "core need" as it is being introduced by the Government and I will describe what I believe is a much more workable concept.

The first problem with the core need concept is that there is confusion as to what is "core need". A week ago in the committee meeting on Estimates we asked the Minister for more than a three line definition of "core need" which he had given us; we asked for the formula for arriving at "core need". He promised to send that to us, and perhaps it is in the post office somewhere because it has not come. If it comes with the speed of his other promises we will be lucky to have it in 1987.

During the meeting, for example, at one point he explained that the core need cut-off for homeowners was to be decided by the rental vacancies in that neighbourhood. Later he asserted that the core need cut-off for tenants was to be decided by what homeowners are paying in the neighbourhood. In other words, there was no serious, firm basis for the core need. It seems to be a new fancy phrase for covering what is simply an arbitrary figure in round numbers, such as the $13,000 the Minister has chosen for reasons he did not give when asked in the committee.

In that case, if we are going to have this concept, I prefer that we have a publicly understandable figure such as that derived from Statistics Canada by the National Council of Welfare, even though it has its inadequacies in certain areas of high cost, such as the major cities.

There is another problem with the core need concept that is being used. It is that a family does not become considered as one of core need until the family is paying 30 per cent of its income for rent. While the Minister has not yet shown us his agreements, he has asserted that he will practise the principle that the family should not have to pay more than 25 per cent of its income. If it is just and right, as I agree, that the family should not have to pay more than 25 per cent of its income, then it should be considered in core need if it pays more than 25 per cent for accommodation. The fact that homeowners pay a portion for their present accommodation and a portion as a saving for the future, amounting to 30 per cent or more, is irrelevant. The fact is that if 25 per cent is the maximum a person should pay simply to get shelter at the present time, those people should be considered in core need if they are paying 26 per cent, 27 per cent, 28 per cent or 29 per cent. They should not have to wait until they are paying 30 per cent

to be considered for the benefits of the programs that go to core need. The Minister is not looking at actual need but simply negotiating sums with the provinces.

This brings me to the most serious confusion. The Minister has been negotiating since the fall of 1984, certainly for well over a year since his discussion paper of early 1985. After a year to a year and a half of negotiations, he still does not have programs in place, except for the co-operatives that he seems to favour and that he would like to separate from the other social housing programs. He is holding back on all the cost-sharing programs with the provinces, apparently until the last province signs. It is interesting to note that the second to last province to sign is his own Progressive Conservative governed Province of Saskatchewan.

I have been making inquiries, as requested, on behalf of Mona Dawson of Rouleau, Saskatchewan. She has been asking for a RRAP grant because she wants to have indoor plumbing. Currently she has no plumbing in her house, so she is not asking to upgrade her plumbing but simply asking to have indoor plumbing. She believes that she meets the criteria and has not been told otherwise. However, she has been given many other excuses.

First, she received a letter on April 8, from Lyle Howat, program manager of the Saskatchewan Housing Corporation, which is the delivery agent. He stated:

> We wish to advise you that Canada Mortgage and Housing Corporation will be unable to approve your application for repairs to your home as the Federal Budget for this program has been fully committed.

How did he know on April 8, 1986 that the federal budget for this program had already been fully committed? Of course he did not know. He did not know what he was talking about. Later on we find out from a different source, that is, the federal Minister, that indeed she had applied first in 1985, but by that time the budget had been fully expended. He did not mention the reason it was expended was because it had been chopped. He goes on to state:

> I understand Mrs. Dawson has submitted an application for consideration this year and that initial inspection of her property was completed on April 15.

• (1410)

That is what he wrote on May 6 at which time there was still no indication of whether she would receive her money or when.

There was another letter from the Saskatchewan Housing Corporation written on the stationery of the Chairman of the Board and signed by Mr. Gordon Dirks, the Minister in charge. He states at greater length what the federal Minister has already stated. In fact, Mrs. Dawson is not receiving any money, not because she is ineligible, not because there is no program and not because there is no money. She is not receiving anything just because the program has not yet been put into operation. Therefore it was fascinating to receive a note from the Minister through the new inter-office E-Mail dated May 7 which states in part:

> As the Minister responsible for CMHC, I would like to take this opportunity to let you know that I have authorized the release of the 1986 Residential Rehabilitation Assistance Program budget—

He then goes on to mention some millions of dollars and the letter continues:

> Canada Mortgage and Housing Corporation will be in touch with local municipalities and delivery agencts shortly—

That is one of the Minister's favourite words.

> —to inform them of their homeowner RRAP applications. I am indeed pleased that the delivery of this very popular federal program can proceed.

On May 7 he said that it "can proceed", which is an ambiguous phrase. A person might mistakenly understand that it can proceed now. But of course that is not what he meant. He then states that he expects certain programs will be finalized shortly.

Then came the big day, May 27, 1986. I received another piece of E-Mail from the Minister which states:

> As Minister Responsible for CMHC, this is to confirm that RRAP funds will be allocated to delivery agents and municipalities today. For further information, contact your local CMHC office.

That piece of correspondence is dated 17:01 Tuesday, May 27, 1986. On Wednesday morning I phoned Mrs. Dawson and urged her to phone her local CMHC office, which she did. Of course, as the Minister will know, she received nothing. She phoned CMHC, she phoned the Saskatchewan Housing Corporation, and she phoned Gordon Dirks' office, the Chairman of Saskatchewan Housing Corporation. None of them had heard of the Minister's statement or had been given any directive to release any funds.

The story continues to the point where today I was advised that the Minister's office had said, no, there are no funds yet. In other words "today" "on Tuesday" is as good as never. There are no funds yet because the Government of Saskatchewan and the Government of Canada, two Progressive Conservative Governments, have not yet agreed on the program.

To put it more practically, from the point of view of Mrs. Dawson, the Conservative Government of Saskatchewan and the Conservative Government of Canada have agreed that she will not get her money yet. She has been advised by contractors that it will take three or four months because of the backlog of work they have elsewhere to complete the plumbing. If they know it cannot be completed before freeze-up then they will not undertake it. The Minister knows what freeze-up is on the Prairies, as I do. They will not try to break the ground after freeze-up. What these two Conservative Governments have agreed is that Mona Dawson will probably have to wait until 1987 to have indoor plumbing installed. That is a very discouraging situation for Mona Dawson, and a very discouraging situation for thousands of other people who are in exactly the same type of situation, perhaps not so dramatic but just as real.

There is also the difficulty encountered by the people in northern Manitoba where housing to be built must have the materials brought in over winter-frozen roads. In previous years they were able to start in February or March by bringing

in the construction materials. Now the roads have thawed and there is no way that anything can be built in those communities in 1986, or until the spring or late winter of 1987.

There is a similar problem on many Indian reserves in British Columbia because of delays occasioned by the Governments, even though the federal Government is going it alone in British Columbia because of that provincial Government's notoriously hostile attitude to social housing. I give the federal Government credit for being willing to go it alone; but the delay has been so long that many of these units on Indian reserves will not be built.

The Minister has made much of his consultation, as if it were an excuse for all the delay. Yet he bragged this morning about the agreement reached with the Federation of Canadian Municipalities. It is not in agreement with him at all. I have a letter from the President of the Federation of Canadian Municipalities, Alderman Ron Cromwell of Halifax, in which he points out:

> The FCM and our member municipalities expected that income ceilings for RRAP participation would be established in consultation with interested groups. FCM is concerned that CMHC's proposed eligibility formula, based on a product of income related to household size, will exclude many households warranting RRAP assistance. We are further concerned about the lack of consultation on this new formula which will dramatically reduce the scope of the program.

Of course there has been consultation which took place nearly a year ago, at the outset, and just for show. But at the crunch, when things are being decided, people have had to wait in the dark. There are more problems with the Government's venture of instituting this core program, but I want to generalize a little further. It goes beyond the core need concept.

The Government has yet to produce a corporate plan for 1986. We have yet to receive program specifications, except with respect to the co-op movement which, as I say, the Minister has decided to treat separately from the rest of social housing. We do not have the number of units; we do not have the number of dollars available to each provincial expression of the program. We do not have the criteria. In Toronto they have been promised these things all year.

One of the leaders of CAHRO, about which the Minister bragged, is the Housing Commissioner for Toronto. He was trying to provide RRAP for a Toronto resident who needed it in order to get his wheelchair out of his house. Eventually, he needed it to get to the hospital for some regular treatments. He could not get it. After months and months of promises there was no criteria, no allocation, no funding. He had to spend his own money, his own pension money, on a taxi to get to the hospital.

It is the concept of core need which is wrong. It is wrong because it belittles the needy. It blames the victim. It degrades them as being people who allegedly cannot pay for their housing as other people allegedly can. It also belittles the numbers of the needy and brings us into hair-splitting disputes at times about just whether somebody fits a certain program or not.

What is necessary is to recognize housing in Canada as a right, not as a need of certain incompetent or unfortunate individuals, but as a right of all persons in this country. In Canada, we live in a cold climate and most people live in cities which have become highly industrialized. We are dependent upon each other. One person builds a house in which another will live, and often the people who build houses cannot afford to live in them. In a country in which we are interdependent like this, housing must be treated as a right belonging to each person.

• (1420)

We have already established that concept in the case of public education. That is a right provided to everyone. We have established the concept fairly well in the case of health care. Health care is a right for everyone, rich and poor. Even before that, we established that concept in the case of food. We decided that no one should go without food; we call that welfare.

What is needed is not a core need program but a national housing program. As I have said before, a national housing program should embody six principles. First, housing should be decent and affordable. Publicly owned and privately owned rental housing should be subject to rent control with rent registration. There should be a national home building program to create 500,000 units needed by families and singles presently without decent, affordable housing, and there should be co-operatively or publicly produced and owned housing since the private industry has demonstrated in the last two decades that it cannot produce the housing people need. There are empty condominiums sitting in Toronto while some of those who live in that city go homeless, with a vacancy rate of .3 per cent.

Existing substandard housing should, wherever practical, be rehabilitated with government assistance and not with a half-year rate as provided for by the Minister. This should be done so that the costs are not completely passed on to the tenants in increased rents. The Government should assist tenants to buy buildings for either co-operative or non-co-operative ownership to ensure responsible maintenance and to take the buildings out of the inflationary market. There should be public and private funds created for mortgages with interest rates at no more than 2 per cent above the rate of inflation for families or persons buying, building or repairing a principal residence.

Those are the points that must be embodied in a national housing plan. The federal Government should negotiate such a plan with the other jurisdictions, should outline the five-year plan with annual targets and reports and should bring it to Parliament so that it may be publicly debated. It should do that rather than secretly negotiate the plan as the Minister has been doing. This is what we need to meet the needs of not just a few of the people of Canada, as the Minister wishes to do, but the needs of all of the people of Canada so that we may live together as brothers and sisters.

Mr. Nickerson: Mr. Speaker, I would not like the Hon. Member to get away without having to answer a question, so I will ask him this.

Mr. Reimer: Ask him why he is wearing that shirt.

Mr. Nickerson: I will make no comments about his shirt, Mr. Speaker.

In the perfect society the Hon. Member envisages, would it be that housing would be provided by the state or would it be that housing would be provided by the people themselves?

Mr. Heap: Mr. Speaker, I only outlined this issue in my speech but I have spoken on it at greater length on more than one occasion. I am asking that housing should be primarily provided by co-operative and non-profit organizations—the people—not by government bureaucrats and a few wealthy builders, even if they are surrounded by a few would-be wealthy builders.

In the City of Toronto, most of the housing plans are determined by a very tiny number of people who control the mortgage money and the building operations. I am asking that the people who live or hope to live in those houses have a chance to have some say in what will be built, where it will be built, of what quality it will be and how it will be managed. There are a variety of ways of doing that. Some ways are called co-operative, some are called non-profit. In all cases, these methods provide for a board of directors, either chosen by the people who live in the housing units or by some publicly responsible non-profit outfit, and that—

Mr. Oberle: Where does the money come from?

Mr. Heap: Where does the money come from? Where does it come from now? Every cent of the construction costs of the 11,000 homes built by Cadillac in Toronto was paid by the people who live in those homes. No one paid for those homes but the tenants. Cadillac did not pay for those homes. Cadillac received the money from the tenants, paid for the homes and had so much left over it could not spend it in Toronto and had to go to the United States to contribute to American inflation. Every cent that built those apartments in Toronto was paid by tenants, and it would be the same for co-operative or non-profit buildings, but there would be some public accountability that would reduce the exorbitant profits that have been made by the builders in cities like Toronto.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am pleased to take part in this debate and to recognize that the Hon. Member for Hamilton East (Ms. Copps) has made a commitment to directing social housing policies to those households that are in need. However, I noticed that the original motion put forward by the Hon. Member for Hamilton East yesterday, the motion I received around 3 p.m., indicated that the "core need" will include all Canadian families living below the poverty line as defined by the Canadian Council on Social Development. Later on, I suppose because the Hon. Member could not make whatever point she was attempting to make, the motion was changed to read that "core need" will include Canadian families living below the poverty line as defined by the National Council on Welfare. I do not know what great leaps over logic or furniture the Hon. Member is taking, but I can say that I am very pleased that the Hon. Member recognizes that housing policy should be directed to those households most in need.

As Hon. Members know, last December I announced to the House significant changes in the federal Government's social housing program and Residential Rehabilitation Assistance Program. The major objective of these changes was to be more responsive in targeting federal housing dollars and resources in order to provide fair, equitable and effective national housing solutions for Canadians in those households that needed assistance.

One of the key features of the new direction is the provision of a high degree of regional and local sensitivity in social housing targeting. This new direction for housing solutions results from an extensive process of policy development including the consultation mentioned by the Hon. Member for Spadina (Mr. Heap).

My Parliamentary Secretary, the Hon. Member for Burin—St. George's (Mr. Price), my staff, officials and I met with such organizations as the National Anti-Poverty Organization and with both private and public associations involved in social housing. Groups representing organizations concerned with the elderly were also involved, as were groups dealing with the disabled. Native groups were consulted, and in fact those organizations representing those members of society most disadvantaged when it comes to housing were extensively consulted. Their views were represented later in the program.

This consultation was in addition to the consultation that took place between industry and financial institutions at the time. We also discussed with the Territories and Provinces of Canada what they would undertake in providing for solutions to the housing situation in Canada.

During this complex and far-ranging consultation process with the diverse groups I have mentioned, a consensus did emerge. This consensus indicated that the new direction for federal housing should have improved targeting to ensure that federal housing resources are directly focused on those in need of housing assistance.

• (1430)

There was also a consensus that to be effective the housing solutions should contain a mix of program options so that there would be flexibility to provide assistance appropriate to the housing problems experienced in each particular area of Canada. This was done in recognition of the fact that there are different housing and economic environments and housing market conditions across this great country of ours.

The federal Government's new package of social housing programs, with all assistance directed to households in need, reflects the concerns and recommendations raised during the

consultation process. The package is a significant improvement over the previous Liberal program under which only 40 per cent of the assistance provided by Canadian taxpayers went to Canadians in need.

With provincial and territorial cost-sharing under these new programs, and with better use of our federal dollars, we will be able to almost double the number of households in need which will receive assistance on a national basis. Households in need are defined as those which experience affordability, adequacy, or housing problems, and cannot obtain adequate and suitable accommodation without paying 30 per cent or more of their income on rent. As well, there are those with a need for special purpose housing. Estimates indicate, as other Hon. Members have mentioned, that over a million households are in such a circumstance.

The application of the core need threshold will greatly assist in ensuring that the federal objective of directing social housing resources to those who need it most will be met. Core need income thresholds are a measure of the income required by households of different sizes to meet without paying more than 30 per cent of their income average market rents for adequate and suitable accommodation available within a specific geographic area in Canada. These thresholds vary by community and geographic area and are designed to reflect the differences in housing costs which exist throughout the country.

Core need income thresholds recognize the vast differences which exist in the various housing markets across Canada. Some concerns have been expressed—and this was recently expressed by the Hon. Member for Spadina —about the use of core housing thresholds. As the Hon. Member suggested, some would argue that they are too low and some would argue that they are too high. However, there must be an understanding of the suggestion in the motion of the Official Opposition that we use the poverty line as defined by the National Council of Welfare as an indicator of Canadian household needs.

The Hon. Member for Spadina indicated that he recognized the shortcomings of that program, but he thought it would be a preference over the one being used now. However, the poverty lines of the National Council of Welfare are calculated yearly on the basis of average Canadian family expenditure at a national level. Although poverty lines vary by size of community, no detailed attention is given to geographic variations in the national economy. Those guidelines are not sensitive to different local housing market conditions and, indeed, are not good indicators of housing need since affordability, adequacy, and crowding problems are not considered in the guidelines of the National Council of Welfare. In essence, its statistics are simply indicators of income levels, not housing needs.

The principle upon which federal housing policy is founded is that all Canadians in all parts of Canada should have decent and adequate shelter at a level of payment which is affordable. Obviously this level would vary in different market areas. Application of the poverty lines of the National Council of Welfare would not ensure that Canadians with the same housing problems in different parts of the country would be equally eligible for social housing programs.

This is particularly evident in high-cost housing markets where high rents are often a result of severe housing shortages. For example, the National Council of Welfare poverty line for a four-person household living in a community with a population in excess of 500,000 is estimated to be approximately $21,700. The 1986 core need income threshold for Toronto for a three to four-person household is $27,500. This reflects the high cost of rental housing in the city. The core need income thresholds are based upon average market rents derived from locally sensitive up-to-date surveys.

However, core need income thresholds are not the only criteria used to determine whether a household is in housing need. I should like to illustrate this by referring to a simple example. Under the approach of the National Council of Welfare, a four-person household living in Toronto, earning $21,700, and living in a crowded and substandard dwelling, would be treated the same as a four-person household earning the same amount but living in uncrowded, adequate, and affordable accommodation. It would be difficult to argue, regardless of what side of the table one is on, that both those households should receive the same level of assistance from Canadian taxpayers. The latter household would not be eligible because, although it has a low income, it is not experiencing a housing problem. In conjunction with the presence of affordability, adequacy, and crowding problems, the core need income thresholds are measures which are locally sensitive to housing needs, whereas the poverty lines of the National Council of Welfare are simply measure of relative expenditure applicable at the national level only.

However, I should like to note that over 70 per cent of those households identified as being in core housing need in fact have incomes below the National Council of Welfare poverty line. I should also like to note that the National Council of Welfare poverty lines are simply Statistics Canada low income cut-offs. The council uses low-income cut-off and poverty line synonymously; it does not differentiate. It is important to note that Statistics Canada has always stated that these cut-offs should not be used to determine program eligibility.

The new direction for housing solutions provide a mix of program options, so that there is flexibility to provide assistance which will be appropriate to the housing problems experienced by those in need, recognizing that there are differing geographic and economic environments across Canada. The new federal direction in social housing addresses the need for the supply of affordable and adequate housing.

The new non-profit housing program will be used to increase the supply of affordable units. Unlike the old Section 56(1) program, which was funded through a reduction in the mortgage interest rate to 2 per cent, assistance under the new program will be based upon the difference between project costs and revenues generated by the application of the rent to income scale. Assistance will be directed to those Canadians who are in need.

A rent supplement program will be provided to subsidize rents in regions where an adequate supply of accommodation is available but target households cannot afford it. The current program which was proven to be cost effective when used is being substantially expanded.

We are making a number of significant changes in the federal renovation assistance program, designed to bring substandard housing up to minimum health and safety standards. The present approach of designating areas under that urban program is being eliminated. Assistance will be available, again targeted to households in need, on a universal geographic basis. No longer will there be areas in urban centres of Canada where one neighbour would be eligible but the neighbour across the street, living in a house in the same state of disrepair, would not be eligible.

There are significant alterations in the rental RRAP. The Hon. Member for Spadina referred to a problem with the previous program. To prevent excessive rent increases and the displacement of people who need help, as often happened under the old program, assistance will be increased from an average of $3,500 to $12,000 per unit. Assistance levels will depend on the relationship between the rents on the property involved after renovation and local market rents. Assistance will be directed to older, lower cost housing stock occupied largely by low income Canadians. A new renovation plan to assist the disabled will raise maximum funding from $1,500 to $5,000. The maximum assistance provided to homeowners with adjusted incomes will be between $23,000 and $33,000.

• (1440)

RRAP in the rural areas will remain unchanged. In particular, this mix of programs can be used in various areas of our country. It can be used to assess the needs of Canadians and then address them, the availability of accommodation in the private market and the specific requirements of groups with special housing needs. This will ensure that the strategies followed will be cost effective.

I want to assure you, Mr. Speaker, that these present policies are not carved in stone. They are not inflexible. They will be monitored very carefully over the days and years to come. After a fair trial period, if any of these programs prove to be ineffective, redundant or do not meet the needs—but I say again, after a fair trial period—we will not hesitate to make those necesary changes because the consultation process is ongoing.

I really appreciate the opportunity today to reaffirm the Government's commitment to these programs and to serve households in need in Canada. We feel confident that the core income need thresholds, which are locally derived but nationally consistent, will greatly assist in achieving our objective of assisting those Canadians who cannot, through no fault of their own, obtain affordable, suitable housing in Canada. The Hon. Member for Spadina, mentioned the new Co-op Housing Program which was designed in conjunction with the Co-op Housing Foundation. The Co-op Housing Foundation put forward a proposal of index-linked mortgages to assist those Canadians who wished tenure because they could not afford home ownership in the market. CMHC and the Government of Canada sat down with the Co-op Housing Foundation. We explored that innovative index-linked mortgage. We had a lot of discussion. It again is not a program which I consider perfect, nor does the Co-op Housing Foundation, but it is a program which should be able to provide some 5,000 co-op housing units to Canadians across Canada at less cost to the Canadian taxpayers than the old program. At the same time, this modest housing will find accommodation for 30 per cent of the units to be rented by Canadians who are in core need.

The evolution in housing has been ongoing. It will not stop now. It will continue to go forward. I am very pleased to be able to say that we have, in conjunction with the groups across Canada, been able to put forward a program which will serve those Canadians who need it most.

In closing, let me say that the ability to establish a criteria based on the guidelines of the National Council on Welfare, or indeed the guidelines of the Canadian Council on Social Development, would not benefit Canadians who need it most. If we used the Canadian Council on Social Development's poverty line with the 1986 core income need threshold for Toronto for a three to four person household at $27,500, and the Canadian Council for Social Development's poverty line for a four person household at approximately $23,000, once again we would find that the issue of affordability of adequate and uncrowded accommodation is not found in those guidelines. They are found in the design of core need which was developed over a long period of time and which I am confident will provide assistance to those Canadians who need it most.

Ms. Copps: Mr. Speaker, I would like to comment on the Minister's selective use of the core guidelines because I think he will be aware, if he managed to speak to anyone from CAHRO at the convention he attended earlier this week, that the situation in Toronto is the exception rather than the rule. In fact, for almost every major city across Canada the core guidelines mean that people living below the poverty line are no longer eligible for, in particular, RRAP funding. Given that the Minister wants to negate the facts and figures presented here in the House by the Opposition, does he then disagree with complaints which have been made, for example, in Winnipeg, Manitoba, where the Housing Minister has asked for an emergency meeting on the question of RRAP funding because the definition of "core need", as low as it is, has resulted in severe hardship for the people in Winnipeg? Does he disagree with the position taken by the Cape Breton County Council which stated: "RRAP Change Alarms Cape Breton County Council"?

I wonder if the Minister disagrees with the position taken by the Saskatoon City Council which has also expressed concern about the redefinition of "core need" with respect to RRAP funding? Does the Minister disagree with the position taken by the people of Halifax who have also suggested that the redefinition of "core need" has excluded thousands of families

living below the poverty line from RRAP assistance? Does he disagree with the position taken by the New Glasgow Town Council in the Province of Nova Scotia which has also pointed out the folly of the Government's new definition of "core need"?

If in fact the Minister does not agree with the Opposition that the definition is too limited, would he in fact agree at the very least to meet with the Minister of Housing for the Province of Manitoba to discuss face to face some of the severe shortcomings which confront the housing program in Winnipeg as a result of these new definitions?

Mr. McKnight: Mr. Speaker, I would like to address the last question first. The Hon. Minister responsible for housing in the Province of Manitoba requested a meeting. I said I would certainly be pleased to meet with the Minister. I had thought a meeting was scheduled in Toronto last Monday when I was there. The Minister responsible for housing in the Province of Manitoba was unable to attend. I am here in Ottawa. I am available to meet with the Minister at any time.

There is something the Hon. Member did not mention, and I do not think the Minister responsible for housing in Manitoba mentioned, and that is, we signed a global agreement with the Province of Manitoba when the Hon. John Bucklaschuk was the Minister responsible. We signed an agreement on RRAP. We made it very clear at that time that the core income needs would be what we would use to establish the criteria for RRAP. I am still willing to meet with the Minister responsible for housing in Manitoba at any time.

The Hon. Member spoke of eliminating households from eligibility under RRAP. Across Canada, from the data gathered by CMHC, 80 per cent of the individuals who would have been eligible under the old criteria are still eligible.

Ms. Copps: What about the other 20 per cent?

Mr. McKnight: The Hon. Member for Hamilton East asks a good question. With respect to the 20 per cent who are going to be left out, that 20 per cent will be used to serve more Canadians who live below the poverty line. In the utopia of the mind of the Hon. Member it may be fine if we had unlimited dollars to provide for RRAP renovations, but we do not. Therefore, those who need assistance most, surely, in the views of Canadians and the Hon. Member, are the ones who should receive the assistance provided by the taxpayers of Canada.

Mr. Heap: Mr. Speaker, the Hon. Minister made a rather standard reference to the fact that 40 per cent of assistance money in the past was the maximum which went to the people in need. In other words, he is suggesting that 60 per cent of housing assistance money went to people who were not in need. He gives the impression, perhaps, whether intentionally or not, that the 60 per cent was in the form of social housing programs such as co-ops or non-profit or other forms of social housing.

CMHC has consistently emphasized the smaller part of its program, that is, the money which went to the people in need. Over a great many years since World War II it has ignored the larger part of this program, the money that went to developers to increase their profits. In almost all cases those developers produced housing for people who were not in need. In other words, it is true that in the past governments have subsidized developers and, through them, people not in need.

• (1450)

When the Minister says that he is only going to help those in need because they only got 40 cents on the dollar in the past, he conveniently leaves out the fact that the past programs were rankly biased in favour of the profits of the private developers. He implies that there was something wrong with the co-op programs in the past which were attacked by CMHC.

I want the Minister to explain a little further his reference to the co-ops. He says that due to the program which co-ops have developed for a different kind of mortgage system buildings will cost less. He said that there will be a saving of money. The co-ops are asking why the Minister does not recognize that saving provided by the co-ops, rather than the taxpayers, by allowing the co-ops to build a larger number of units than was provided for last year.

The co-ops wish to serve what the Minister calls the "core needy". They wish to make a large number of their units available to people on very low incomes or with very great accommodation needs, according to the Minister's formula. Why has he restricted them to 30 per cent? There are co-ops which want to provide 50 per cent. Why will the Minister not let them?

Mr. McKnight: Mr. Speaker, in response to the last question first, the co-ops have provided in the past, and presently wish to provide, more than 30 per cent of their units for use by Canadians in need. There are other private and public non-profit groups which provide shelter to Canadians across the country. In order to design a program which would provide the mix that the co-ops want, and also give a new mortgage instrument a fair opportunity to succeed, the decision was made to limit the co-ops to 30 per cent. The 30 per cent of the units occupied within co-ops would be on a rent supplement basis. That means that Canadian taxpayers would be paying the difference between the rent geared to income and the market rent that would be available in those units.

I found it strange that the Hon. Member said that the saving was provided by the co-ops. What has been provided by the co-op housing foundation was the suggestion, the thought and the idea of a new mortgage instrument, an index-linked mortgage. It has been used in other parts of the world with varying degrees of success. The previous Liberal Government also had an idea along that line, called AHOP, under which the incomes of individuals would increase. That was not—

Mr. Heap: Nonsense.

Mr. McKnight: —as the Hon. Member and I agree, a very good program.

Mr. Heap: It was completely different.

Mr. McKnight: The Hon. Member does not want me to finish answering. I recognize that it is completely different, but I also recognize that it is a new program in Canada. We must have some parameters to ensure that Canadian taxpayers are not put to the same costs that they were under AHOP. I am confident that with the commitment of the co-op foundation and the corporation we will be able to make this program work. If we can make this program work it will be available to all in Canada who wish to own or build rental accommodation.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in entering into this debate I beg the indulgence of the House to provide a personal note. Before entering the federal House in 1979 I served for 10 years as the director of an organizaion called the Institute of Urban Studies which was a university- based urban development centre primarily concerned with issues of inter-city housing, neighbourhood development, and the general shape and environment of the urban scene which we could create.

One very important lesson I learned during that ten-year period was that housing is not purely a function of economics. Nothing is more important in the shaping of attitudes, feelings and a sense of community than the physical environment which one inhabits. The house, community and neighbourhood has an incredible impact on child rearing, stability and neighbourhood cohesion. All the values which we respect have a lot to do with the nature of the community which we build. We should not base our public policies purely on measurements of chartered accountants or the Nielsen-type standards which affect everything according to the harshest and most severe requirements of meeting some kind of cost accountability.

The debate we are having today has the same overtones with regard to housing as had the debate we had almost a year ago on the universality of senior citizens' pensions. It is not purely and simply a question of supplying a targeted need. That is a code word used by Conservatives to say "a means test". They are saying that there is a cut-off based only upon Government assistance to those at the lowest level of income.

Another bit of wisdom I acquired working in the urban area is that one of the most effective initiatives a Government could take would be to ensure that there was a proper social mix of housing, that people were not ghettoized, that there was not, through public policy, a tendency to have one class of people earning one income living in one area.

The best thing we could do for families and children would be to ensure that the housing project, neighbourhood, or community would have a wide variety of individuals within it to ensure that people had different experiences. There should not be a concentration of one group of people. The mistakes made in the public housing projects of the 1950s and early 1960s were a clear example of that. Beginning in the late 1960s the federal housing policy moved away from the idea of strict narrow targeting concentrating one group of people in one kind of project. It was recognized in every industrial country that that form of public housing attempt had serious social overtones.

We are now repeating the mistakes of the 1950s. We are once again talking about targeting, which is a polite way of saying that we are going to destroy that social mix, that we are going to eliminate that opportunity to provide modest income Canadians the opportunity to live with some degree of neighbourhood cohesion. That is the basic objection which one must have to new housing policies. They are not social housing policies in the true sense of the word. We so often hear expressed the narrow-minded attitude that Government support should go only to those who can meet some very low means test. This country has been fighting that concept for 30 or 40 years. Once again we have a Government with that kind of mentality.

I would like to point out to the Members of the House an article written in *Policy Options* by Professor David Holchanski of the School of Community and Regional Planning at the University of British Columbia who also acts as a consultant for CMHC. He said that the problem with the approach of the Government is that it is repeating the same mistakes that Margaret Thatcher and Ronald Reagan made with their housing policies, and that we are going to end up with the same consequences. We will now have to face the same kinds of problems as they created through their housing policies.

• (1500)

Having said that, I want to talk about a problem we face in the City of Winnipeg where it is perhaps most dramatically emphasized. I will talk just for a moment about the Residential Repair Assistance Program. That is one of the most important urban initiatives ever taken by the federal Government. Over the years it succeeded in helping thousands of Canadians to repair and upgrade their housing. It helped rescue those communities on the verge of destruction. The particular genius of the program is that it applied to inner city neighbourhoods and downtown areas but was not limited strictly to economic factors or income requirements. It was available to a variety of Canadians to upgrade a single family home or an apartment block. It brought incredible stability to many of those communities. In the core area project in Winnipeg, which has been one of the most successful urban development projects by far, the RRAP program was essential. The latest figures show that over 1,200 units were upgraded with the assistance of RRAP over the last four years. Yet the programs introduced by that Minister will achieve the total destruction of RRAP.

Let me give you one example from one neighbourhood in my constituency, the Lord Roberts community. It is a community of apartment blocks and working class houses. It is a good community but it has to fight against the encroachment of

urban blight. People are making an honest effort to win that fight. A couple of months ago there were 133 applications under RRAP from that one small neighbourhood. Now that this great new Tory initiative has been brought in, only 21 applications are eligible. Fully 75 per cent of the people accepted for the program previously have now been taken off the eligibility list. That story has been repeated in neighbourhood after neighbourhood in my city. You will find that of the applications in existence before the new program was brought in, fully 70 per cent no longer apply. The reason is that the threshold of $13,000 is simply not high enough to meet the various family configurations in the downtown and urban neighbourhoods, so they have been removed from the program. Of course, at the same time the landlords in the program get a substantial hike. The Government is saying to the more modest income families in the neighbourhood that they no longer count. The end result in that particular urban neighbourhood will be the elimination of the ability of individual home owners to fight against urban erosion and upgrade their communities, all for the sake of "target threshold needs". Those are the code words for the Government's decision to no longer recognize its responsibility to provide incentives towards the improvement and redevelopment of our urban neighbourhoods. It is a betrayal of those neighbourhoods and communities.

We have the same kind of program dealing with off reserve Indian housing. My colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), knows this full well as Indian affairs critic. The head of the Manitoba Métis Federation, Ed Swain, has said the same thing. Days after the announcement of the new program, and after analysing the figures, he said that this program no longer allows the Manitoba Métis Federation to continue its off-reserve housing program. Again, the income requirements are such that those families deepest in need cannot apply, and those who were using the program have incomes above the threshold.

What is the point in having a program that does not work? We know what the point is. The Government does not want the programs to work at all. It is more interested in saving money and cutting back the CMHC budget. It wants to reduce expenditures on social housing. This is a carefully crafted formula to ensure that social housing programs do not work. In that way, step by step, the Government can withdraw from its responsibility and commitments to the housing needs of Canadians. That is really the message behind this brave new world the Government has introduced.

We have certainly seen over the past two years the peculiar ideological hang-up the Government has about the constructive programs and initiatives it can provide to people to help themselves. But why has the Government concentrated solely on the social housing program expenditures? Have members of the Government talked about all the incentives given to developers? Have you seen them cutting back on major tax expenditure programs? Oh, no, they have concentrated exclusively on the social housing programs. They are not only cutting back on the dollars, but by introducing unworkable or restrictive formulas they have eliminated from eligibility the very people who have been making use of these programs. That is why we have presented this resolution. We are trying to draw to the attention not only of members of the Government but of the public at large the fact that this is a phoney program. It is not designed to help those in need because need is defined at such a restricted level that it can never be met.

Going back to the conditions of the RRAP program, a very valuable and important development taking place in one of our major cities has now been brought to a virtual standstill. I wish the Government would bring to a standstill the efforts it is making on countervailing actions taken by the U.S. If it was as effective in that area of public policy as it is in bringing to an absolute halt the useful housing initiatives on the books, we would be much happier. The fact of the matter is that, whether it be the mayor of the City of Winnipeg, the head of the rehabilitation program, or the provincial Minister of Housing, the conclusion is the same: The Government has killed the program. It has done an injustice to that part of Winnipeg. The end result will be that over the next several years the valiant efforts being made to fight urban blight and erosion will be lost. The social cost will therefore be much higher. Housing was contributing substantially not only to the physical renewal of the city, but to human and emotional renewal. People were beginning to take pride in their community because they could do something about it. They could get RRAP grants and fix their houses. They knew they were doing something valuable not only for themselves but for their neighbourhood. Yet this Government, which talks about private initiative, is taking the initiative away from those people.

When we sit down five years from now to calculate the end cost, it is going to be much higher than if this program had been maintained. Many of those neighbourhoods will now no longer be able to provide that resurrection which was taking place. The deterioration will set in and we will be paying much higher costs to keep the repairs going. That is the end result. Can anyone in their right mind conclude that that is an effective social program? Is that really effective policy-making when you are creating a worse problem than the one you now have? You end up not only providing an inequitable answer, but one that will be more costly. That simply does not make sense.

• (1510)

The point of this debate is to try to get this Government to change its approach on social housing and on the RRAP program. It will not be that much more costly. We are talking maybe of $2 million or $3 million more over the next three or four years. That is the difference that it makes. The end result would be the regeneration of thousands of housing units, as opposed to a standstill in those programs.

We are here to try to appeal to the common sense of this Government, to ask it why it would destroy something that was working well. Why erode something that was having an

important impact on our communities and our citizens in this country? Why are you taking it away? Why are you eliminating it? That is not understandable to anybody, whatever their political background.

The Mayor of the City of Winnipeg is a well known supporter of the Conservative Party. He is the one that is complaining equally loud and saying, "Why are you doing it to us?" I do not understand what is behind it all. Unless, once again, we are seeing a Government caught in its own ideological mind trap. The Government is so preoccupied and obsessed with the kind of thinking you saw in the Nielsen exercise of shaving and cutting that it is not able to see the forest for the trees. The Government is not able to judge the consequences of its acts. If a program is working well, it is not able to leave it alone and allow it to continue. That is the appeal that we make. Surely we must provide for communities that are properly mixed to fight against the kind of ghettoization that took place in the past. If that is the objective, then you have only one choice, and that is to change these housing programs before they do irreparable damage.

Mr. Hawkes: Mr. Speaker, I listened with interest to the Member indicating that social policies should make things better rather than worse. I wonder if the Member would admit that the piece of public policy which hurt housing the most in this decade is 22 per cent mortgage rates. If he is willing to admit that, can he tell the House why he continued to support a Government with a set of policies that produced 22 per cent mortgage rates?

Mr. Axworthy: Mr. Speaker, I guess I could only describe it as a supercilious question. It is interesting that the Hon. Member has obviously not read the budget statements of his own Minister of Finance (Mr. Wilson). After repeated questioning in debate, the Minister of Finance said that he is following a policy whereby the Bank of Canada sets its rates according to the dictates of the international market and the money markets. The rates go up and down, as we know. Every Thursday the Bank of Canada sets a new rate, depending upon the flows of capital, which is exactly what was done in the past.

There is no difference in setting interest rates on that basis other than what a Government might try to do to offset the impact of those rates, perhaps by providing alternative programs. We defended that simply by saying that because we live in a world where there are capital flows between countries at the flick of a computer button, who can control them? Does your Minister artificially set rates? Has the Minister of Finance in the Mulroney Government stood up here and said that he will artificially set a rate, whether higher or lower, whatever the case may be? Oh, no. The Minister of Finance in this Government follows the same principles as did the Minister of Finance in the previous Government.

As the Member well knows, as a distinguished former academic, interest rates were high everywhere. They were 25 per cent in Europe, they were 18 per cent and 19 per cent in the United States. The world was going through a dramatic recession. Interest rates were being fuelled by inflationary forces spawned by oil price changes that were taking place and by other international forces, and there was no country that was immune from those forces.

It would seem to me that the Hon. Member, who should know better and who has an understanding of economics, should analyse it according to what did take place. At that time we had social housing programs and we were trying to meet a larger and broader mix of people in this community because they could not afford the kind of housing that the private market supplied, as they cannot today. They cannot afford it today unless there are forms of support. One of the realities is that the cost of land, materials and labour has reached the point that large proportions of Canadians simply cannot afford housing on their own income. Now, we hide a lot of those sudsidies through tax expenditures. That is what we are asking, why are we concentrating in this case only on the social housing program and why are we eliminating it? Why are we not looking at the total basket of housing programs and getting a much better mix of those programs?

Ms. Copps: Mr. Speaker, I would like to ask the Member for Winnipeg—Fort Garry (Mr. Axworthy), given his involvement in the Province of Manitoba formerly as a provincial MLA, if he might be able to shed some light on the problem which faces residents in northern parts of Canada. I have here a couple of letters from the Province of Saskatchewan. One is from a Mr. Larry Dawson, who is in need of RRAP funding because he has to install improvements to his septic system. He is certainly not spending the money in a liberal fashion, he needs basic changes to his household structure.

As well, Mrs. Mona Dawson, who applied in 1985 and who, because of this Government's 25 per cent cut-back in RRAP funding, was advised she had no possibility for 1985 funding, was put on the waiting list for 1986. The points that Mr. Dawson raised in his letter to the provincial and federal Minister responsible for housing is that, given that he lives in a northern climate by the time his approval for construction comes through, it may be some time in the late summer, early fall and he may be faced with problems of climate, given the possibility of permafrost, et cetera.

I wonder if the Member could outline whether he believes there should be some specific exemptions or accommodations made for those people who are applying for RRAP assistance, who have been pushed off because of this Government's cut-backs, and who now find themselves facing the fall and winter of 1986 waiting for funds for which they applied in 1985 because of the particular climate problems of living in northern areas.

Mr. Axworthy: Mr. Speaker, we have the same conditions in northern Manitoba that you are facing in the downtown area. Because of the cost conditions, and other reasons, large numbers of people have been eliminated from applying for

RRAP grants. As a result, the basic housing program in northern Manitoba, as in northern Saskatchewan, is coming to a standstill. People who were formerly able to take on some opportunity to help themselves are no longer being given that opportunity. Seventy per cent of the people who had previously been eligible for those programs have now been taken off the list. It is a clear example of just how topsy-turvy and self-destructive that kind of program really is. Those were the very people who saw in the RRAP program the opportunity to help themselves. It is going to set back housing needs in those northern areas to the point where it will take years to recover the momentum again.

The Government has sliced through what was beginning to develop into a major housing initiative in the northern parts of Canada, which is now being frozen to the point where it will take years to recover and reach the same state of achievement it once had.

Mr. McKnight: Mr. Speaker, I recognize the expertise in urban areas of the Member for Winnipeg-Fort Garry (Mr. Axworthy). I would like to point out that in the case of the people who made those applications, the person from northern Saskatchewan and the person from southern Saskatchewan, from Rouleau, who were mentioned by the Member for Spadina (Mr. Heap), it did not happen in the last two years or 18 months that someone did not have a septic tank or someone in southern Saskatchewan did not have plumbing. What happened was that under the previous program, scarce Canadian tax dollars were going to individuals who had annual incomes of over $23,000. Loans were made to individuals with incomes of over $23,000 while Canadians with low incomes, who were most in need, were denied access to this program because there was not enough money to go around.

• (1520)

The Hon. Member for Winnipeg—Fort Garry is, if anything, on the left side of centre of his Party, and surely he must recognize that if Canadian taxpayers have enough money to help Canadians who are most in need, that is where they would like to target their resources. I am familiar with the redevelopment in Winnipeg. I am also familiar with the lack of development in Cape Breton, rural areas of Newfoundland, Nova Scotia and British Columbia.

The Canadian taxpayers are not an unlimited resource. The decision has to be made to meet the needs of the two individuals from northern Manitoba and southern Saskatchewan whom the Member for Hamilton East (Ms. Copps) brought to our attention, so that they could also share. There are over 100,000 rental units in need of repair and over 100,000 ownership units in Canada in need of structural repair. There was not enough money under the Liberal program nor is there enough under this program to fix those units overnight. However, the decision has to be made to target for those Canadians who are most in need.

Mr. Axworthy: Mr. Speaker, I just want to make a quick response. If the Minister says that there is not enough money in those programs, why did he cut the funds back by 25 per cent? If there was not enough money originally, why did he reduce it even further rather than leaving it as it was?

Let me give an example. We were talking about people who simply want plumbing and sewage. The Minister talked about all those extravagant people in downtown Winnipeg receiving unnecessary loans. The cut-off rate we are dealing with is $19,000. That sum of $19,000 for a family living in the downtown area of Winnipeg is a bare minimum to get by. Therefore, they simply cannot afford to spend any extra capital to fix their houses, to fix the foundations and bring them up to standard unless they are eligible for RRAP. The Minister has taken that away from them.

That community was regenerating itself because people in that income level were prepared to put their time, effort and some of their scarce capital into improvements because they could get RRAP funds. They no longer can do so, and those neighbourhoods are being condemned to further deterioration. That is the real problem and the reason the social cost is becoming prohibitive. It will cost twice as much to fix up those neighbourhoods five years from now because the Minister did not leave the RRAP program alone. That is the problem.

Mr. Jim Hawkes (Calgary West): It is a pleasure to enter the debate on housing this afternoon and to follow the Member for Winnipeg—Fort Garry (Mr. Axworthy). I had asked him a question and he responded by talking about interest rates in Europe and England. The absence of any comment on the role of the federal Government in the creation of high interest rates was noticeable in his answer. The fact is that there is a correlation between the demand for loans and the cost of money.

It should come as no surprise that interest rates increase as a result of 17 years in office of a Government that has gradually increased its expenditures and increased its borrowing requirements to the point where one-third of its expenditures pays for that borrowed money. One has a sense of *déjà vu* when one listens to the Hon. Member. The Hon. Member is most eloquent when he asks for $2 million or $3 million more for Winnipeg. He had almost as many employees in his office as a Minister of the Crown as there are for 10 cabinet Ministers in our Government.

Mr. Axworthy: No. Mazankowski has more.

Mr. Hawkes: The use of borrowed taxpayers' money drove up the cost of mortgages for homeowners in this country. That is the kind of Member we had from Winnipeg—Fort Garry. The Hon. Member has lowered his sights substantially by asking for $2 million or $3 million more. He was a Miniser pork-barrelling in hundreds of millions of dollars of borrowed money for his personal fiefdom while the rest of the country went to hell in a hand basket. That is the kind of Member we had from Winnipeg—Fort Garry. That is why the cost of

money rose and that is why we have so many housing problems in this country.

Mr. Axworthy: Just keep saying it, because the people in Winnipeg love it.

Mr. Hawkes: He says to just keep saying it. I will say it to the day I die because I like to speak the truth. Of course, he did not do this alone. He was joined by the spendthrift gang.

One can recognize the difference between a Conservative and a Liberal by seeing what was absent from the Hon. Member's plea for $2 million or $3 million more. If the Conservative Government decided that spending $2 million or $3 million for Winnipeg should be a priority, it would determine what cuts could be made in order to provide that money. Rather than borrowing the money we would make a cut in an area of less importance. Do not make today's children pay tomorrow by borrowing more money; cut an expenditure if you want to provide an increase elsewhere. That is the difference between Liberals and Conservatives.

Mr. Axworthy: The difference is that we don't give capital gains allowance of $500,000 to rich friends like yours.

Mr. Hawkes: I remember the scientific research tax credit of $2.5 billion, Mr. Speaker. What a triumph of public policy, that $2,500 million was. That one simple tax program amounts to double our expenditure on housing in this country this year. What a bunch of geniuses.

The Hon. Member made one comment with which all of us should be able to agree. He said that housing for Canadians is important. I have had a peculiar set of jobs which brought to my attention the frequency of suicide and illness and the sense of alienation that occurs in Canadian society.

Soon after the Second World War, Central Mortgage and Housing decided that mortgages and insurance should relate to houses of a particular design, with the advent of the L-shaped living room and dining room in small 940 square foot houses.

That simple insurance principle destroyed the family kitchen in Canada. This is a room that was built on warmth, closeness and conversation. It is a room that provided for a closer relationship between parents and children. Children would do their homework there while the mother would knit or listen to the radio. Yet that policy on houses probably contributed more to alienation and mental illness in this country than any other policy. That realization contributed to my sense of the importance of public policy on the lives of individuals and motivated me to enter this Chamber.

It is important to note clearly the difference between the housing policy proposed by the Minister of Labour (Mr. McKnight) and that which would be proposed by either of the two opposition Parties. Canadians had a choice in September, 1984, and they must not lose sight of their options in 1988.

The motion before us today suggests that the eligibility for housing assistance should be defined on an income-based figure alone and should apply all across the country. That is not inconsistent with the opposition Members' points of view about all kinds of things. When they talk about universality, they talk about treating the rich and the poor equally. They talk about treating all members of our society and all communities as if they were the same. That is the basic thrust of their proposition. It is not the thrust of ours.

• (1530)

The thrust of our approach to public policy is to recognize that this is a large country. It is a country with many unique communities and with cultural differences that relate to language and background. It is a country which has been built by immigrants. It is a country that takes pride in its sense of multiculturalism and in its sense of diversity. Members of the Liberal and New Democratic Parties want us all to be of the same mould and to be treated in exactly the same way. That is a point of view, but it is not my point of view. I think the country is richer and better served by public policy that recognizes provincial, regional, community and cultural differences.

What the Minister of Labour has proposed in what he is carrying forward into the community is a sense of a core need concept. His sense of that core need is close to my own. He has identified core need as being applicable to any household in which 30 per cent of the family income, or more, goes to providing decent shelter. What does that formula take into account? It takes into account the reality that wages vary, and that they vary enormously from community to community. That is the income side of the issue, the family income side. It also takes into account the fact that the price of property and the rents we pay for that property vary widely from community to community.

If one lives in a low wage area with low housing costs, then one may or may not meet the definition of core need. If one lives in a low wage area with high housing costs, then one will certainly meet the requirements. If one lives in a high wage area with low rental costs, then one will not meet the requirements. However, if one lives in a high wage area with high housing costs, then one may meet the requirements. Incomes are matched to costs. That is surely common sense. Surely it is the only formula proposed which takes into account both sides of the equation, the cost side and the income side.

Members of the Liberal Party and members of the New Democratic Party would have us take into account only the income side. If it is strictly the income side which is to be considered, then some people who are relatively rich will receive part of the money, as will some who are relatively poor. If we follow the formula devised by the Minister of Labour, none of the money will go to the rich and all of it will go to the poor.

What do Canadians want? If we were able to provide a certain amount of money to all Canadians, would they prefer that everyone receive $100, or that the poorest 10 per cent receive $1,000, or that the poorest 20 per cent receive $500? I

do not know how Canadians would vote as between the lowest 10 per cent and the lowest 20 per cent. I do know that Canadians would prefer to see the poorest in society receive more and the richest receive nothing, or less. That is the Conservative philosophy. I think it is something with which all members of our caucus feel comfortable. I think it is something with which most Canadians feel comfortable. It is not something with which the Liberal Party of Canada feels comfortable. It is not something with which the New Democratic Party feels comfortable. I think that is their basic objection to what the Minister is doing in terms of the Canadian housing policy.

What the Minister has done is to set up a formula which ensures that the money will go to those who need it the most and that it will be community-specific, based on community income for an individual, the standard in the community. It will be based on the costs in the community. When the Hon. Member stood up and told us that the previous pattern delivered 40 per cent of the money to people who needed it and 60 per cent to those who did not, then he was talking about the Liberal approach. Our philosophy is that 100 per cent of the money should go to those who need it. That is what the Minister is intending to devise. I believe the taxpayers will be better served by that type of mechanism.

In the time remaining I would like to review the process briefly. What the Minister has done is what many of our Ministers have done. It is different from the Liberal approach. A change in public policy has been proceeded with as a result of discussion and consultation in which both sides talk and both sides listen. Out of that process have come proposals that enable the federal Government to enter into a partnership with others in society, in this case with the provinces, to target assistance to those who need it the most. What that produces is more housing for more people. With respect to the program under discussion today, there will be twice as many households helped with the same expenditure of dollars as under the former program. Those who will receive the help clearly need it the most. None of the money will go to those who do not need it. It is a pleasure to stand up in the House and congratulate the Minister for his foresight and for the development of this program.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: Mr. Speaker, first, let me say to the Hon. Member that we must appreciate one of the more unique, if not bizarre, dissertations in this House in which the social pathology of Canada has been ascribed to the L-shaped livingroom which was developed in the 1950s. That has the makings of a wonderful doctoral dissertation. However, I am not sure how relative it is to the debate.

Before I ask the Hon. Member a question, I wish to point out one thing. He made a great fuss about how Conservatives recognize that we must help those in need and not the rich. I guess it comes down to the question of how that need is defined. I simply point out to the Hon. Member that a family of four which lives in my riding and makes $19,000 is not exactly rich. That is a very ordinary income, and only meets the very barest of essentials. Those are the people about whom I am talking. Those are the ones who have been cut out of the program. There is nothing rich about them. There is nothing upper-income about them. They are very ordinary working people, who want to try to save their houses and their neighbourhoods. The Hon. Member and his Government are stopping them from doing that.

Furthermore, I ask the Hon. Member, who was so congratulatory to his Minister for all the wonderful things he has done, and taking into account the new formula, if he can explain to me one simple thing. Why is it that there has been absolutely no allocation of any money since April for the Residential Rehabilitation Assistance Program even though we are now close to the beginning of June? Can the Hon. Member tell me why all that time has been allowed to pass without any allocations for RRAP having been made? Not only does that cut out the rich and those with modest incomes, it cuts out everyone up to this point in time.

Mr. Hawkes: Mr. Speaker, it is a pleasure to respond to the Hon. Member for Winnipeg—Fort Garry. I am not the Minister, nor am I an administrator. I suspect his information is incorrect, because it usually is. However, I have no definitive knowledge about whether or not any money has been paid out under RRAP. It is interesting that the Hon. Member did not ask that question of the Minister when he had the opportunity.

Mr. Heap: I can you tell that none has been paid out.

• (1540)

Mr. Hawkes: Returning to L-shaped living and dining rooms, there is a certain amount of predictability to the Hon. Member's behaviour. If one has a rather well thought out explanation of a phenomenon, something that happens to be new to one's mind is rejected without thought. There is the notion that what went on before is best, not through any process of logic, not through any process of evidence, but simply because it went on before and they devised it. I suggest that this is one reason why those Members are sitting on that side rather than this side.

Mr. Axworthy: Have you looked at the polls lately? It won't be long.

Mr. Hawkes: Canadians are common-sense people. They can differentiate between the reality of a situation and the public expression of something that does not accord with that reality. I suggest to the Hon. Member that he think a little longer about what the L-shaped living and dining room did to small Canadian houses and therefore to Canadian families and people. I think he might find some wisdom in the idea if he could just open his ears long enough to hear it and then work extra hard to think about it.

Ms. Copps: Mr. Speaker, we are talking about the housing needs of more than a million Canadians who are under-housed, either homeless or living in inadequate accommodations, and the Hon. Member seems to be stuck on some architectural notion about L-shaped living and dining rooms. Given his defence of the Government's RRAP program and his unfortunately incorrect perception that those people who have been cut from RRAP are people who are somehow living in the lap of luxury, does he believe that it should be the right of Canadians like Mr. Dawson from Saskatchewan to have running water and a heating system in their homes? If he does feel that it is their right to have running water and heating systems, could he tell me why Mr. Dawson contacted the office of the Minister more than a month ago about specific funding requests and was put on a waiting list at a time when he was facing the possibility of construction during the winter in northern Saskatchewan? Are these the people the Conservative Government intends to cut out from RRAP eligibility because they are living in the lap of luxury?

Mr. Hawkes: Mr. Speaker, that was spoken like someone who grew up in Hamilton or Toronto. When I was growing up, I carried in the coal, I carried in the water, I carried out the slops and I used an outdoor privy. In my generation, most of the people in my region lived like that. There is nothing inherently wrong with accommodation of the kind the Hon. Member describes. There may be something very difficult about it.

The Hon. Member may be describing someone who lives in a city and has health problems or she may be describing a millionaire living in a cabin in the woods by choice. We do not know. However, one thing we do know is that any Canadian who meets the core definition of needing 30 per cent or more of income to provide decent and adequate housing in the community is eligible for this program. There must be something very strange about the isolated case which the Hon. Member has presented to us.

Quite consistently in the House and in committee, we hear partial stories designed for media interest rather than any kind of considered public policy debate. We heard not one single, decent public policy principle enunciated by the Hon. Member in her 20-minute speech. That is typical.

Mr. Gormley: Mr. Speaker, first I would like to commend the Hon. Member for Calgary West (Mr. Hawkes) on his comments. I would like to offer a further comment on Saskatchewan housing. It is odd that the Hon. Member for Hamilton East (Ms. Copps) is speaking on behalf of Saskatchewan. As one whose constituency comprises fully one-quarter of the Province of Saskatchewan and who travels a great deal in northern Saskatchewan, I personally have a great interest in northern housing.

I would like the Hon. Member to know that last summer I took an extensive northern tour of 14 communities located above the 17th base line. There are obviously many problems, both social and economic, endemic to far northern communities, but one concern that was articulated repeatedly was the concern for housing, first for its availability in very remote northern communities, and second for the construction and financing requirements.

At that time, I was able to approach my friend and colleague, the Minister responsible for housing, to talk to him about this, and we discussed the idea of having a northern housing forum at which all of the mayors and councillors from northern Saskatchewan communities could get together under one roof to talk about construction requirements, such as the suitability of log housing in northern communities, and about financing. I think the Hon. Member for Hamilton East should be very pleased to join with me in applauding the fact that on June 7, the Minister responsible for housing in all of Canada will be in northern Saskatchewan to meet with northern representatives and to talk about northern housing. I would like to commend the Minister for that.

Mr. Hawkes: Mr. Speaker, I am really pleased with that intervention. It identifies in a very clear-cut way that many people in Canada live in isolated areas, and when we talk about the North, we are usually talking about high costs. We may be talking about high wages and we may be talking about poverty, but we are always talking about high costs. Part of the genius of the Minister's program is that a person could be making a big wage but may indeed be needy if he lives in a high-cost area. We are trying to provide housing for the North, for the South, for Toronto and for Yukon. The Minister is to be congratulated for that attempt.

Mr. Heap: Mr. Speaker, apparently the Hon. Member was not here when I spoke today nor when I dealt with the matter earlier. In Saskatchewan, no money is available for rural RRAP. There is not one cent available to anyone, and that is the information I received from the Minister's office today. The money has been postponed and postponed. Even though the Minister said on Tuesday in an E-Mail note to all offices that the money is available today, his office had to admit that that is not true and the money is not now available. It is not a matter of some eccentric millionaire, it is a matter of anyone in Saskatchewan who might be eligible for RRAP but who cannot receive it today.

Mr. Hawkes: Mr. Speaker, I apologize for not being here during the Hon. Member's speech, but I was working on an immigration matter. What I should do is to ask the Hon. Member if, when the money is available, he thinks it will go to the right people and if he thinks it might be available tomorrow. I do not think the problem has existed for very long. There is always an administrative lag.

It may very well be that people in Saskatchewan are not getting the money today, but will they be getting it tomorrow? When they get it, will it be going to the people who need it the most? The primary public policy principle before us is that when the money becomes available, it goes to the right people, those who need it.

Ms. Copps: Mr. Speaker, the Hon. Member ignored the case of Mr. and Mrs. Dawson, in such a cavalier fashion, a case that was raised with the office of the Minister responsible for national housing more than a month ago. Do not forget that Mr. and Mrs. Dawson are the people with no running water and no furnace. The Hon. Member thinks that that is okay. My family is from northern Ontario and I understand a little bit about the North. I think there are many northern families who would like to have running water and heating facilities and I think it is an outrage for the Hon. Member to state that he thinks it is fine and dandy for people to live without that.

Mr. Gormley: He didn't say that. Be fair.

Ms. Copps: You weren't here when the Hon. Member spoke. That's exactly what he said.

Why has the Hon. Member said nothing when the fact is that this family and hundreds of others across Saskatchewan were cut off because funding available from Canada Mortgage and Housing was fully committed? There was no money for any family in rural Saskatchewan as a result of the Government's policies which led to a 25 per cent cut-back in RRAP funding. Why was he not talking about critical issues like running water and heating rather than L-shaped living-dining rooms?

• (1550)

Mr. Hawkes: Mr. Speaker, one suspects that physiologically there is a correlation between how wide open one's mouth is and how closed one's ears are from time to time.

People choose to live without central heating. People choose to live in certain kinds of ways. The Hon. Member is trying to lay upon the table a piece of information in partial form. Are we dealing with a millionaire? I asked that question before. Yes or no? Are we dealing with someone whose income and shelter meet the core definition? Yes or no?

The public policy issue we were supposed to debate today is: Would the definition of poverty of the National Council of Welfare produce a better situation? How much money was available in housing funds in September, 1984, on election day? Was an entire year's budget pork-barrelled out prior to election day? What responsibility does the Hon. Member have, as a member of the Liberal Party, for ignoring housing needs for six months or seven months in an attempt to win an election with borrowed money, which drove up interest rates for everyone? What obligation does she have to answer to the House for that kind of public policy?

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am pleased to have an opportunity to participate in the debate on the extremely important matter of housing and on the proposal of the Hon. Member for Hamilton East (Ms. Copps) for a national housing strategy. It is not quite the direction in which I think we ought to be going, but certainly the subject is an important one and I want to put a few observations on the record for my own riding. As well, I want to raise some of my own concerns and to indicate my particular interest in housing for women.

Over the past few winters in Canada we have seen a proliferation of food banks and food depots run by churches and voluntary organizations. We have seen Canadians lining up for food for the simple reason that they do not have enough money because they are spending so much of their very limited resources on housing. Many of these people have some form of income. A lot of them are women with family benefits, women raising children without adequate support, and toward the end of the month they do not have enough money because of extremely high charges for rent.

I think of a disabled woman in my constituency who visited my riding office. Her income was slightly over $400 per month. She shares an apartment with a monthly rent of $600 with another woman, so they both pay $300 per month in rent. This means that she has $100 per month left over for all other expenses—metro, food, clothing, and everything else. She is pressed into going to food banks because of inadequate housing. Her name is on waiting lists for subsidized housing along with some other 20,000 Metro people.

Rooms are costing an enormous amount of money. People on very limited incomes or people on welfare simply do not have enough money to go around. We have people going to hostels and hostels turning people away. We have a revolving door in the hostel system. The people who go to hostels, as well as those who run them, tell us that they do not want hostels. They want adequate housing. Hostels are not a response to the critical issue of inadequate affordable houses and apartments for Canadians.

My riding of Broadview—Greenwood is no worse than other ridings. It has some poor housing, some good housing, and some in between housing. However, it has many people who are on waiting lists because they simply cannot afford accommodation, and people are sharing accommodations because of inadequacy.

Many of the people with real housing needs that are not being met are women. Women are in this difficulty for two reasons. One is the old association between women and poverty. More women are poor. Women who have jobs do not earn as much money as men. Of course, women are still responsible for most of the child care when families break up. Most of the single parents are women. They have the responsibility for children. They have lower incomes, very little support money, yet higher expenses because they have children to look after. As a result they are really pushed in paying for housing.

Only 37 per cent of women own their own homes compared with 71 per cent of men. They do not have the money to buy houses, so 63 per cent of women rent compared with 29 per cent of men. Women rent poorer and cheaper accommodation than men because they do not have enough money. The figures indicate that 61 per cent of women and 27 per cent of men pay less than $450 per month on rent. Men, far more often than

women, are able to afford much more luxurious accommodation, better and pricier apartments. A substantial majority of low-income women who are renters rate their housing as inadequate, either for the size they are able to afford or the amenities or for both.

Of course women, far more often than men, depend upon social housing; 87 per cent of single persons in public and non-profit housing and co-ops are women. Nearly all single parents, or 96 per cent of them, in social housing and in co-ops are women because they cannot afford rents or they cannot afford to buy a house of their own.

What is wrong? Obviously housing in Canada is a basic need as it is everywhere. In Canada, with its cold climate, more elaborate and better housing is needed than in many other places. Canada recognizes, as indicated in the United Nations Universal Declaration of Human Rights, that everyone has the right to adequate housing for health and well-being. While we recognize this right for everyone, we do not have any system to ensure that the right is met. Essentially we have reliance upon the private market which is geared to profit-making, not to the meeting of needs. The private market is a primary deliverer of housing but it is oriented toward profits, and there are more profits in luxury private houses and condominiums.

In fact, much public money goes into housing by way of the back door. Tax subsidies to builders and homeowners are enormous. Although I do not have up-to-date figures, the figures for 1980 total $9 billion. At the same time, only $700 million was provided for social housing through CMHC. When Conservative Members rise to say that they want the program to be directed to those people in need, to the poor, that they do not think the subsidy should be going to the rich, and that their core need proposal will meet that objective, they are entirely missing the point. More of the subsidies go to well off people through tax concessions, not through direct grants; they go disproportionately to the better off. We do have public policy. It may be inadvertent or implicit, but it is there. It means that overwhelmingly public funds are directed to those who need them the least.

The issue of the housing needs of women is one which will be addressed by the National Action Committee on the Status of Women at its annual convention this weekend. A housing subcommittee which has been preparing for the convention has come up with a number of proposals to be discussed. They are far more adequate than anything the Government has come up with in terms of meeting these needs.

Some of the proposals are directed toward the provincial and municipal levels of Government and do not concern us. One proposal recommends that the federal Government should ensure a fair distribution of tax benefits for housing. They urge that the data, which is not easy to come by because it is so obscured by going through tax concessions rather than direct grants, should be analysed regularly and made available to the public, so that people will know how tax money or tax exemption deduction money is being spent. Also they urge that the Government abolish tax incentives to private developers in favour of a system of direct grants, so that people will clearly know how the money is being spent. Then there will be proper accountability and we can ensure that those who need it receive most of it.

They indicate as well that the right to housing without discrimination on the basis of family status should be recognized. Of course we know the difficulty faced by parents, especially single parents with young children, in finding housing. Also they suggest funding for women's emergency shelters where it is lacking. Let us be very clear that while this is support for women's emergency shelters, it is not an endorsation of shelters as any kind of adequate substitute. Priority should be given instead to establish long-term affordable and appropriately managed housing for women in hostels because we do not want to see another tragic reoccurrence of a woman turned away from a hostel and dying outside without shelter. It is recommended that the federal Government ensure through federal-provincial agreements that people be supplied with housing such that low income people are not forced to spend more than 25 per cent of their income on housing. The Government is shifting to this 30 per cent level and, certainly, we have had a very long history regarding 25 per cent of income as the ceiling beyond which people should not have to spend their money on housing but should have it available for food, clothing and other essentials. It is recommended that the Government ensure that the special needs of the elderly to remain in their own homes are met. It is recommended that CMHC reassess design features of social housing, to develop standards reflecting the needs of women as well as of men. There should be access of the disabled to social housing which is something which has been very slow in coming. Then there were some very good recommendations to other levels of Government regarding the integration of social housing in neighbourhoods, and problems of shelter allowances not to be seen as any kind of long term solution when we have an underlying problem of supply and problems of conversion of rental apartments to condominiums. In other words, a very global approach to this whole question should be taken.

• (1600)

I want to make it very clear that by raising the questions of women's issues, housing and shelter and poverty, I am not in any way endorsing the Government's approach that only this poor, needy group of poor should be the subject of a national housing policy. I do not endorse that approach at all. In fact, we have a national housing policy. Unfortunately, it is a very implicit and unfair one in which most of the subsidies go by way of tax concessions and are, therefore, hidden, because they do not go by way of direct grants. These huge subsidies for homeowners are of advantage to middle and upper income earners and the contribution of public money to low and middle income earners is comparatively modest. Instead, we need a national strategy which would be fair in its distribution. Certainly, we want a national strategy which will put the

meeting of needs first, will be global and will see that the needs of all Canadians are met.

I want also to say something about co-ops. Co-operative housing is good housing, by and large, certainly, if my riding of Broadview—Greenwood is any example. We have excellent co-ops, the Bain Co-op, the Riverdale Co-op, the Innstead Co-ops, which are among the best in Toronto if not in Canada and the world. Unfortunately, the co-op idea is not fully appreciated by the Government and is often attacked by members of the Government so that we have something of a catch-22 situation.

We are told that co-ops house a lot of people who do not need to be in co-ops because they have adequate incomes. However, co-ops have to take people with adequate incomes in order to pay the housing charges because they do not have adequate subsidies to rent to people who cannot pay market rates. There are co-ops in my riding which would happily take a larger proportion of people on subsidies and feel they could integrate them well into their co-op communities but are not allowed to do so because of inadequacies of subsidy. If only 15 per cent of the units are subsidized, it means that most of the people who would be moving in would be in the middle and better off income brackets. The Riverdale Co-op subsidizes close to 50 per cent of the units. It would happily subsidize more if it was given the money. But it had to close its waiting list a year and a half ago for subsidized housing. It had its limit. There was a long waiting list. Some people have been on the waiting list to be given a subsidized unit in a co-op for four years. When units come up, they cannot be given to the people who need them the most because they do not have any more subsidy money.

There is also a problem with co-ops in Toronto which want to renovate. Here we have, you might say, housing stock which is not totally deteriorated but needs fairly substantial renovations. Renovations cost money and the maximum unit prices which are allowed by CMHC are set too high. In order to purchase a house and do the necessary renovations, they go beyond the limits. So we have co-ops which are doing excellent work, which would like to expand, but because of the rules as they are at present, they are simply not able to do so. Certainly, those artificial limits which prevent the expansion of really well functioning co-ops should be looked at again.

The Liberal motion before us shows a certain amount of concern and goodwill. However, I do not think it is all that well thought out in terms of policy. I do not agree that the focus should be only on this core needy group. I think the Liberals themselves have a great deal to answer for in the inadequate housing stock we now have in Canada. The decline of activity in CMHC did not start as of September 4, 1984. It started under the Liberal Government. The enormous disparities in support by way of tax concessions to better off people and direct grants to lower and middle income groups through social housing began under the Liberals. It was not invented by the Conservatives, although they are happy to continue it and obscure the fact that public money is going to subsidize the wealthy. They are happy about that. They like the ability to be able to say that we have to gear money to the needy because they have hidden away their much larger grants through a subsidy system in tax exemptions. The Conservatives are happy with this situation but they did not invent it. The Liberals invented it.

The refusal to develop a real national housing strategy which treats housing as a right, puts need first and devises a system to meet needs, is a Liberal as well as a Conservative fault. The fact that more than a million Canadians are inadequately housed did not just happen since the last election. It is not just a problem of this Government. It has been a growing problem. There has been neglect over a long period of time and the Liberals themselves must bear some of the responsibility.

Rather than the motion we have before us today, I would much prefer the approach taken by my colleague, the Hon. Member for Spadina (Mr. Heap) who has argued very positively for an alternative strategy, one which would put the needs of Canadians first and which would outline how we reach the needs of the more than a million Canadians who are inadequately housed. There would be a direct building program and rehabilitation of substandard housing. We should have a plan so that, over the next five years, 500,000 units could be provided. We would, in short, take the very serious needs for housing as a problem which deserves concerted attention. We would devise a strategy and would treat it as we have other areas such as medicare and public education. These are now recognized as rights. One does not have to be poor and needy and pass a means test in order to qualify for consideration of those rights. We should really treat the housing situation as a high priority and devise strategies accordingly.

I would far prefer to support that kind of constructive, aggressive, creative and far more imaginative approach. I think that is the kind of approach the seriousness of this problem deserves. I think that is the kind of discussion we should be having in this House, not this much more narrow focus on a defined group of core needy people, totally ignoring the fact of enormous subsidies going through a completely different system which is handily shoved aside and not discussed at the same time. This kind of disproportion is unfortunate and means we do not see where the resouces might be to bring to bear on the really serious problem of people who do not have adequate housing while so much public money is going to those who can really afford to pay for it themselves.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I wish to thank my colleague, the Hon. Member for Hamilton East (Ms. Copps), for introducing an opposition motion which gives us the opportunity to discuss housing policy in Canada. It is not frequent enough that we have this chance to talk about a national housing strategy. I believe it is the first opportunity we have had since the new Government took office in September of 1984.

• (1610)

I want to argue that in the devising of any such national housing strategy there would have to be a major section which would deal with the right of adequate housing in the Indian communities of Canada. I enter this debate because I think it would be a seriously incomplete debate without reference to housing in the Indian communities of the country. I am confused by the thesis of the Hon. Member for Calgary West (Mr. Hawkes) that many of the sociological problems in Canada are related to the L-shaped livingroom. That may or may not be a valid thesis. However, I can tell him that the L-shaped living room is not the problem at all in the Indian communities of the country. In most cases the problem is a one-room shack occupied by more than one family. That is the problem I wish to address now.

It is well known that housing in the Indian communities across Canada is generally deplorable. In fact, it is probably a national disgrace. In the past, federal government housing programs for Indian people produced structures which did not meet national standards. In fact, if those houses had been built in non-Indian communities, many of them would have failed the local building codes and would have been rejected. It is true that at the present time new houses being built in Indian communities are supposed to meet national housing standards. I seriously doubt whether those standards are being adhered to in all cases.

Hon. Members may be aware that many Indian communities are located in isolated regions of the country where the climate tends to be extraordinarily severe. In many cases the Department of Indian Affairs and Northern Development has permitted these communities to develop on what can only be described as marginal land. For example, I could take Members to communities which are located in swamps where to move from one residence to another one must go along a boardwalk. To fall off that boardwalk would be to put your personal safety in jeopardy.

There are other cases of communities which have been allowed to develop on flood plains. During spring break-up it is quite shocking to see massive pieces of ice weighing several tonnes forced into the very heart of the community, pushing structures aside and crumbling them in their progress. A recent example of this would be the community of Fort Albany on the west coast of James Bay which was flooded last spring. I helicoptered into that community and saw that it had been totally demolished. The same thing happened this spring on the shore of Hudson Bay in northern Ontario where the community of Winisk was totally wiped out. Houses were pushed far out into Hudson Bay, some five or six miles from where the community had originally been established. For years the chief, with the support of his people, has been urging the federal Government and the Government of Ontario to get together and assist them in a relocation plan. The Governments will now be forced to do that.

You will recognize immediately, Mr. Speaker, that when homes are built in these marginal lands which I have described home maintenance becomes very difficult. The environment leads to the rapid decay of these inadequately built structures. The elements of nature which I have described wreak havoc, destruction, and sometimes death. In the Nielsen task force report on Indian programs it was suggested that these people really have no business living in these kinds of places anyway. Why do they not live where the rest of Canadians live, crowded along the U.S. border in urban centres? Why do they choose to live in the outer regions of northern Ontario and beyond that?

Surely in a free society we recognize the right of choice. These people choose to live in that general region, although not always on the sites where the Department of Indian Affairs said they will live. This is where they feel at home. This is where they claim that the land is in fact theirs. I personally regard it as essential to our Confederation that these people do tend to occupy areas considered inhospitable and uninviting by other Canadian people. These areas, as well, are an important part of Canada.

That is why it is vital that as quickly as possible we incorporate these people into our Confederation. We must make them believe that they are active partners and participants in our Confederation instead of being extraneous subjects of the Crown or wards of the state. It is absolutely vital that we come to recognize the rights of the first citizens of the country, to recognize aboriginal rights and title to specified lands. We must recognize the right to self-governing institutions.

A few years ago the Standing Committee on Indian Affairs formed itself into a special committee and took one year of its time to look into all aspects of Indian policy in the country. During the course of that study the committee had to wrestle with an extraordinarily difficult concept called the trust relationship. If Members of Parliament and other Canadians do not understand that concept, it is certainly no judgment of them because it is difficult to grasp, appreciate and understand. Briefly, the special committee came to the following conclusion about the trust relationship. It said that while rejecting the view that Indian nations or peoples are wards, the committee agrees that the federal Government has an obligation to act in the best interests of First Nations and to act as those interests are perceived by the Indian people themselves.

If you live in an isolated community with a harsh climate you will recognize immediately that one of those interests must be that of housing. Rarely do I visit an Indian community in my own constituency or in any other part of Canada and meet with the chief and council when the subject of housing is not brought forward as a high priority item.

This year's Estimates of the Department of Indian Affairs and Northern Development make the point that schools and houses are two of the most significant types of capital works projects funded through the Department. I will quote from the Estimates to give you an idea of how the Department itself sees the housing situation. I quote from the overview of the Department in the Estimates for this year as follows:

In June of 1985 an evaluation of the on-reserve housing program estimated that about three-quarters of all existing houses are inadequate in the sense that they fail to meet some basic standards of safe and decent housing.

While just over 2 per cent of the Canadian population lives in crowded conditions, 36 per cent of Indian households were found to be overcrowded.

By the way, that is a very conservative estimate of the Department. The Nielsen report places that estimate much higher, at 50 per cent. The document goes on to say that since 1977 there have been certain significant improvements in over-all levels of housing. For example, the Department's program has been able to effect a reduction in the level of over-crowding of on-reserve housing with the average number of people per house dropping from 6 to 5.1. I just want to remind Hon. Members that the Canadian average is 2.9. That is a startling difference.

• (1620)

The particular part of the Estimates I am referring to says:

Proposed changes to meet the continued and urgent need for on-reserve housing are currently under review.

That is good, but they need to become part of an over-all national housing strategy. More than that, with reference to the speech of the previous speaker about the right to adequate housing, when you talk about housing for aboriginal people the concept of "right" is certainly driven home and becomes central to the debate.

While the Nielsen report on native programs to which I have already referred draws certain conclusions which I personally cannot share or support, the statistical description of the situation in Canada is very helpful. Perhaps it is the only helpful part of the report. Let me advise Members, who probably have not read this particular document, that on-reserve housing continues to be among the poorest in Canada. Of 46,500 units, an estimated 11,000 are in need of major renovations. One in three houses is over-crowded with more than one person per room. An estimated 10,000 new housing units are required to meet the backlog created by more than one family living in a house. In addition, 2,400 new units are needed each year to keep pace with new family formation. That does not take into account new demands resulting from reinstatement. That refers to people who, under an Act passed by Parliament, namely, Bill C-31, have had restored to them their rights previously taken away and are returning to their communities. There is an editorial note in the Nielsen report with respect to these kinds of conditions. It says that over-crowding is blamed for contributing to such social problems as marriage breakdown, alcoholism, child abuse and delinquency.

The communities themselves are such that the level of services and adequacy of infrastructure is seriously behind what is generally accepted as the norm in the rest of the country. For example, fewer than 50 per cent of Indian houses are fully serviced with sewers and water. That compares to a national average of 90 per cent. The result of this kind of poorly serviced housing leads to some very major health problems. It is also a contributing factor to the high rate of infant mortality among Indian people. That rate, by the way, is 66 per cent higher than the national rate. It is attributed to respiratory ailments, infectious and persistent diseases, all related to poor housing and a lack of sewage disposal as well as potable water.

I indicated that the Nielsen report gives us a snapshot of conditions, but then it makes this rather amazing and gratuitous comment. It says:

The federal government is under no legal obligation either through the Constitution or through treaties to provide housing for Indians and Inuit—

That is exactly where the Special Committee on Indian Self-Government parts company with the so-called Nielsen report on Indian programs. I repeat again the view of the special committee. It said that the federal Government has an obligation. It has an obligation to act in the best interests of Indian First Nations as those interests are perceived by Indians themselves. That is a definition of the trust relationship that I described earlier as being very difficult to understand.

I would like to take a little time to advise the House of the basis for that obligation. This is the way it came to be perceived by members of the special committee after more than a year of careful study. We had to look at the historical reality in this country. When explorers and settlers arrived in this part of North America, they did not come to an unoccupied continent, not at all. For thousands of years prior to European exploration and colonization, North America was inhabited by many different indigenous peoples organized into political entities and groupings. When the Europeans encountered these different North American peoples, it was natural for them to apply a term common in Europe at that time. They described these different separate peoples as nations. I know that gives modern Canadians some difficulty, but it has a good and sound historical basis. The Royal Proclamation of 1763, which became the *modus operandi* for colonial policy in dealing with indigenous peoples, referred to "the several nations or tribes of Indians with whom we are connected".

I now come back to the obligation. The obligation flows from the relationship established at that time. It was a government-to-government relationship. It is true that the Governments were somewhat unequal in their strength and power, but it was government-to-government. Governments from abroad, particularly the Government representing the Crown of Great Britain, assumed these obligations in exchange for rights, such rights as the use of land and the right to build the society we now enjoy. It is history which has imposed this obligation upon us. It is not really a decision which can be made by this Parliament or Government. It is an obligation imposed upon us by history. I have argued, argue now, and will continue to argue that no nation can wash its hands of its own history.

When we come to talk about housing policy and the inadequacy of structures in Indian communities today, what is the answer? Obviously if we want to have our feet solidly based on the historical obligation imposed upon us, then we must renovate the treaties. We may want to incorporate in

those treaties the right to adequate housing, housing that promotes family health and well-being. We will certainly want to settle the outstanding native claims in this country, be they special claims where treaties already exist, or be they comprehensive claims where there are no treaties. We would certainly want to recognize aboriginal title, especially where there has been no transfer of land. We would want to get on with the job of defining what aboriginal rights really are. We would want to say that the first citizens of this country certainly have a right to live in communities comparable to the quality of life enjoyed by Canadians elsewhere.

The Nielsen report said we had already gone too far in this direction and we were creating modern suburbs in the northern bush. I do not know whether you have ever seen those modern suburbs in the northern bush, but the ones I have seen can hardly bear that description.

In conclusion I want to say that where self-government institutions have been put in place, such as among the James Bay Cree in northern Quebec, among the Naskapis, the northern Quebec Inuit, where they have their own housing authority, there is a remarkable difference between that which has been done by the Department and that which these people are doing for themselves.

• (1630)

To me that demonstrates that self-government can bring about a transformation in life style, be it economic, health care, education or housing, which is markedly different from that which has gone on through the paternalistic, colonial approach which has been the pattern up to the present time.

[*Translation*]

The Acting Speaker (Mr. Cadieux): Questions and comments. Debate. The Hon. Member for LaPrairie (Mr. Jourdenais).

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, since I welcome this opportunity to speak in this debate, especially since you are in the Chair today. And I am glad to have a chance to clarify for the House the matter of income ceilings for "core need" and explain the whys and wherefors of these ceilings.

The House is aware that our new national housing strategy is the result of serious reflection and the numerous submissions received and meetings held in the past year and a half. This has meant that we were able to consider the positions of all Canadian groups connected with the housing sector, since before giving a new direction to its housing policy, the Conservative Government first wanted to be informed of the views of a wide variety of groups and subsequently reach a consensus. It felt it was necessary to have the participation of provincial and territorial authorities, as well as the groups directly or indirectly concerned, in order to make enlightened and effective decisions.

The Minister responsible for the Canada Mortgage and Housing Corpopration and his Parliamentary Secretary (Mr. Price) met with a number of groups, including the National Anti-Poverty Organization, the *Association québécoise de l'habitation*, commonly referred to as *Le Front d'action populaire en réaménagement urbain* or FRAPRU, groups representing the aged, the National Advisory Council on Aging, the handicapped, the Coalition of Provincial Organizations of the Handicapped, native people, the Native Council of Canada, the Assembly of First Nations Métis organizations. Perhaps I may say, in passing, that for 20 months they have been telling us the Conservative Government does not consult.

There were also organizations representing the construction industry, the financial sector, cooperative housing and municipalities. To name a few: the Canadian Home Builders' Association, the Canadian Bankers' Association, the credit unions, the Canadian Cooperative Credit Society, the Cooperative Housing Foundation, and finally, the Federation of Canadian Municipalities and the Canadian Association of Housing and Renewal Officials. In all, about 35 groups were consulted, although to hear the Opposition, you would think we never consulted anyone.

The list is not exhaustive, but I think it gives an idea of the wide range of groups we consulted. The Government wanted the study to be open, balanced and thorough, and that is what it was.

To start the process, last year the Minister tabled in the House a Consultation Paper on Housing designed to stimulate debate and provide a focus for discussion. Eight thousand copies of this document were distributed, most of them on request I might add. The Minister received more than 300 replies from across the country, briefs and letters which proved to be of great help to proceed further with the review.

This intergovernmental process was launched here in Ottawa at the end of 1984 when the federal Minister played host to a conference of provincial housing Ministers. They came to the conclusion that the provinces and the central Government share some responsibilities in housing, and that co-operation between the two levels of Government is a must if we are to find practical solutions to the housing crisis.

This policy review and the previous consulations focused on some of the major objectives the Minister has in mind with respect to the federal policy. Among other things, we need to reach a national consensus on the appropriate objectives of federal housing policies and programs, and to design projects aimed at eliminating regional disparities and targeting federal assistance to those who need it most. In this respect I might point out that provincial participation is an integral part of the new strategy.

The provinces and the territories were directly involved in these consultations. Their views and concerns were taken in consideration when we drafted the policy and took steps to improve existing programs.

I would like to emphasize that the increased provincial participation represents a real change in our social housing policy. Cooperation in the field of social housing reflects a real improvement in federal-provincial relations compared with the situation in the past, especially under the Liberal Government.

To reduce administrative costs and the duplication of efforts, as well as to increase the total of provincial contributions to social housing, the Government has offered the provinces a larger role.

I would like to state categorically, Mr. Speaker, that our new initiatives do not mean that the federal Government wants to relinquish to the provinces its obligations in the field of social housing. The provinces will implement the programs, but certain clearly stated conditions will apply.

Under the new agreements, the provinces will have to increase their financial contributions. In addition, we are undertaking the joint triennial planning of social housing strategies. We shall thus guarantee that the objectives of the federal Government and the need for accountability are met.

Until now, we have signed umbrella agreements with eight provinces and I expect the other provinces and territories to follow suit in the near future.

We have not found any easy answers to the basic housing problems facing the Governments, but consultation with the provinces and various interest groups has resulted in a consensus on future strategies and action for the federal Government.

Public spending must benefit the most disadvantaged, as we all agree, especially on the side of the Government. We estimate that about one million families in Canada cannot find decent and affordable housing. The needy groups include senior citizens, single parent families, families with children, the working poor, the handicaped and the native people. In view of the extent of housing needs in this country, without forgetting the always present requirement to restrict public spending, we must obviously do more with the same resources for needy families.

The previous housing programs have surely enlarged the housing bank to which almost all classes in our society can aspire, but they had serious disadvantages, especially their high cost so that very few low income Canadians with core needs were in a position to take advantage thereof. Such a procedure is ineffective and inefficient.

Essentially, there are three ways to help low income households find a home. Housing can be built or purchased, some financial assistance can be provided to allow households to pay current rents or repair cheap and deteriorated houses so that they will meet minimum health and security standards.

Those three solutions must be implemented together, as it is clearly shown by the consideration of housing needs throughout the country and on various markets. What can tip the scales in favour of any one or the three solutions is the local market situation, the conditions of real estate bank in some areas and the needs of certain classes requiring a special kind of housing, for example, older citizens and groups with social problems.

Consequently, to implement the most efficient solution to meet the needs of low income Canadians, much flexibility is required at the regional level. A national housing policy would allow us to use those tools or solutions throughout the country with different arrangements according to the circumstances. He must recognize that housing problems and the ways of addressing them in the Atlantic Provinces or Quebec may not be the same as those used in Ontario or British Columbia. It would be naive and simplistic to pretend otherwise.

This is why income thresholds established for "core needs" recognize the significant differences between Canadian cities where housing markets are concerned.

The costs of housing accommodations of adequate size and quality are not the same in Vancouver, Montreal or Toronto. The differences have to be reflected in the requirements for program eligibility.

This Government felt it had to develop a new package of social housing programs to include a number of major changes to non-profit housing programs, rent supplement programs, RRAP, the Residential Renovation Assistance Program, and rural and native housing programs.

Those changes are all aimed at reaching the same goal; to direct available assistance to the one million Canadians who have housing core needs, thanks to the fixed income thresholds set for the core need group and the provincial contributions now being negotiated. The new social housing programs will manage to help almost twice as many low-income families as before. Of course, social housing programs will be diversely combined in different areas of the country according to the housing needs to be met, to the housing accomodations offered by the private sector, and to the social needs to be covered.

I would like to point out another aspect concerning the implementation of those programs. The new strategy is designed to avoid creating low-income ghettos. Directing social housing assistance to needy families does not mean a return to large concentrations of public housing. The definition of needy families is broad enough to cover a wide income bracket.

One way to avoid low-income ghettos is to use small, scattered housing projects and to use the renovation rent supplement to encourage income integration.

It is important, and we are fully conscious of the fact that people living in social housing should not be isolated. And we are targetting our programs with that requirement in mind. Finally, some provinces, especially Ontario and Quebec, will earmark funds to add to housing projects for people not subjected to means tests.

Mr. Speaker, I would add in concluding that those programs take into consideration the concerns and suggestions made by the Provinces and various groups in the housing sector in the course of our consultations. They are not the result of an

unilateral action taken by the Government, but they convey the new national consensus. Finally, the ceilings on fixed income for core needs allow the Government to make sure that its assistance will be beneficial in the first place to Canadians who are really needy.

Mr. Deputy Speaker: Questions and comments. The debate resumes with the Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity to speak this afternoon to the motion moved by my hon. friend from Hamilton East (Ms. Copps), which in fact condemns the Conservative Government for its poor housing policies.

The Minister responsible for housing in Canada (Mr. McKnight) tabled a Consultation Paper on Housing in January 1985, and in a speech he made today, before the Cooperative Housing Foundation here in Ottawa, he recalled the Government's three main objectives with respect to housing. This afternoon the Minister said: "I have identified a number of fundamental principles, as follows. First, programs must take into account the need for reducing the deficit. Second, assistance must be aimed at those who need it most. Third, outside the public sector, others must help solve these problems'."

• (1640)

I say that the Minister's three principles are absolutely out of place and irresponsible, because the truth of the matter is that the Minister, who is also the Minister of Labour, should be defending the rights of our workers, of people on low incomes and the neediest in this country. He should not let his department participate in the Conservative Government's brutal efforts to reduce the Canadian deficit. In fact, he should be demanding additional funding for his department, for the housing sector.

How can we take these objectives seriously, when the Minister who is supposed to be the Government's main spokesperson for housing and who should be the first person to demand additional funding for subsidized housing in Canada, how can we take him seriously when he tells us that his guiding principle is to reduce the Canadian deficit? It does not make sense. It does not make any sense, coming as it does from one of the few Conservative Ministers who should have a social conscience.

Second, he tells us that assistance must be directed towards those most in need. Of course! However I have here a newspaper clipping expounding the Minister's thoughts when he tabled his policy in Parliament: "The Minister indicated that the Government will offer a series of new social housing programs exlusively for needy households, meaning people who cannot find housing at reasonable prices on the private sector market. Statistics reveal that about one million Canadian households cannot find decent housing at reasonables prices."

The direct result of the new definition found by the Government will be the development of the ghettos mentioned by the previous speaker. The worst thing that was done to help social housing was to pile all the low-income families one on top of the other and force them to live together. Eventually, this brought about a whole series of unforeseen social problems.

These mistakes made in the fifties were corrected, first during the sixties, but mostly during the seventies. However, it seems that the Minister is trying to reinvent the wheel in 1986 by bringing back social assistance exclusively for the neediest, who will then be regrouped in ghettos of low-rental housing where health conditions are often deplorable.

I maintain that the previous Government had attempted to come up with a healthy mix of families with various levels of income. Co-operative housing in particular allowed people with somewhat higher incomes to form co-operative groups which would offer housing to low-income families, but also to middle and even higher income families.

In my opinion, this healthy mix is absolutely essential if we want to solve the problems of the neediest in our society and allow them to live decently without other people pointing them out as "the poor who live in subsidized housing".

Now, the policy of this Conservative Government, and its second goal which is to have help provided exclusively to those people most in need, will lead us back to the worst arrangements of the 50s, and I do not want us to relive the sad experiences with the Dozois Plan, for instance, in Montreal East in the early 50s. This is something that must be avoided at all costs in our future housing policies.

The last principle laid out by the Minister is that other people outside the federal Government must work at solving those problems. A tall order! This means that in fact, in this area, in the area of housing as in so many others, this Tory Government, obsessed by its desire to reduce the deficit, is passing the buck, especially to provincial and municipal Governments who will be expected to solve the housing problem in Canada. This in my view is an unfortunate abdication of his responsibilities by the Minister in charge of housing in Canada. I submit he is remiss, he fails to meet the expectations a great number of Canadians had in this Tory Government during the last elections. And again I say the Conservative Party has betrayed Canadian voters by not honouring their commitments because, in fact they promised they would increase housing funds. But the figures are quite clear, Mr. Speaker. I have here the English text of a document issued by the Canadian Mortgage and Housing Corporation, from which I quote:

• (1650)

[*English*]

The Canadian Housing Statistics recently released by CMHC reveal the direction in which this government is going; funds authorized under the National Housing Act by the Liberals and by the Conservatives are as follows:

This is not a document submitted by the Liberal Party. It is a document submitted by the Canada Mortgage and Housing Corporation. For 1984, public housing loans amounted to $2.4 million. In 1985, the figure was $.7 million—more than $1.5 million was cut.

In the area of federal-provincial housing the amount of money spent in 1984 was $128.1 million. In 1985, it was only $77.4 million. Again, another cut by the Conservative Government.

In relation to residential rehabilitation loans, the amount spent in 1984 was $189.4 million, while in 1985 the figure was $127.5 million. Another cut by the Conservative Government.

In relation to housing research in 1984 some $26.9 million was spent by the then Government. In 1985, the figure was $22.8 million. Again, another cut by the Conservative Government.

With respect to residential rehabilitation grants, some $202.3 million was spent in 1984 and only $159 million was spent in 1985. Again, a substantial cut by the Conservative Government.

[*Translation*]

When you think, Mr. Speaker, that only in the province of Quebec some 200,000 households presently live in inadequate dwellings, when you think that just in the province of Quebec only 50,000 dwellings are supposed to meet the needs of elderly people and needy families, and when you drive through Quebec and in particular when you visit the various Montreal districts, you realize how pressing, how urgent the need is for adequate housing for low income families and mostly for elderly and lonely people. However, the Minister is telling us that his first goal is to help reduce the federal deficit, his second one to help just a few, and his third one to ask others to assume the responsibilities that he should be assuming himself. I therefore submit that elderly Canadians have been betrayed by the Conservative Government and that the program of housing starts for elderly people, particularly in such a community as Montreal, is absolutely essential and should be extended and increased. And if on the one hand I am pleased that the Canadian Government and the Quebec Government reached an agreement on social housing, I am on the other hand concerned by the new standards applied to people with incomes below the poverty line, incomes that you can hardly live on, on which you cannot afford to live decently, but merely to survive. We are now realizing that the policy of the Conservative Government consists unfortunately in denying those people the help that they used to get from the former Liberal Government. Countless Canadian families which would have qualified for residential rehabilitation assistance will be denied those subsidies that they used to be entitled to because the Conservative Government decided to involve them in reducing the Canadian deficit in spite of the dire housing needs of Canada.

We have the views of a Canadian personality who is neutral, who is not involved in politics. They will help us all reflect on this. I am referring to the comments made by the Bishop of Gatineau-Hull, Mgr. Adolphe Proulx, who recently had very harsh words against the intention of the Canadian Government, the Tory Government to reduce social housing programs. He is wholeheartedly supporting the *Front commun sur le logement social*, which includes 85 community groups from all Quebec areas.

The Hon. Member for LaPrairie (Mr. Jourdenais), who was faithfully reading from a text prepared by an assistant to the Minister, has mentioned that there had been consultation. I wonder if the consultation referred to by the Hon. Member for La Prairie was really fruitful, because 85 community groups from all Quebec areas have condemned the housing policies of the Conservative Government. It was necessary for Mgr. Proulx to denounce publicly the cut-backs in the housing program to show how badly the housing policy of the Conservative Government had failed.

I therefore congratulate my colleague for Hamilton East (Ms. Copps) for having allowed us to discuss this issue today and show once more to the Canadian public that the Conservatives are heartless, that they have money only for the big oil multinationals and that the poorest among us have to pay the cost because this Government cares only for the most powerful members of our society.

[*English*]

Mr. Deputy Speaker: It being five o'clock, it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

[*Translation*]

This House stands adjourned until Monday at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.